



CITY OF ROCK FALLS, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2020



SIKICH.COM

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Rock Falls, Illinois (the City) as of and for the year ended April 30, 2020, and the related notes to 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rock Falls, Illinois, as of April 30, 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.

Emphasis of Matter

The City adopted GASB Statement No. 83, Certain Asset Retirement Obligations, which established standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses for asset retirement obligations; and modified certain disclosures in the notes to financial statements. The City also adopted GASB Statement No. 84, Fiduciary Activities, which established standards for reporting fiduciary funds and modified certain disclosures in the notes to the financial statements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 operations, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, supplemental information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and supplemental information 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 combining and individual fund financial statements and schedules and supplemental information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical section has 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 it.

Sikich LLP

Naperville, Illinois
October 29, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 4,862,861	\$ 21,659,496	\$ 26,522,357
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,993,049	-	1,993,049
Accounts	52,569	1,013,823	1,066,392
Unbilled	19,536	822,214	841,750
Accrued interest	1,710	9,207	10,917
Other	43,089	-	43,089
Inventory	-	1,048,372	1,048,372
Due from other governments	755,032	-	755,032
Internal balances	145,103	(145,103)	-
Restricted assets			
Restricted cash and investments	-	291,725	291,725
Land held for resale	3,314,849	-	3,314,849
Capital assets			
Not depreciated	521,699	2,517,124	3,038,823
Depreciated (net of accumulated depreciation)	7,816,314	52,992,536	60,808,850
 Total assets	 19,525,811	 80,209,394	 99,735,205
DEFERRED OUTFLOWS OF RESOURCES			
Asset retirement obligation	-	29,700	29,700
Pension items - OPEB	89,323	10,149	99,472
Pension items - IMRF	90,722	214,060	304,782
Pension items - Police Pension	1,397,581	-	1,397,581
Pension items - Firefighters' Pension	789,256	-	789,256
 Total deferred outflows of resources	 2,366,882	 253,909	 2,620,791
 Total assets and deferred outflows of resources	 21,892,693	 80,463,303	 102,355,996

(This statement is continued on the following page.)

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2020

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 187,044	\$ 1,900,266	\$ 2,087,310
Accrued payroll	68,437	69,037	137,474
Accrued interest payable	16,156	50,717	66,873
Refundable customer deposits	-	277,823	277,823
Unearned revenue	121,038	-	121,038
Net pension liability - IMRF	48,647	114,782	163,429
Net pension liability - Police Pension	8,867,257	-	8,867,257
Net pension liability - Firefighters' Pension	5,716,401	-	5,716,401
Long-term liabilities			
Due within one year	271,353	1,546,121	1,817,474
Due in more than one year	6,387,167	24,311,430	30,698,597
Total liabilities	21,683,500	28,270,176	49,953,676
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	1,993,049	-	1,993,049
OPEB items	47,288	5,373	52,661
Pension items - IMRF	300,788	709,715	1,010,503
Pension items - Police Pension	187,733	-	187,733
Pension items - Firefighters' Pension	168,656	-	168,656
Total deferred inflows of resources	2,697,514	715,088	3,412,602
Total liabilities and deferred inflows of resources	24,381,014	28,985,264	53,366,278
NET POSITION			
Net investment in capital assets	6,032,754	33,116,443	39,149,197
Restricted for			
Maintenance of streets	641,047	-	641,047
Tourism	960,851	-	960,851
Economic development	60,330	-	60,330
Public safety	77,132	-	77,132
Retirement	405,098	-	405,098
Workers' compensation	227,422	-	227,422
Unrestricted (deficit)	(10,892,955)	18,361,596	7,468,641
TOTAL NET POSITION (DEFICIT)	\$ (2,488,321)	\$ 51,478,039	\$ 48,989,718

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,468,655	\$ 908,387	\$ 125,754	\$ 60,880
Public safety	6,335,974	494,377	27,026	-
Street and highways	1,266,280	28,997	350,851	-
Public property division	185,200	-	-	-
Development	300,601	-	14,205	-
Interest	147,895	-	-	-
Total governmental activities	9,704,605	1,431,761	517,836	60,880
Business-Type Activities				
Water	1,514,209	1,676,532	-	-
Electric	9,861,308	11,828,960	-	-
Sewer	2,794,235	3,395,628	-	281,681
Garbage	519,265	606,239	-	-
Fiber optic broadband	920,581	122,756	-	-
Total business-type activities	15,609,598	17,630,115	-	281,681
TOTAL PRIMARY GOVERNMENT	\$ 25,314,203	\$ 19,061,876	\$ 517,836	\$ 342,561

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (373,634)	\$ -	\$ (373,634)
	(5,814,571)	-	(5,814,571)
	(886,432)	-	(886,432)
	(185,200)	-	(185,200)
	(286,396)	-	(286,396)
	(147,895)	-	(147,895)
	<u>(7,694,128)</u>	<u>-</u>	<u>(7,694,128)</u>
	-	162,323	162,323
	-	1,967,652	1,967,652
	-	883,074	883,074
	-	86,974	86,974
	-	(797,825)	(797,825)
	<u>-</u>	<u>2,302,198</u>	<u>2,302,198</u>
	<u>(7,694,128)</u>	<u>2,302,198</u>	<u>(5,391,930)</u>
General Revenues			
Taxes			
Property	1,767,427	-	1,767,427
Replacement	66,166	-	66,166
Sales and use	2,313,622	-	2,313,622
Telecommunications	141,217	-	141,217
Hotel/motel	240,556	-	240,556
Video gaming	227,075	-	227,075
Cannabis	1,516	-	1,516
Utility	137,484	-	137,484
Shared income tax	1,004,289	-	1,004,289
Investment income	77,953	374,001	451,954
Miscellaneous	243,083	122,450	365,533
Gain (loss) on sale of capital assets	229,781	-	229,781
Transfers in (out)	133,656	(133,656)	-
Total	<u>6,583,825</u>	<u>362,795</u>	<u>6,946,620</u>
CHANGE IN NET POSITION	(1,110,303)	2,664,993	1,554,690
NET POSITION (DEFICIT), MAY 1	<u>(1,378,018)</u>	<u>48,813,046</u>	<u>47,435,028</u>
NET POSITION (DEFICIT), APRIL 30	<u>\$ (2,488,321)</u>	<u>\$ 51,478,039</u>	<u>\$ 48,989,718</u>

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2020

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 1,466,511	\$ 2,855,950	\$ 4,322,461
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,426,060	566,989	1,993,049
Accounts	40,801	11,768	52,569
Unbilled	19,536	-	19,536
Accrued interest	354	1,356	1,710
Other	42,889	-	42,889
Due from other governments	727,549	27,483	755,032
Advances to other funds	607,055	-	607,055
TOTAL ASSETS	\$ 4,330,755	\$ 3,463,546	\$ 7,794,301
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 182,684	\$ 4,360	\$ 187,044
Accrued payroll	61,543	6,894	68,437
Advances from other funds	461,952	-	461,952
Unearned revenue	87,785	33,253	121,038
Total liabilities	793,964	44,507	838,471
DEFERRED INFLOWS OF RESOURCES			
Unavailable grant revenue	105,020	-	105,020
Unavailable property taxes	1,426,060	566,989	1,993,049
Total deferred inflows of resources	1,531,080	566,989	2,098,069
Total liabilities and deferred inflows of resources	2,325,044	611,496	2,936,540
FUND BALANCES			
Nonspendable - advances to other funds	607,055	-	607,055
Restricted for maintenance of streets	-	641,047	641,047
Restricted for tourism	-	960,851	960,851
Restricted for economic development	-	60,330	60,330
Restricted for public safety	-	77,132	77,132
Restricted for retirement	-	405,098	405,098
Restricted for worker's compensation	-	227,422	227,422
Unrestricted			
Assigned for economic development	-	480,214	480,214
Assigned for subsequent years budget	1,398,656	-	1,398,656
Unassigned (deficit)	-	(44)	(44)
Total fund balances	2,005,711	2,852,050	4,857,761
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,330,755	\$ 3,463,546	\$ 7,794,301

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

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

April 30, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 4,857,761
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation of \$12,341,486	8,338,013
Revenues in the statement of activities that do not provide current financial resources are unavailable in the funds	105,020
Land purchased for resale in the governmental funds is not a financial resource and, therefore, is not reported in the funds	3,314,849
Differences between expected and actual experiences, assumption changes and net difference between projected and actual earnings are recognized as deferred outflows and inflows of resources on the statement of net position	
IMRF	(210,066)
OPEB	42,035
Police Pension	1,209,848
Firefighters' Pension	620,600
Net pension liabilities are not financial resources and, therefore, are not reported in the fund financial statements	
IMRF	(48,647)
Police Pension	(8,867,257)
Firefighters' Pension	(5,716,401)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds payable	(1,755,000)
Debt certificates	(2,540,000)
Capital leases	(234,825)
Accrued interest payable	(16,156)
Unamortized bond premium	(124,711)
Compensated absences payable	(418,687)
Total other postemployment benefit liability	(1,585,297)
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>540,600</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (2,488,321)</u></u>

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 4,950,034	\$ 765,600	\$ 5,715,634
Licenses and permits	124,961	-	124,961
Intergovernmental	214,805	434,582	649,387
Charges for services	881,847	-	881,847
Fines and fees	405,671	35,182	440,853
Investment income	31,217	46,736	77,953
Reimbursements	155,147	1,986	157,133
Miscellaneous	32,365	45,712	78,077
Total revenues	6,796,047	1,329,798	8,125,845
EXPENDITURES			
Current			
General government	1,002,905	161,490	1,164,395
Public safety	4,821,110	56,469	4,877,579
Street and highways	740,350	180,991	921,341
Public property division	182,181	-	182,181
Development	3,314,849	300,601	3,615,450
Capital outlay	334,757	-	334,757
Debt service			
Principal	76,666	85,000	161,666
Interest and fiscal charges	96,325	59,955	156,280
Total expenditures	10,569,143	844,506	11,413,649
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,773,096)	485,292	(3,287,804)
OTHER FINANCING SOURCES (USES)			
Transfers in	524,200	500,000	1,024,200
Transfers (out)	-	(890,544)	(890,544)
Proceeds from sale of capital asset	-	229,781	229,781
Issuance of capital lease	234,825	-	234,825
Total other financing sources (uses)	759,025	(160,763)	598,262
NET CHANGE IN FUND BALANCES	(3,014,071)	324,529	(2,689,542)
FUND BALANCES, MAY 1	5,019,782	2,527,521	7,547,303
FUND BALANCES, APRIL 30	\$ 2,005,711	\$ 2,852,050	\$ 4,857,761

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (2,689,542)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	398,171
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(809,865)
Revenues in the statement of activities that do not provide current financial resources are unavailable in the funds	105,020
Land purchased for resale in the governmental funds is not a financial resource and, therefore, is not reported in the funds	3,314,849
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows of resources is not a source or use of a financial resource	(13,921)
The change in the Police Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of financial resources	(760,011)
The change in the Firefighters' Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(586,871)
The change in the total other postemployment benefit liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(69,978)
Some expenses in the statement of activities do not required the use of current financial resources and, therefore, are not reported as expenditures in governmental funds Change in compensated absences	6,239
The increase in interest payable is reported as a increase of expense on the statement of activities	614
The amortizations of premiums is reported as interest expense on the statement of activities	7,794
The proceeds from issuance of capital leases are recorded as an other financing source in the governmental funds but as a liability in the statement of activities	(234,825)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal on the government-wide financial statements	161,666
The addition in net position of certain activities of internal service funds is included in governmental funds	<u>60,357</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (1,110,303)</u></u>

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2020

	Business-Type Activities					Total	Governmental
	Municipal Water	Municipal Electric	Municipal Sanitary Sewerage	Municipal Garbage	Fiber Optic Broadband		Internal Service
CURRENT ASSETS							
Cash and investments	\$ 1,920,150	\$ 13,017,634	\$ 6,055,936	\$ 665,776	\$ -	\$ 21,659,496	\$ 540,400
Restricted cash	-	-	-	-	291,725	291,725	-
Receivables							
Accounts	110,878	629,385	226,931	40,290	6,339	1,013,823	-
Unbilled	87,862	516,813	173,650	34,014	9,875	822,214	-
Accrued interest	309	7,177	1,721	-	-	9,207	200
Inventory	47,322	1,001,050	-	-	-	1,048,372	-
Total current assets	2,166,521	15,172,059	6,458,238	740,080	307,939	24,844,837	540,600
NONCURRENT ASSETS							
Advance to other funds	30,000	421,952	50	10,000	-	462,002	-
Total noncurrent assets	30,000	421,952	50	10,000	-	462,002	-
CAPITAL ASSETS							
Nondepreciable	624,859	-	1,892,265	-	-	2,517,124	-
Depreciable	11,999,083	44,084,243	43,108,601	-	3,305,811	102,497,738	-
Accumulated depreciation	(7,253,006)	(26,815,519)	(15,132,828)	-	(303,849)	(49,505,202)	-
Net capital assets	5,370,936	17,268,724	29,868,038	-	3,001,962	55,509,660	-
Total assets	7,567,457	32,862,735	36,326,326	750,080	3,309,901	80,816,499	540,600
DEFERRED OUTFLOWS OF RESOURCES							
Asset retirement obligation	29,700	-	-	-	-	29,700	-
OPEB items	1,992	5,134	2,098	14	911	10,149	-
Pension items - IMRF	42,015	108,288	44,255	296	19,206	214,060	-
Total deferred outflows of resources	73,707	113,422	46,353	310	20,117	253,909	-
Total assets and deferred outflows of resources	7,641,164	32,976,157	36,372,679	750,390	3,330,018	81,070,408	540,600

	Business-Type Activities					Total	Governmental
	Municipal Water	Municipal Electric	Municipal Sanitary Sewerage	Municipal Garbage	Fiber Optic Broadband		Internal Service
CURRENT LIABILITIES							
Accounts payable	\$ 79,593	\$ 1,603,557	\$ 167,160	\$ 41,381	\$ 8,575	\$ 1,900,266	\$ -
Accrued payroll	13,751	37,682	15,831	109	1,664	69,037	-
Accrued interest payable	5,731	23,148	8,555	-	13,283	50,717	-
Compensated absences, current	6,470	20,740	6,287	21	2,905	36,423	-
Total other postemployment benefit liability, current	1,372	3,537	1,445	10	627	6,991	-
Capital lease, current	-	117,963	-	-	-	117,963	-
Loan payable, current	139,840	-	612,736	-	-	752,576	-
Bonds payable, current	57,506	300,404	83,510	-	190,748	632,168	-
Total current liabilities	304,263	2,107,031	895,524	41,521	217,802	3,566,141	-
LONG-TERM LIABILITIES							
Refundable customer deposits	43,584	119,608	107,580	7,051	-	277,823	-
Advance from other funds	50	-	-	-	607,055	607,105	-
Compensated absences, noncurrent	36,665	117,524	35,629	118	16,460	206,396	-
Total other postemployment benefit liability, noncurrent	33,982	87,584	35,793	239	15,533	173,131	-
Net pension liability	22,530	58,065	23,730	159	10,298	114,782	-
Asset retirement obligation	30,000	-	-	-	-	30,000	-
Capital lease, noncurrent	-	253,912	-	-	-	253,912	-
Loan payable, noncurrent	346,214	-	10,968,842	-	-	11,315,056	-
Bonds payable, noncurrent	927,581	6,146,053	871,591	-	4,387,710	12,332,935	-
Total long-term liabilities	1,440,606	6,782,746	12,043,165	7,567	5,037,056	25,311,140	-
Total liabilities	1,744,869	8,889,777	12,938,689	49,088	5,254,858	28,877,281	-
DEFERRED INFLOWS OF RESOURCES							
OPEB items	1,055	2,718	1,111	7	482	5,373	-
Pension items - IMRF	139,302	359,033	146,725	980	63,675	709,715	-
Total deferred inflows of resources	140,357	361,751	147,836	987	64,157	715,088	-
Total liabilities and deferred inflows of resources	1,885,226	9,251,528	13,086,525	50,075	5,319,015	29,592,369	-
NET POSITION (DEFICIT)							
Net investment in capital assets	4,344,669	12,593,626	17,754,644	-	(1,576,496)	33,116,443	-
Unrestricted (deficit)	1,411,269	11,131,003	5,531,510	700,315	(412,501)	18,361,596	540,600
TOTAL NET POSITION (DEFICIT)	\$ 5,755,938	\$ 23,724,629	\$ 23,286,154	\$ 700,315	\$ (1,988,997)	\$ 51,478,039	\$ 540,600

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Business-Type Activities		
	Municipal Water	Municipal Electric	Municipal Sanitary Sewerage
OPERATING REVENUES			
Billed services	\$ 1,664,135	\$ 11,402,968	\$ 3,325,132
Utility taxes	-	213,135	-
Penalties collected	-	-	29,958
Connection fees	-	36,841	910
Other fees	12,397	176,016	39,628
Total operating revenues	<u>1,676,532</u>	<u>11,828,960</u>	<u>3,395,628</u>
OPERATING EXPENSES			
Personnel			
Salaries	381,653	1,124,485	440,192
Payroll taxes	27,438	82,084	32,333
Payroll benefits	115,602	236,147	118,095
Total personnel	<u>524,693</u>	<u>1,442,716</u>	<u>590,620</u>
Utility expense	86,341	4,941,093	280,956
Commodities	347,433	1,020,786	570,001
Contractual services	14,066	165,905	18,690
Miscellaneous	120,649	786,750	66,545
Depreciation and amortization	374,092	1,268,905	1,009,203
Total operating expenses	<u>1,467,274</u>	<u>9,626,155</u>	<u>2,536,015</u>
OPERATING INCOME (LOSS)	<u>209,258</u>	<u>2,202,805</u>	<u>859,613</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	35,016	227,294	100,835
Reimbursements	13,578	22,780	14,660
Other miscellaneous revenue	-	-	-
Interest and fiscal charges	(46,935)	(235,153)	(68,381)
Loss on sale on asset	-	-	(189,839)
Total non-operating revenues (expenses)	<u>1,659</u>	<u>14,921</u>	<u>(142,725)</u>
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	210,917	2,217,726	716,888
TRANSFERS			
Transfers in	-	12,000	159,890
Transfers (out)	(56,011)	(104,428)	(56,983)
Total transfers in (out)	<u>(56,011)</u>	<u>(92,428)</u>	<u>102,907</u>
CONTRIBUTION	-	-	281,681
CHANGE IN NET POSITION	154,906	2,125,298	1,101,476
NET POSITION (DEFICIT), MAY 1	<u>5,601,032</u>	<u>21,599,331</u>	<u>22,184,678</u>
NET POSITION (DEFICIT), APRIL 30	<u>\$ 5,755,938</u>	<u>\$ 23,724,629</u>	<u>\$ 23,286,154</u>

Business-Type Activities			Governmental
Municipal	Fiber Optic		Activities
Garbage	Broadband	Total	Internal
			Service
\$ 606,239	\$ 122,756	\$ 17,121,230	\$ 1,214,717
-	-	213,135	-
-	-	29,958	-
-	-	37,751	-
-	-	228,041	-
606,239	122,756	17,630,115	1,214,717
2,980	176,318	2,125,628	-
222	30,395	172,472	-
843	27,952	498,639	1,185,336
4,045	234,665	2,796,739	1,185,336
-	-	5,308,390	-
511,860	278,169	2,728,249	-
2,343	37,161	238,165	-
1,017	41	975,002	-
-	210,236	2,862,436	-
519,265	760,272	14,908,981	1,185,336
86,974	(637,516)	2,721,134	29,381
7,492	3,364	374,001	8,376
108	5,578	56,704	-
256	65,490	65,746	22,600
-	(160,309)	(510,778)	-
-	-	(189,839)	-
7,856	(85,877)	(204,166)	30,976
94,830	(723,393)	2,516,968	60,357
-	-	171,890	-
(76,124)	(12,000)	(305,546)	-
(76,124)	(12,000)	(133,656)	-
-	-	281,681	-
18,706	(735,393)	2,664,993	60,357
681,609	(1,253,604)	48,813,046	480,243
\$ 700,315	\$ (1,988,997)	\$ 51,478,039	\$ 540,600

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2020

	Business-Type Activities		
	Municipal Water	Municipal Electric	Municipal Sanitary Sewerage
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,615,866	\$ 10,813,643	\$ 3,277,067
Receipts from interfund services transactions	10,669	686,585	8,607
Payments for interfund services transactions	(188,416)	(269,332)	(341,914)
Payments to suppliers	(351,760)	(6,373,894)	(594,587)
Payments to employees	(507,843)	(1,402,616)	(582,372)
Net cash from operating activities	<u>578,516</u>	<u>3,454,386</u>	<u>1,766,801</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Repayment of loans from other funds	(18,000)	-	-
Repayment of loans made to other funds	-	50,004	18,000
Receipt of loans from other funds	-	-	-
Transfers in	-	12,000	159,890
Transfers (out)	(56,011)	(104,428)	(56,983)
Receipt of other miscellaneous revenue	13,578	22,780	14,660
Net cash from noncapital financing activities	<u>(60,433)</u>	<u>(19,644)</u>	<u>135,567</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	(627,717)	(4,215,707)	(1,708,333)
Issuance of long-term debt	-	508,432	759,624
Principal payments on long-term debt	(167,860)	(459,116)	(1,048,025)
Interest payments on long-term debt	(47,458)	(248,416)	(70,805)
Net cash from capital and related financing activities	<u>(843,035)</u>	<u>(4,414,807)</u>	<u>(2,067,539)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	35,592	239,459	101,370
Net cash from investing activities	<u>35,592</u>	<u>239,459</u>	<u>101,370</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(289,360)	(740,606)	(63,801)
CASH AND CASH EQUIVALENTS, MAY 1	<u>2,209,510</u>	<u>13,758,240</u>	<u>6,119,737</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 1,920,150</u>	<u>\$ 13,017,634</u>	<u>\$ 6,055,936</u>

Business-Type Activities			Governmental
Municipal	Fiber Optic		Activities
Garbage	Broadband	Total	Internal
			Service
\$ 589,595	\$ 116,643	\$ 16,412,814	\$ -
-	-	705,861	1,214,717
(594)	-	(800,256)	-
(515,020)	(327,469)	(8,162,730)	(1,185,445)
(4,114)	(231,151)	(2,728,096)	-
69,867	(441,977)	5,427,593	29,272
-	-	(18,000)	-
-	-	68,004	-
-	607,055	607,055	-
-	-	171,890	-
(76,124)	(12,000)	(305,546)	-
364	71,068	122,450	22,600
(75,760)	666,123	645,853	22,600
-	(237,978)	(6,789,735)	-
-	-	1,268,056	-
-	(185,000)	(1,860,001)	-
-	(161,388)	(528,067)	-
-	(584,366)	(7,909,747)	-
7,492	3,364	387,277	8,459
7,492	3,364	387,277	8,459
1,599	(356,856)	(1,449,024)	60,331
664,177	648,581	23,400,245	480,069
\$ 665,776	\$ 291,725	\$ 21,951,221	\$ 540,400

(This statement is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended April 30, 2020

	Business-Type Activities		
	Municipal Water	Municipal Electric	Municipal Sanitary Sewerage
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 209,258	\$ 2,202,805	\$ 859,613
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	374,092	1,268,905	1,009,203
Changes in assets and liabilities			
Accounts receivable	(44,878)	(315,324)	(90,714)
Other receivables	-	-	-
Inventory	1,769	(64,818)	-
Deferred outflows - pension items - IMRF	156,770	404,052	165,123
Deferred outflows - OPEB	(1,992)	(5,134)	(2,098)
Accounts payable	26,544	336,126	(309)
Accrued payroll	4,029	9,069	5,386
Refundable customer deposits	(5,119)	(13,408)	(19,240)
Compensated absences	10,637	25,403	561
Net pension liability	(223,537)	(576,136)	(235,448)
Total other postemployment benefit liability	(1,991)	(5,130)	(2,097)
Deferred inflows - pension items - IMRF	73,200	188,663	77,101
Deferred inflows - OPEB	(266)	(687)	(280)
NET CASH FROM OPERATING ACTIVITIES	\$ 578,516	\$ 3,454,386	\$ 1,766,801
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	\$ 1,920,150	\$ 13,017,634	\$ 6,055,936
Restricted cash and investment	-	-	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 1,920,150	\$ 13,017,634	\$ 6,055,936
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Cost of capital assets included in accounts payable	\$ 36,678	\$ 884,472	\$ 114,419
Loan forgiveness	-	-	281,681
TOTAL NONCASH TRANSACTIONS	\$ 36,678	\$ 884,472	\$ 396,100

Business-Type Activities			Governmental
Municipal	Fiber Optic	Total	Internal
Garbage	Broadband		Service
\$ 86,974	\$ (637,516)	\$ 2,721,134	\$ 29,381
-	210,236	2,862,436	-
(16,177)	(6,113)	(473,206)	-
-	-	-	-
-	-	(63,049)	-
1,103	71,659	798,707	-
(14)	(911)	(10,149)	-
(394)	(12,098)	349,869	(109)
6	1,664	20,154	-
(467)	-	(38,234)	-
(90)	852	37,363	-
(1,573)	(102,179)	(1,138,873)	-
(14)	(909)	(10,141)	-
515	33,460	372,939	-
(2)	(122)	(1,357)	-
<u>\$ 69,867</u>	<u>\$ (441,977)</u>	<u>\$ 5,427,593</u>	<u>\$ 29,272</u>
\$ 665,776	\$ -	\$ 21,659,496	\$ 540,400
-	291,725	291,725	-
<u>\$ 665,776</u>	<u>\$ 291,725</u>	<u>\$ 21,951,221</u>	<u>\$ 540,400</u>
\$ -	\$ 8,299	\$ 1,043,868	\$ -
-	-	281,681	-
<u>\$ -</u>	<u>\$ 8,299</u>	<u>\$ 1,325,549</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS**

April 30, 2020

ASSETS

Cash and short-term investments	\$	547,035
Investments		
U.S. agency obligations		209,144
U.S. Treasuries		4,441,471
Common stock		1,145,747
Mutual funds		5,204,696
Corporate bonds		2,716,662
Mortgage pools		69,801
Annuities		624,090
Negotiable certificates of deposit		75,783
Receivables		
Accrued interest		48,117
Contributions		5,524
Prepaid expenses		3,078
		<hr/>
Total assets		15,091,148

LIABILITIES

Accounts payable		5,098
		<hr/>
Total liabilities		5,098

**NET POSITION RESTRICTED
FOR PENSIONS**

\$ 15,086,050

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS**

For the Year Ended April 30, 2020

ADDITIONS

Contributions

Employer contributions	\$ 939,876
Employee contributions	<u>289,216</u>

Total contributions 1,229,092

Investment income

Net depreciation in fair value of investments	(421,044)
Interest	<u>827,369</u>

Total investment income 406,325

Less investment expense (35,177)

Net investment income 371,148

Total additions 1,600,240

DEDUCTIONS

Benefits and refunds	1,342,506
Administrative expenses	<u>56,586</u>

Total deductions 1,399,092

NET INCREASE 201,148

**NET POSITION RESTRICTED
FOR PENSIONS**

May 1 14,884,902

April 30 \$ 15,086,050

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Rock Falls, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

a. Reporting Entity

The City is a municipal corporation governed by an elected council under the mayor/council form of government. The City is considered to be a primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity, as Amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units*, and GASB Statement No 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and 34*, since its council is separately elected and fiscally independent. In accordance with these pronouncements, the basic financial statements include all funds for which the City is financially accountable.

Pension Trust Funds

The City's financial statements include the Police Pension Fund and the Firefighters' Pension Fund as fiduciary component units reported as pension trust funds. The City's sworn police and firefighter employees participate in these pension trust funds which function for the benefit of those employees and are governed by a five-member Pension Board of Trustees. Two members appointed by the Mayor, one elected pension beneficiary and two elected police officers constitute the Pension Boards. The City and the pension plan participants are obligated to fund all pension plan costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of the contribution levels. Accordingly, the pension trust funds are fiscally dependent on the City. Separate financial statements are not available for the pension trust funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

The City uses funds to report on its financial position and changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The City utilizes pension trust funds which are generally used to account for assets that the City holds in a fiduciary capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The City reports the following major proprietary funds:

The Municipal Water Fund accounts for the costs related to operations associated with water service. Funding is provided by user fees. Management has elected to report this as a major fund.

The Municipal Electric Fund accounts for the costs related to operations associated with electric service. Funding is provided by user fees.

The Municipal Sanitary Sewer Fund accounts for the costs related to operations associated with sewer service. Funding is provided by user fees.

The Municipal Garbage Fund accounts for the costs related to operations associated with garbage service. Funding is provided by user fees. Management has elected to report this as a major fund.

The Fiber Optic Broadband Fund accounts for the costs related to operations associated with fiber infrastructure. Funding is provided by user fees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

Additionally, the City reports the following proprietary fund type:

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis. These are reported as part of the governmental activities on the government-wide financial statements as they provide services to the City's governmental funds/activities. The City reports two internal service funds: The Health Insurance Fund and the GIS IT Fund.

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due, unless due the first day of the following fiscal year.

Property taxes, sales taxes and telecommunication taxes owed to the state at year end, utility taxes, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The City reports unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet the availability criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflows of resource for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City's proprietary funds consider cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agent, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Property Taxes

Property taxes for 2019 are levied in December 2019 and attach as an enforceable lien on the property on January 1, 2019. Tax bills are prepared by the County and issued on or about May 1, 2020 and August 1, 2020, and are due and collectible on or about June 1, 2020 and September 1, 2020. The County collects the taxes and remits them periodically to the City. Those 2019 taxes are intended to finance the 2021 fiscal year and are not considered available or earned for current operations and, therefore, are reported as deferred/unavailable revenue. The 2020 tax levy has not been recorded as a receivable at April 30, 2020, as the tax attached as a lien on property as of January 1, 2020; however, the tax will not be levied until December 2020 and, accordingly, is not measurable at April 30, 2020.

g. Inventory

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

h. Restricted Assets

Certain cash and investments in the Fiber Optic Broadband Fund is restricted in accordance with the ordinances authorizing the issuance of the alternate revenue source bonds.

i. Prepaid Items/Expenses

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

j. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, storm water and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$2,500 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings, infrastructure and improvements	20-50
Vehicles and other equipment	5-20

k. Compensated Absences

City employees are granted sick leave and vacation days. Vacation days vary by employee and accumulation of vacation days is ordinarily not allowed. However, vacation days are earned in the year prior to their eligibility for use. Upon termination of employment, city employees are paid for any earned, unused vacation days and any accumulated unused sick leave at the rate of two days pay for each ten accumulated unused sick days. The employees receive ten sick days per calendar year. Police employees are allowed to accumulate a maximum of 1,200 hours of sick leave. Upon retirement, the City agrees to provide continued health insurance coverage on behalf of the retired employee equal to the cash value of the accumulated unused sick leave then held by the employee. Firefighter employees are allowed to accumulate a maximum of 1,680 hours of sick leave. Upon retirement, the City agrees to provide continued health insurance coverage on behalf of the retired employee equal to the cash value of the accumulated unused sick leave then held by the employee.

Vested or accumulated vacation related to employees that have retired or terminated at year end but have not yet been paid is reported as an expenditure and a fund liability of the governmental fund that will pay it.

Vested and accumulated vacation of governmental activities and proprietary funds is recorded as an expense and liability as the benefits accrue to employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Interfund Transactions

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

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

m. Interfund Receivables/Payables

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

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

n. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as any gains/losses on refunding are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Deferred Outflows/Inflows of Resources

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

p. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The City Council has the authority to assign fund balance. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned funds and then unassigned funds.

The City has a policy to maintain a minimum unassigned fund balance in the General Fund equal to 45 days of General Fund operating expenditures as determined from year-to-year based upon the fiscal year budget approved by the City Council.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the City's net position is restricted as a result of enabling legislation adopted by the City Council. Net investment in capital assets, represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Use of Estimates

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

2. CASH AND INVESTMENTS

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

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." The deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies: one policy for the City adopted by the City Council and one policy each for the Police Pension Fund and the Firefighters' Pension Fund approved by their respective boards.

The City's investment policy authorizes the City to make deposits in the commercial banks and savings and loan institutions and to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements and The Illinois Funds.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

2. CASH AND INVESTMENTS (Continued)

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are safety (preservation of capital and protection of investment principal), liquidity and yield.

City Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank’s failure, the City’s deposits may not be returned to it. The City’s investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance, evidenced by a written collateral agreement with the collateral held by an independent third party safekeeping agent of the City in the City’s name.

City Investments

The City categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. There are no investments subject to fair value measurement since all of the City’s investments are in non-negotiable certificates of deposit.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. The City’s investment policy limits investments to a two-year maturity.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. The City’s investment policy does not address credit risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the City’s investment policy requires all security transactions that are exposed to custodial credit risk to be processed with the underlying investments held by a third party custodian and held in the City’s name.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

City Investments (Continued)

Concentration of the credit risk is the risk that the City has a high percentage of their investments invested in one investment. The City's investment policy requires diversification of investments to avoid unreasonable risk by limiting deposits in one institution to 50% of the City's deposits unless fully collateralized.

3. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position at April 30, 2020:

GOVERNMENTAL ACTIVITIES

General Fund

Telecommunications tax	\$ 34,452
Use tax	78,936
Sales tax	269,934
Video gaming tax	12,949
Non-home rule sales tax	191,245
Fines	1,631
Fire Protection	33,383
CARES/CURES grant	<u>105,020</u>

Total General Fund 727,550

Nonmajor Governmental Funds

Motor fuel tax	<u>27,482</u>
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Total Nonmajor Governmental Funds 27,482

TOTAL GOVERNMENTAL ACTIVITIES \$ 755,032

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated					
Land	\$ 521,699	\$ -	\$ -	\$ -	\$ 521,699
Total capital assets not being depreciated	521,699	-	-	-	521,699
Capital assets being depreciated					
Land improvements	2,913,972	-	-	-	2,913,972
Buildings	2,531,288	-	-	-	2,531,288
Equipment	4,333,075	242,840	77,724	-	4,498,191
Infrastructure	10,059,018	155,331	-	-	10,214,349
Total capital assets being depreciated	19,837,353	398,171	77,724	-	20,157,800
Less accumulated depreciation for					
Land improvements	486,870	175,513	-	-	662,383
Buildings	1,823,940	74,313	-	-	1,898,253
Equipment	3,903,027	153,557	77,724	-	3,978,860
Infrastructure	5,395,508	406,482	-	-	5,801,990
Total accumulated depreciation	11,609,345	809,865	77,724	-	12,341,486
Total capital assets being depreciated, net	8,228,008	(411,694)	-	-	7,816,314
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET	\$ 8,749,707	\$ (411,694)	\$ -	\$ -	\$ 8,338,013

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 300,549
Public safety	62,435
Streets and highways	443,862
Public property division	3,019
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	\$ 809,865

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
BUSINESS-TYPE ACTIVITIES					
Capital assets not being depreciated					
Land	\$ 980,000	\$ -	\$ 189,839	\$ -	\$ 790,161
Construction in progress	204,711	1,713,906	-	(191,654)	1,726,963
Total capital assets not being depreciated	1,184,711	1,713,906	189,839	(191,654)	2,517,124
Capital assets being depreciated					
Buildings and infrastructure	76,676,706	1,029,813	-	191,654	77,898,173
Improvements other than buildings	13,999,663	4,339,158	-	-	18,338,821
Equipment	5,615,723	645,021	-	-	6,260,744
Total capital assets being depreciated	96,292,092	6,013,992	-	191,654	102,497,738
Less accumulated depreciation for					
Buildings and infrastructure	33,453,099	2,177,558	-	-	35,630,657
Improvements other than buildings	8,864,897	406,811	-	-	9,271,708
Equipment	4,324,770	278,067	-	-	4,602,837
Total accumulated depreciation	46,642,766	2,862,436	-	-	49,505,202
Total capital assets being depreciated, net	49,649,326	3,151,556	-	191,654	52,992,536
BUSINESS-TYPE ACTIVITIES					
CAPITAL ASSETS, NET	\$ 50,834,037	\$ 4,865,462	\$ 189,839	\$ -	\$ 55,509,660

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

BUSINESS-TYPE ACTIVITIES	
Municipal water	\$ 373,792
Municipal electric	1,269,205
Municipal sanitary sewerage	1,009,203
Municipal broadband	210,236
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$ 2,862,436

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

a. Long-Term Debt - Governmental Funds

Long-term liability activity for the year ended April 30, 2020 was as follows:

	May 1	Additions	Reductions/ Refundings	April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation alternate revenue source bonds**	\$ 1,840,000	\$ -	\$ 85,000	\$ 1,755,000	\$ 90,000
Bond premium	132,505	-	7,794	124,711	7,794
Debt certificates*	2,567,000	-	27,000	2,540,000	28,000
Capital leases*	49,666	234,825	49,666	234,825	30,470
Compensated absences*	424,926	57,500	63,739	418,687	62,803
Net pension liability - IMRF	531,318	-	482,671	48,647	-
Net pension liability - Police	8,079,043	788,214	-	8,867,257	-
Net pension liability - Fire	5,351,364	365,037	-	5,716,401	-
Total other postemployment benefit liability*	1,422,913	162,384	-	1,585,297	52,286
TOTAL GOVERNMENTAL ACTIVITIES	\$ 20,398,735	\$ 1,607,960	\$ 715,870	\$ 21,290,825	\$ 271,353

*These liabilities are primarily retired by the General Fund.

**These liabilities are retired by the Downtown Redevelopment Fund.

Long-term liabilities payable from governmental activities at April 30, 2020 comprise the following:

	Total	Current Portion
General Obligation Alternate Revenue Source Bonds \$1,925,000 - General Obligation Refunding Bonds, Series 2016 (alternative revenue sources); due in annual installments of \$85,000 to \$145,000 starting October 1, 2018 through October 1, 2035; interest at 2% to 4%, payable semiannually in April and October.	\$ 1,755,000	\$ 90,000
Debt Certificates \$280,000 Debt Certificates, Series 2012; due in annual installments of \$22,000 to \$30,000 through November 1, 2023; interest at 3.50% to 3.75% payable semiannually in May and November.	113,000	28,000

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

a. Long-Term Debt - Governmental Funds (Continued)

	<u>Total</u>	<u>Current Portion</u>
Debt Certificates (direct placement) \$2,427,000 Debt Certificates, Series 2016; due March 16, 2022; interest at 2.28% through March 2019, three-year Treasury Constant Rate plus 1.50% from March 2019 through March 2022 payable semiannually in March and September.	\$ 2,427,000	\$ -
Capital Leases (direct placement) \$234,825 capital lease for a Schwarze A9 Street Sweeper; due in annual installments of \$37,962 through September 2026; interest at 3.19%.	234,825	30,470
Bond premium	124,711	7,794
Compensated absences	418,687	62,803
Net pension liability - IMRF	48,647	-
Net pension liability - Police Pension	8,867,257	-
Net pension liability - Firefighters' Pension	5,716,401	-
Total other postemployment benefit liability	<u>1,585,297</u>	<u>52,286</u>
TOTAL	<u>\$ 21,290,825</u>	<u>\$ 271,353</u>

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

b. Debt Service to Maturity

The annual requirements to amortize all debt outstanding as of April 30, 2020, are as follows:

Fiscal Year Ending April 30,	Governmental Activities			
	General Obligation Debt		Debt Certificates	
	Principal	Interest	Principal	Interest
2021	\$ 90,000	\$ 58,200	\$ 28,000	\$ 95,758
2022	90,000	56,400	2,457,000	98,601
2023	90,000	54,600	30,000	1,988
2024	95,000	52,750	25,000	938
2025	95,000	50,850	-	-
2026-2030	525,000	207,550	-	-
2031-2035	625,000	93,500	-	-
2036	145,000	2,900	-	-
TOTAL	\$ 1,755,000	\$ 576,750	\$ 2,540,000	\$ 197,285

c. Capital Leases (direct placement)

The City has a capital lease obligation with a total annual payment outstanding for \$234,825 at an interest rate of 3.19%. Future minimum lease payments under the capital lease at April 30, 2020 are as follows:

Fiscal Year Ending April 30,	
2021	\$ 37,962
2022	37,962
2023	37,962
2024	37,962
2025	37,962
2026-2028	75,923
Subtotal	265,733
Less amount representing interest	30,908
TOTAL	\$ 234,825

The cost of such equipment acquired through the capital lease was \$234,825 with an accumulated depreciation of \$13,698 at April 30, 2020.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

d. Pledged Revenue Debt

The City has outstanding bonds with remaining pledges of revenue outstanding. The schedule of pledged revenue is detailed below:

Debt Issue	Pledge Source	Pledge Remaining	Commitment End Date	Pledged Revenue	Principal and Interest Paid	Percent of Pledged Revenue
2016 GO Alternate Revenue Source	TIF Property Taxes	\$ 2,331,750	October 1, 2035	\$ 381,505	\$ 144,950	38%

e. Long-Term Debt - Business-Type Activities

Long-term liability activity for business-type activities for the year ended April 30, 2020 was as follows:

	May 1	Additions	Reductions	April 30	Current Portion
BUSINESS-TYPE ACTIVITIES					
General obligation alternate revenue source bonds	\$ 13,220,000	\$ -	\$ 585,000	\$ 12,635,000	\$ 610,000
Bond premium	352,271	-	22,168	330,103	22,168
Capital lease (direct placement)	47,559	508,432	184,116	371,875	117,963
IEPA revolving loans	12,680,574	759,624	1,372,566	12,067,632	752,576
Net pension liability - IMRF	1,253,656	-	1,138,874	114,782	-
Total other postemployment benefit liability	190,263	-	10,141	180,122	6,991
Compensated absences	205,209	68,391	30,781	242,819	36,423
Asset retirement obligation	-	30,000	-	30,000	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 27,949,532	\$ 1,366,447	\$ 3,343,646	\$ 25,972,333	\$ 1,546,121

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

e. Long-Term Debt - Business-Type Activities (Continued)

Long-term liabilities payable from business-type activities at April 30, 2020 comprise the following:

	Total	Current Portion
General Obligation Alternate Revenue Source Bonds \$2,105,000 - General Obligation Refunding Bonds, Series 2017A (alternative revenue sources); due in annual installments of \$240,000 to \$340,000 starting October 1, 2031 through October 1, 2037; interest at 3.25% to 4.00%, payable semiannually in April and October.	\$ 2,105,000	\$ -
\$2,645,000 - General Obligation Refunding Bonds, Series 2017B (alternative revenue sources); due in annual installments of \$30,000 to \$260,000 starting October 1, 2024 through October 1, 2031; interest at 3.25% to 4.00%, payable semiannually in April and October.	2,460,000	190,000
\$6,475,000 - General Obligation Bonds, Series 2018A (electric system alternative revenue sources); due in annual installments of \$275,000 to \$510,000 starting October 1, 2019 through October 1, 2035; interest at 3% to 4%, payable semiannually in April and October.	6,200,000	285,000
\$1,000,000 - General Obligation Refunding Bonds, Series 2018B (waterworks system alternative revenue sources); due in annual installments of \$50,000 to \$85,000 starting October 1, 2019 through October 1, 2033; interest at 3% to 4%, payable semiannually in April and October.	950,000	55,000
\$995,000 - General Obligation Refunding Bonds, Series 2018C (sewerage system alternative revenue sources); due in annual installments of \$75,000 to \$110,000 starting October 1, 2019 through October 1, 2029; interest at 3% to 4%, payable semiannually in April and October.	920,000	80,000

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

e. Long-Term Debt - Business-Type Activities (Continued)

	<u>Total</u>	<u>Current Portion</u>
IEPA Loans		
\$1,621,986 Illinois Environmental Protection Agency (IEPA) loan payable - water; due in semiannual installments of \$53,749, including interest at 2.905% through April 4, 2022.	\$ 207,411	\$ 102,210
\$20,000,000 IEPA wastewater treatment works loan payable; due in semiannual installments of \$394,615, no interest through May 1, 2031.	8,461,539	384,615
\$5,481,335 IEPA wastewater treatment facility and watermain/lift station loan of which \$4,334,740 is required to be repaid; due in semiannual installments of \$105,806, including interest at 1.25% through March 19, 2032.	2,351,276	182,791
\$654,443 IEPA lift station and sewer rehabilitation loan payable of which \$490,832 is required to be repaid; due in semiannual installments of \$13,610 including interest of 1.25% through November 19, 2031.	302,440	23,512
\$536,590 IEPA drinking water loan payable of which \$379,942 is required to be repaid; due in semiannual installments of \$21,319 including interest of 1.86% through November 19, 2026.	278,642	37,630
\$938,938 IEPA wastewater treatment works loan payable of which \$759,624 is required to be repaid; due in semiannual installments of \$13,213 including interest of 1% through September 5, 2039.	466,324	21,818
Capital Leases (direct placement)		
\$508,432 capital lease for 2 2020 Altec Diggers; due in annual installments of \$136,557 through March 2023, including interest at 5%.	371,875	117,963

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

e. Long-Term Debt - Business-Type Activities (Continued)

	Total	Current Portion
Compensated absences	\$ 242,819	\$ 36,423
Asset retirement obligation	30,000	-
Bond premium	330,103	22,168
Net pension liability - IMRF	114,782	-
Total other postemployment benefit liability	180,122	6,991
TOTAL	\$ 25,972,333	\$ 1,546,121

Fiscal Year Ending April 30,	Business-Type Activities			
	GO Alternate Revenue Source Bonds		Illinois IEPA Loans	
	Principal	Interest	Principal	Interest
2021	\$ 610,000	\$ 459,745	\$ 752,576	\$ 47,435
2022	625,000	439,280	1,143,691	40,635
2023	650,000	417,720	1,042,046	35,081
2024	670,000	394,970	1,045,651	31,476
2025	695,000	370,208	1,049,305	27,822
2026-2030	3,890,000	1,431,407	5,172,181	85,541
2031-2035	4,005,000	680,475	1,747,109	16,532
2036-2038	1,490,000	64,375	115,073	2,877
TOTAL	\$ 12,635,000	\$ 4,258,180	\$ 12,067,632	\$ 287,399

Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon its water wells at the end of its estimated useful life in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated useful life of the water wells is 100 years.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

f. Capital Leases (direct placement)

The City has a capital lease obligation, with a total annual payment of \$136,557, with an interest rate of 5%. Future minimum lease payments under the capital lease at April 30, 2020 are as follows:

Year Ending April 30,	
2021	\$ 136,557
2022	136,557
2023	<u>136,557</u>
Subtotal	409,671
Less amount representing interest	<u>37,796</u>
TOTAL	<u>\$ 371,875</u>

The cost of such equipment acquired through capital lease was \$508,432 with an accumulated depreciation of \$18,158 at April 30, 2020.

g. Pledged Revenue Debt

The City has outstanding bonds with remaining pledges of revenue outstanding. The schedule of pledged revenue is detailed below:

Debt Issue	Pledge Source	Pledge Remaining	Commitment End Date	Pledged Revenue	Principal and Interest Paid	Percent of Pledged Revenue
Illinois EPA Loan - Drinking Water	Water Revenues	\$ 214,698	April 4, 2022	\$ 1,664,135	\$ 107,499	6%
Illinois EPA Loan - Drinking Water	Water Revenues	298,467	November 19, 2026	1,664,135	21,319	1%
Illinois EPA Loan - Treatment Plant	Sanitary Sewer Revenues	8,461,538	May 1, 2031	3,326,042	769,231	23%
Illinois EPA Loan - Treatment Plant	Sanitary Sewer Revenues	2,539,355	March 19, 2032	3,326,042	211,613	6%

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

g. Pledged Revenue Debt (Continued)

Debt Issue	Pledge Source	Pledge Remaining	Commitment End Date	Pledged Revenue	Principal and Interest Paid	Percent of Pledged Revenue
Illinois EPA Loan - Lift Station Rehabilitation	Sanitary Sewer Revenues	\$ 326,632	November 19, 2031	\$ 3,326,042	\$ 13,610	0%
Illinois EPA Loan - Wastewater Treatment Works	Sanitary Sewer Revenues	514,338	September 5, 2039	3,326,042	13,213	0%
2017A GO Alternate Revenue Source	Broadband System Revenues	3,246,025	October 1, 2037	122,136	77,400	63%
2017B GO Alternate Revenue Source	Broadband System Revenues	2,980,630	October 1, 2031	122,136	268,989	220%
2018A GO Alternate Revenue Source	Electric System Revenues	8,323,600	October 1, 2035	11,439,809	521,600	5%
2018B GO Alternate Revenue Source	Water Revenues	1,234,625	October 1, 2033	1,664,135	86,500	5%
2018C GO Alternate Revenue Source	Sanitary Sewer Revenues	1,108,300	October 1, 2029	3,326,042	109,625	3%

6. DEFINED BENEFIT PENSION PLANS

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

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police Pension Plan and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2019 (the measurement date), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	28
Active employees	<u>47</u>
TOTAL	<u><u>129</u></u>

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended April 30, 2020 was 7.84%.

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Asset valuation method	Market value

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

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2019	\$ 16,988,613	\$ 15,203,639	\$ 1,784,974
Changes for the period			
Service cost	278,949	-	278,949
Interest	1,208,962	-	1,208,962
Difference between expected and actual experience	(44,789)	-	(44,789)
Changes in assumptions	-	-	-
Employer contributions	-	199,793	(199,793)
Employee contributions	-	127,710	(127,710)
Net investment income	-	2,878,880	(2,878,880)
Benefit payments and refunds	(905,499)	(905,499)	-
Other	-	(141,716)	141,716
Net changes	537,623	2,159,168	(1,621,545)
BALANCES AT DECEMBER 31, 2019	\$ 17,526,236	\$ 17,362,807	\$ 163,429

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset) (Continued)

Net pension liability was reported as follows in the statement of net position:

Governmental activities	\$ 48,647
Business-type activities (proprietary funds)	<u>114,782</u>
TOTAL NET PENSION LIABILITY	<u>\$ 163,429</u>

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

For the year ended April 30, 2020, the City recognized pension expense of \$499,613.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ 106,158	\$ (106,158)
Changes in assumption	208,863	153,149	55,714
Net difference between projected and actual earnings on pension plan investments	-	751,196	(751,196)
Contributions after measurement date	<u>95,919</u>	<u>-</u>	<u>95,919</u>
TOTAL	<u>\$ 304,782</u>	<u>\$ 1,010,503</u>	<u>\$ (705,721)</u>

Net deferred outflows of resources was reported as follows in the statement of net position:

Governmental activities	\$ (210,066)
Business-type activities (proprietary funds)	<u>(495,655)</u>
NET DEFERRED OUTFLOWS OF RESOURCES	<u>\$ (705,721)</u>

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

\$95,919 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Fiscal Year Ending April 30,	
2021	\$ (278,222)
2022	(229,303)
2023	66,427
2024	<u>(360,542)</u>
TOTAL	<u>\$ (801,640)</u>

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 of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 2,413,690	\$ 163,429	\$ (1,695,520)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the board are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At April 30, 2020, the measurement date, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	19
Inactive plan members entitled to benefits but not yet receiving them	4
Current employees	<u>23</u>
 TOTAL	 <u><u>46</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 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% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 100% of the past service cost for the Police Pension Plan. For the year ended April 30, 2020, the City's contribution was 34.86% of covered payroll. The City's policy is to fund 100% of the actuarially determined contribution.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts.

The Fund's investment manager establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Corporate Bonds	5%	1.40%
Domestic Equity	34%	6.75%
International Equity	11%	6.40%
Fixed Income	50%	0.90%

The long-term expected real rates of return are net of a 3% factor for inflation. 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.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Concentrations

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

Investment Rate of Return

For the fiscal year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 1,635,116	\$ 160,970	\$ 1,070,746	\$ 403,400	\$ -
Corporate bonds	1,880,405	150,225	1,471,184	258,996	-
Negotiable certificates of deposit	75,783	-	75,783	-	-
Mortgage pools	34,064	-	4,455	1,871	27,738
TOTAL	\$ 3,625,368	\$ 311,195	\$ 2,622,168	\$ 664,267	\$ 27,738

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk (Continued)

The Fund has the following recurring fair value measurements as of April 30, 2020: The common stock and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. Treasury obligations, negotiable certificates of deposits, corporate bonds, mortgage pools and municipal bonds are valued using quoted matrix pricing models (Level 2 inputs). The annuities valuation methodology is unobservable and significant to the fair value measurement (Level 3 inputs).

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. The Fund's investment policy does not address credit risk. The Fund's investment in corporate bonds are rated at BBB+ to AA+ by Standard and Poor's.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2019	\$ 15,558,906	\$ 7,479,863	\$ 8,079,043
Changes for the period			
Service cost	380,337	-	380,337
Interest	1,022,084	-	1,022,084
Benefit changes	30,852	-	30,852
Difference between expected and actual experience	316,061	-	316,061
Changes in assumptions	(48,274)	-	(48,274)
Employer contributions	-	523,580	(523,580)
Employee contributions	-	209,997	(209,997)
Net investment income	-	179,269	(179,269)
Benefit payments and refunds	(769,698)	(769,698)	-
Administrative expense	(31,858)	(31,858)	-
Net changes	899,504	111,290	788,214
BALANCES AT APRIL 30, 2020	\$ 16,458,410	\$ 7,591,153	\$ 8,867,257

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2020 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2020
Actuarial cost method	Entry-age normal
Salary increases	4.50%
Interest rate	6.75%, net of investment expenses
Cost of living adjustments	2.50%
Asset valuation method	Market

Mortality rates were based on the RP-2014 Mortality with Blue Collar Adjustment projected fully generationally from 2013 with scale MP2019.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

For the year ended April 30, 2020, the City recognized pension expense of \$1,251,235.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 387,545	\$ 146,869
Changes in assumptions	664,505	40,864
Net difference between projected and actual earnings on pension plan investments	345,531	-
	<hr/>	<hr/>
TOTAL	\$ 1,397,581	\$ 187,733

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

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

Fiscal Year Ending April 30,	
2021	\$ 414,607
2022	321,718
2023	269,379
2024	135,732
2025	47,243
Thereafter	21,169
	<hr/>
TOTAL	\$ 1,209,848

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 11,227,210	\$ 8,867,257	\$ 6,955,053

Firefighters' Pension Plan

Plan Administration

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

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 FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Plan Membership

At April 30, 2020, the measurement date, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	18
Inactive plan members entitled to benefits but not yet receiving them	1
Current employees	<u>14</u>
TOTAL	<u><u>33</u></u>

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to ½ of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 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% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required by ILCS 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 finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 100% of the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2020, the City's contribution was 48.78% of covered payroll. The City's policy is to fund 100% of the actuarially determined contribution.

Investment Policy

Permitted Deposits and Investments - Statutes and the Firefighter's Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

The Fund's investment manager establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Corporate Bonds	5%	1.40%
Domestic Equity	34%	6.75%
International Equity	11%	6.40%
Fixed Income	50%	0.90%

The long-term expected real rates of return are net of a 3% factor for inflation. ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

Investment Concentrations

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

Investment Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 2,806,355	\$ 105,902	\$ 2,058,353	\$ 642,100	\$ -
U.S. agency obligations	209,144	-	209,144	-	-
Corporate bonds	836,257	105,440	513,253	217,564	-
Mortgage pools	35,737	120	3,397	-	32,220
TOTAL	\$ 3,887,493	\$ 211,462	\$ 2,784,147	\$ 859,664	\$ 32,220

The Fund has the following recurring fair value measurements as of April 30, 2020: the common stock and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, U.S. Treasury obligations, mortgage pools and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. The Fund's investment policy allows investment in corporate bonds rated as investment grade by one of the two largest rating services at the time of purchase. The Fund's investment in agency securities are rated at AA+ by Standard and Poor's. The Fund's investment in corporate bonds are rated at BBB+ to A+ by Standard and Poor's.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund's investment policy requires investments to be held by a third party custodian in a custodian trust account designated by the Treasurer or authorized depository. All individual security transactions are required to be conducted on a delivery versus payment (DVP) basis.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2019	\$ 12,756,403	\$ 7,405,039	\$ 5,351,364
Changes for the period			
Service cost	340,589	-	340,589
Interest	746,768	-	746,768
Benefit changes		-	16,883
Difference between expected and actual experience	33,414	-	33,414
Changes in assumptions	(85,223)	-	(85,223)
Employer contributions	-	416,296	(416,296)
Employee contributions	-	79,219	(79,219)
Net investment income	-	191,879	(191,879)
Benefit payments and refunds	(572,808)	(572,808)	-
Administrative expense	(24,728)	(24,728)	-
Net changes	454,895	89,858	365,037
BALANCES AT APRIL 30, 2020	\$ 13,211,298	\$ 7,494,897	\$ 5,716,401

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2020 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2020
Actuarial cost method	Entry-age normal
Salary increases	4.00%
Interest rate	6.00%
Cost of living adjustments	2.50%
Asset valuation method	Market

Mortality rates were based on the RP-2014 with Blue Collar Adjustment projected from 2013 fully generationally with scale MP2019.

Discount Rate

The discount rate used to measure the total pension liability was 6%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the year ended April 30, 2020, the City recognized pension expense of \$1,003,225.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 113,637	\$ 98,560
Assumption changes	521,802	70,096
Net difference between projected and actual earnings on pension plan investments	153,817	-
TOTAL	\$ 789,256	\$ 168,656

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

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

Fiscal Year Ending April 30,	
2021	\$ 244,903
2022	236,851
2023	80,628
2024	64,047
2025	(5,829)
Thereafter	-
TOTAL	\$ 620,600

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5%) or 1 percentage point higher (7%) than the current rate:

	1% Decrease (5%)	Current Discount Rate (6%)	1% Increase (7%)
Net pension liability	\$ 7,704,390	\$ 5,716,401	\$ 4,115,555

b. Pension Segment Information

Plan Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash	\$ 359,317	\$ 187,718	\$ 547,035
Investments			
U.S. agency obligations	-	209,144	209,144
U.S. Treasuries	1,635,116	2,806,355	4,441,471
Common stock	479,264	666,483	1,145,747
Mutual funds	2,476,023	2,728,673	5,204,696
Corporate bonds	1,880,405	836,257	2,716,662
Negotiable certificates of deposit	75,783	-	75,783
Mortgage pools	34,064	35,737	69,801
Annuities	624,090	-	624,090
Accrued interest receivable	24,609	23,508	48,117
Accrued contributions receivable	2,762	2,762	5,524
Prepaid items	2,711	367	3,078
Total assets	7,594,144	7,497,004	15,091,148

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Segment Information (Continued)

Plan Net Position (Continued)

	Police Pension	Firefighters' Pension	Total
LIABILITIES			
Accounts payable	\$ 2,991	\$ 2,107	\$ 5,098
Total liabilities	2,991	2,107	5,098
NET POSITION RESTRICTED FOR PENSIONS			
	<u>\$ 7,591,153</u>	<u>\$ 7,494,897</u>	<u>\$ 15,086,050</u>

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer contributions	\$ 523,580	\$ 416,296	\$ 939,876
Employee contributions	209,997	79,219	289,216
Total contributions	733,577	495,515	1,229,092
Investment income			
Net depreciation in fair value investments	(190,828)	(230,216)	(421,044)
Interest	385,739	441,630	827,369
Total investment income	194,911	211,414	406,325
Less investment expense	(15,642)	(19,535)	(35,177)
Net investment income	179,269	191,879	371,148
Total additions	912,846	687,394	1,600,240

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Segment Information (Continued)

Changes in Plan Net Position (Continued)

	Police Pension	Firefighters' Pension	Total
DEDUCTIONS			
Benefits and refunds	\$ 769,698	\$ 572,808	\$ 1,342,506
Other	31,858	24,728	56,586
Total deductions	801,556	597,536	1,399,092
NET INCREASE	111,290	89,858	201,148
NET POSITION RESTRICTED FOR PENSIONS			
May 1	7,479,863	7,405,039	14,884,902
April 30	\$ 7,591,153	\$ 7,494,897	\$ 15,086,050

7. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters.

Intergovernmental Personnel Benefit Cooperative

The City participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental and nonprofit public service entities.

IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Benefit Administrator and a Treasurer. The City does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

7. RISK MANAGEMENT (Continued)

Municipal Insurance Cooperative Agency

The City participates in the Municipal Insurance Cooperative Agency (MICA). MICA is a public entity risk pool whose members are Illinois municipalities. MICA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its members. MICA provides \$9,800,000 of coverage after a \$5,000 deductible. The City's payments to MICA are displayed on the financial statements as expenditures/expenses in appropriate funds.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are three officers, a Risk Manager and a Treasurer. The City does not exercise any control over activities of MICA beyond its representation on the Board of Directors. MICA functions solely as an administrative agent for each member.

8. CONTRACTS, COMMITMENTS AND CONTINGENCIES

a. Litigation

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

b. Grants

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

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. INDIVIDUAL FUND DISCLOSURES

a. Advances to/from other funds

	Advance To	Advance From
General Fund	\$ 461,952	\$ 607,055
Municipal Water Fund	50	30,000
Municipal Electric Fund	-	421,952
Municipal Sewer Fund	-	50
Municipal Garbage	-	10,000
Fiber Optic Broadband	607,055	-
	<hr/>	<hr/>
TOTAL	\$ 1,069,057	\$ 1,069,057

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

\$99,968 was advanced from the Municipal Electric Fund to the General Fund to fund the East 2nd Street road along the riverfront. Repayment is not expected within one year.

\$42,500 was advanced from the Municipal Electric Fund to the General Fund to fund the costs to hire a new City Administrator. Repayment is not expected within one year.

\$30,000 was advanced from the Municipal Water Fund to the General Fund to fund cash flow shortages. Repayment is not expected within one year.

\$10,000 was advanced from the Municipal Garbage Fund to the General Fund to fund cash flow shortages in this fund. Repayment is not expected within one year.

\$279,484 was advanced from the Municipal Electric Fund to the General Fund to fund the purchase of the Hallman property. Repayment is not expected within one year.

\$607,055 was advanced from the General Fund to the Fiber Optic Broadband Fund to fund cash flow shortages. Repayment is not expected within one year.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Interfund Transfers

	Transfer In	Transfer Out
General Fund	\$ 524,200	\$ -
Nonmajor Governmental Funds	500,000	890,544
Municipal Water Fund	-	56,011
Municipal Electric Fund	12,000	104,428
Municipal Sewer Fund	159,890	56,983
Municipal Garbage Fund	-	76,124
Fiber Optic Broadband Fund	-	12,000
TOTAL	\$ 1,196,090	\$ 1,196,090

The purposes of significant transfers are as follows:

\$230,161 was transferred from Nonmajor Governmental funds to the General Fund to pay for the worker’s compensation and general liability insurance premium.

\$500,000 was transferred from the Industrial Development Fund (Nonmajor Governmental) to the Downtown Redevelopment (Nonmajor Governmental) to transfer proceeds from sale of real estate.

Other significant transfers were used to (a) move revenues collected in special revenue, enterprise and internal service funds to fund the General Fund for expenditures; (b) move revenues to the debt service fund for debt service; and (c) transfer the residual balances of funds closed.

c. Funds with deficit fund balances

As of April 30, 2020, the Tobacco Grant Fund reported deficit fund balance of \$44.

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

The City provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. account for the plan. The activity of the plan is reported in the City’s governmental activities.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

a. Plan Description (Continued)

The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to proprietary fund and business-type activities columns in the government-wide financial statements at April 30, 2020.

b. Benefits Provided

The City provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through IMRF.

The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary. For certain disabled employees who qualify under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for retirees and their dependents for their lifetime.

The City must contribute the amount beyond fund member payments necessary to fund the actuarial liability for OPEB. The City may change inactive fund member payment requirements through its collective bargaining agreements and employee compensation plans.

c. Membership

At April 30, 2019, the measurement date, membership consisted of:

Retirees and beneficiaries currently receiving benefits	8
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>78</u>
TOTAL	<u><u>86</u></u>
Participating employers	<u><u>1</u></u>

d. Total OPEB Liability

The City's total OPEB liability of \$1,765,519 was based upon an actuarial valuation performed as of April 30, 2019 rolled forward to April 30, 2020.

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2020, as determined by an actuarial valuation as of April 30, 2019, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Market value
Salary increases	3.50%
Discount rate	2.91%
Healthcare cost trend rates	8.00% Initial 4.50% Ultimate

The discount rate was based on the Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2019	<u>\$ 1,613,176</u>
Changes for the period	
Service cost	82,152
Interest	60,016
Differences between expected and actual experience	(37,691)
Changes in assumptions	107,143
Benefit payments	<u>(59,277)</u>
Net changes	<u>152,343</u>
BALANCES AT APRIL 30, 2020	<u>\$ 1,765,519</u>

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability (Continued)

Total OPEB liability was reported as follows in the statement of net position:

Governmental activities	\$ 1,585,397
Business-type activities	<u>180,122</u>
TOTAL OPEB LIABILITY	<u>\$ 1,765,519</u>

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 2.91% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.91%) or 1 percentage point higher (3.91%) than the current rate:

	1% Decrease (1.91%)	Current Discount Rate (2.91%)	1% Increase (3.91%)
Total OPEB liability	\$ 1,951,334	\$ 1,765,519	\$ 1,601,217

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 8.00% to 4.50% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (7.00% to 3.50%) or 1 percentage point higher (9.00% to 5.50%) than the current rate:

	1% Decrease (7.00% to 3.50%)	Current Healthcare Rate (8.00% to 4.50%)	1% Increase (9.00% to 5.50%)
Total OPEB liability	\$ 1,559,175	\$ 1,765,519	\$ 2,016,003

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

- h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2020, the City recognized OPEB expense of \$107,747. At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 44,311
Changes in assumptions	99,472	8,350
TOTAL	\$ 99,472	\$ 52,661

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

Year Ending April 30,	
2021	\$ 3,270
2022	3,270
2023	3,270
2024	3,270
2025	3,270
Thereafter	30,461
TOTAL	\$ 46,811

Net deferred inflows of resources was reported as follows in the statement of net position:

Governmental activities	\$ 42,035
Business-type activities	4,776
NET DEFERRED INFLOWS OF RESOURCES	\$ 46,811

11. SUBSEQUENT EVENT

On October 22, 2020, the City issued \$2,427,000 in General Obligation Refunding Debt Certificates (Direct Placement), Series 2020.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROCK FALLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes	\$ 4,236,372	\$ 4,950,034	\$ 713,662
Licenses and permits	88,000	124,961	36,961
Intergovernmental	272,010	214,805	(57,205)
Fines and fees	431,220	405,671	(25,549)
Charges for services	855,786	881,847	26,061
Investment income	10,000	31,217	21,217
Reimbursements	162,231	155,147	(7,084)
Miscellaneous	35,000	32,365	(2,635)
	<hr/>		
Total revenues	6,090,619	6,796,047	705,428
	<hr/>		
EXPENDITURES			
Current			
General government	1,251,786	1,002,905	(248,881)
Public safety	4,607,276	4,821,110	213,834
Street and highways	1,388,848	740,350	(648,498)
Public property division	249,854	182,181	(67,673)
Capital outlay	159,500	334,757	175,257
Debt service			
Principal	75,271	76,666	1,395
Interest and fiscal charges	7,794	96,325	88,531
	<hr/>		
Total expenditures	7,740,329	7,254,294	(486,035)
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,649,710)	(458,247)	1,191,463
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers in	587,145	524,200	(62,945)
Issuance of capital lease	-	234,825	234,825
	<hr/>		
Total other financing sources (uses)	587,145	759,025	171,880
	<hr/>		
NET CHANGE IN FUND BALANCE - BUDGETARY BASIS	<u>\$ (1,062,565)</u>	300,778	<u>\$ 1,363,343</u>
ADJUSTMENTS TO GAAP BASIS			
Development expense		<u>(3,314,849)</u>	
CHANGE IN FUND BALANCE (GAAP BASIS)		(3,014,071)	
FUND BALANCES, MAY 1		<u>5,019,782</u>	
FUND BALANCES, APRIL 30		<u>\$ 2,005,711</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Two Fiscal Years

MEASUREMENT DATE APRIL 30,	2019	2020
TOTAL OPEB LIABILITY		
Service cost	\$ 74,615	\$ 82,152
Interest	61,094	60,016
Differences between expected and actual experience	(51,717)	(37,691)
Changes of assumptions	(9,746)	107,143
Benefit payments, including refunds of member contributions	<u>(55,141)</u>	<u>(59,277)</u>
Net change in total OPEB liability	19,105	152,343
Total OPEB liability - beginning	<u>1,594,071</u>	<u>1,613,176</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 1,613,176</u>	<u>\$ 1,765,519</u>
Covered payroll	\$ 4,408,277	\$ 4,562,567
Employer's total OPEB liability as a percentage of covered payroll	36.59%	38.70%

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

2019: There were changes in assumptions related to the discount rate, mortality assumptions and withdrawal, disability and retirement rates. 2020: There were changes in assumptions related to the discount rate.

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

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

Last Five Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 291,340	\$ 291,216	\$ 266,688	\$ 237,819	\$ 226,475
Contributions in relation to the actuarially determined contribution	291,340	291,216	266,688	237,819	226,475
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,654,803	\$ 2,736,280	\$ 2,739,117	\$ 2,748,739	\$ 2,888,096
Contributions as a percentage of covered payroll	10.97%	10.64%	9.74%	8.65%	7.84%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 2.75% compounded annually.

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

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 267,066	\$ 272,414	\$ 348,352	\$ 477,809	\$ 511,820	\$ 598,140
Contributions in relation to the actuarially determined contribution	308,239	290,412	353,782	487,114	462,953	523,580
CONTRIBUTION DEFICIENCY (Excess)	\$ (41,173)	\$ (17,998)	\$ (5,430)	\$ (9,305)	\$ 48,867	\$ 74,560
Covered payroll	\$ 1,102,613	\$ 1,064,782	\$ 1,104,186	\$ 1,189,107	\$ 1,275,696	\$ 1,501,786
Contributions as a percentage of covered payroll	27.96%	27.27%	32.04%	40.96%	36.29%	34.86%

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry age normal; the amortization method was level percent of pay, closed and the amortization period was 21 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 6.75% annually, projected salary increase assumption of 4.50% annually and postretirement benefit increases of 2.50% compounded annually.

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

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

Last Six Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 95,127	\$ 128,854	\$ 273,915	\$ 379,803	\$ 393,984	\$ 489,058
Contributions in relation to the actuarially determined contribution	114,533	138,388	280,059	268,245	465,846	416,296
CONTRIBUTION DEFICIENCY (Excess)	\$ (19,406)	\$ (9,534)	\$ (6,144)	\$ 111,558	\$ (71,862)	\$ 72,762
Covered payroll	\$ 762,207	\$ 752,088	\$ 765,539	\$ 810,351	\$ 823,260	\$ 853,361
Contributions as a percentage of covered payroll	15.03%	18.40%	36.58%	33.10%	56.59%	48.78%

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry age normal; the amortization method was level percent of pay, closed and the amortization period was 21 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 6.00% annually, projected salary increase assumption of 4.00% annually and postretirement benefit increases of 2.50% compounded annually.

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

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

Last Five Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service cost	\$ 279,863	\$ 279,969	\$ 294,864	\$ 265,810	\$ 278,949
Interest	1,136,096	1,156,943	1,180,963	1,178,669	1,208,962
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(350,021)	(310,072)	(122,986)	(88,953)	(44,789)
Changes of assumptions	19,649	(20,106)	(518,345)	479,955	-
Benefit payments, including refunds of member contributions	(787,185)	(787,019)	(841,981)	(859,112)	(905,499)
Net change in total pension liability	298,402	319,715	(7,485)	976,369	537,623
Total pension liability - beginning	15,401,612	15,700,014	16,019,729	16,012,244	16,988,613
TOTAL PENSION LIABILITY - ENDING	\$ 15,700,014	\$ 16,019,729	\$ 16,012,244	\$ 16,988,613	\$ 17,526,236
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 279,323	\$ 297,091	\$ 264,612	\$ 263,245	\$ 199,793
Contributions - member	115,831	120,442	121,630	183,755	127,710
Net investment income	71,834	987,473	2,604,966	(930,092)	2,878,880
Benefit payments, including refunds of member contributions	(787,185)	(787,019)	(841,981)	(859,112)	(905,499)
Other (net transfer)	7,758	(181,091)	(342,393)	51,791	(141,716)
Net change in plan fiduciary net position	(312,439)	436,896	1,806,834	(1,290,413)	2,159,168
Plan fiduciary net position - beginning	14,562,761	14,250,322	14,687,218	16,494,052	15,203,639
PLAN FIDUCIARY NET POSITION - ENDING	\$ 14,250,322	\$ 14,687,218	\$ 16,494,052	\$ 15,203,639	\$ 17,362,807
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 1,449,692	\$ 1,332,511	\$ (481,808)	\$ 1,784,974	\$ 163,429
Plan fiduciary net position as a percentage of the total pension liability	90.77%	91.68%	103.01%	89.49%	99.07%
Covered payroll	\$ 2,560,252	\$ 2,676,502	\$ 2,702,890	\$ 2,756,491	\$ 2,837,977
Employer's net pension liability (asset) as a percentage of covered payroll	56.62%	49.79%	(17.83%)	64.76%	5.76%

Notes to Required Supplementary Information

Changes in assumptions related to the discount rate were made in 2015, 2016 and 2018.

Changes in assumptions related to inflation rates, salary rates and mortality were made in 2017.

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

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

Last Six Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	\$ 216,465	\$ 274,906	\$ 317,509
Interest	769,429	872,412	880,069
Changes of benefit terms	-	-	-
Differences between expected and actual experience	369,331	(207,901)	160,355
Changes of assumptions	700,021	723,408	-
Benefit payments, including refunds of member contributions	(557,596)	(744,632)	(634,475)
Other	-	(33,159)	(39,547)
Net change in total pension liability	1,497,650	885,034	683,911
Total pension liability - beginning	10,537,846	12,035,496	12,920,530
TOTAL PENSION LIABILITY - ENDING	\$ 12,035,496	\$ 12,920,530	\$ 13,604,441
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 308,239	\$ 292,074	\$ 353,782
Contributions - member	104,929	111,587	107,338
Net investment income	381,236	(52,930)	440,037
Benefit payments, including refunds of member contributions	(557,595)	(744,632)	(634,475)
Administrative expense	(34,233)	(20,016)	(21,877)
Net change in plan fiduciary net position	202,576	(413,917)	244,805
Plan fiduciary net position - beginning	7,234,125	7,234,125	6,820,208
PLAN FIDUCIARY NET POSITION - ENDING	\$ 7,234,124	\$ 6,820,208	\$ 7,065,013
EMPLOYER'S NET PENSION LIABILITY	\$ 4,801,372	\$ 6,100,322	\$ 6,539,428
Plan fiduciary net position as a percentage of the total pension liability	60.11%	52.79%	51.93%
Covered payroll	\$ 1,102,613	\$ 1,064,782	\$ 1,104,186
Employer's net pension liability as a percentage of covered payroll	435.45%	572.92%	592.24%

2015 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to future interest rates, mortality rates, disability rates, turnover rates and retirement rates.

2016 - There was a change with respect to actuarial assumptions from the prior year with respect to the discount rate.

2018 - There was a change with respect to actuarial assumptions from the prior year with respect to mortality rates.

2019 - There was a change with respect to actuarial assumptions from the prior year with respect to the discount rate and projected salary increases.

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

	2018	2019	2020
\$	324,172	\$ 325,973	\$ 380,337
	923,645	1,009,612	1,022,084
	-	-	30,852
	139,752	(166,876)	316,061
	618,890	352,790	(48,274)
	(756,029)	(738,614)	(769,698)
	(48,872)	(29,978)	(31,858)
	1,201,558	752,907	899,504
	13,604,441	14,805,999	15,558,906
\$	<u>14,805,999</u>	<u>\$ 15,558,906</u>	<u>\$ 16,458,410</u>
\$	487,114	\$ 462,953	\$ 523,580
	118,679	118,253	209,997
	336,052	446,933	179,269
	(756,030)	(738,615)	(769,698)
	(30,512)	(29,977)	(31,858)
	155,303	259,547	111,290
	7,065,013	7,220,316	7,479,863
\$	<u>7,220,316</u>	<u>\$ 7,479,863</u>	<u>\$ 7,591,153</u>
\$	<u>7,585,683</u>	<u>\$ 8,079,043</u>	<u>\$ 8,867,257</u>
	48.77%	48.07%	46.12%
\$	1,189,107	\$ 1,275,696	\$ 1,501,786
	637.93%	633.30%	590.45%

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

Last Six Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	\$ 167,256	\$ 291,703	\$ 333,605
Interest	434,427	554,370	604,643
Changes of benefit terms	-	-	-
Differences between expected and actual experience	74,024	504,859	(21,802)
Changes of assumptions	1,781,627	-	-
Benefit payments, including refunds of member contributions	(426,303)	(452,555)	(482,662)
Administrative expense	-	(42,515)	(47,634)
Net change in total pension liability	2,031,031	855,862	386,150
Total pension liability - beginning	7,453,599	9,484,630	10,340,492
TOTAL PENSION LIABILITY - ENDING	\$ 9,484,630	\$ 10,340,492	\$ 10,726,642
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 114,533	\$ 138,388	\$ 280,059
Contributions - member	71,025	70,592	71,527
Net investment income	371,945	(9,699)	470,151
Benefit payments, including refunds of member contributions	(426,303)	(452,555)	(482,662)
Administrative expense	(17,739)	(42,515)	(28,103)
Net change in plan fiduciary net position	113,461	(295,789)	310,972
Plan fiduciary net position - beginning	6,662,488	6,775,949	6,480,160
PLAN FIDUCIARY NET POSITION - ENDING	\$ 6,775,949	\$ 6,480,160	\$ 6,791,132
EMPLOYER'S NET PENSION LIABILITY	\$ 2,708,681	\$ 3,860,332	\$ 3,935,510
Plan fiduciary net position as a percentage of the total pension liability	71.44%	62.67%	63.31%
Covered payroll	\$ 762,207	\$ 752,088	\$ 765,539
Employer's net pension liability as a percentage of covered payroll	355.37%	513.28%	514.08%

2015 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to future interest rates, mortality rates, disability rates, turnover rates and retirement rates.

2018 - There was a change with respect to actuarial assumptions from the prior year with respect to mortality rates.

2019 - There was a change with respect to actuarial assumptions from the prior year with respect to projected salary increases.

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

	2018	2019	2020
\$	319,389	\$ 362,061	\$ 340,589
	626,860	703,413	746,768
	-	-	16,883
	208,429	(148,811)	33,414
	684,577	409,288	(85,223)
	(515,017)	(537,351)	(572,808)
	(36,267)	(46,810)	(24,728)
	1,287,971	741,790	454,895
	10,726,642	12,014,613	12,756,403
\$	12,014,613	\$ 12,756,403	\$ 13,211,298
\$	268,245	\$ 465,846	\$ 416,296
	75,968	77,496	79,219
	386,831	435,718	191,879
	(515,017)	(537,351)	(572,808)
	(16,841)	(26,988)	(24,728)
	199,186	414,721	89,858
	6,791,132	6,990,318	7,405,039
\$	6,990,318	\$ 7,405,039	\$ 7,494,897
\$	5,024,295	\$ 5,351,364	\$ 5,716,401
	58.18%	58.05%	56.73%
\$	810,351	\$ 823,260	\$ 853,361
	620.01%	650.02%	669.87%

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019*	2020
Annual money-weighted rate of return, net of investment expense	5.75%	(1.06%)	4.87%	1.76%	2.59%	2.71%

*This information is for the period September 30, 2018 through April 30, 2019 due to a change in investment advisor during the fiscal year.

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

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

Last Six Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	5.64%	(0.04%)	7.27%	5.61%	6.25%	2.56%

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

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2020

1. BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted for the General, Special Revenue and Enterprise Funds, except for the Foreign Fire Insurance Fund. The appropriation ordinance represents the legal spending limits for the City. The budget is used to control those limits. The appropriation ordinance was passed on June 18, 2019. All annual appropriations lapse at fiscal year end. There was also a supplemental appropriation ordinance for the current fiscal year passed on April 21, 2020.

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

The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted by the City to obtain taxpayer comments.

Subsequently, the budget is legally enacted through passage of an ordinance.

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

Budgetary authority lapses at year end.

2. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following fund over expended appropriations in fiscal year 2020:

Fund	Appropriations	Expenditures	Excess
Workers' Compensation	\$ -	\$ 2,276	\$ (2,276)
Safe Passage	1,500	5,425	(3,925)

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

MAJOR GOVERNMENTAL FUNDS

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property taxes			
General	\$ 187,046	\$ 188,088	\$ 1,042
Police protection	37,814	38,068	254
Fire protection	37,814	38,068	254
Police pension	508,351	511,747	3,396
Fire pension	-	404,463	404,463
Road and bridge	57,000	61,948	4,948
Total property taxes	828,025	1,242,382	414,357
State income/use/photo tax	933,549	1,004,289	70,740
Non-home rule sales tax	747,066	829,776	82,710
State sales tax	1,090,000	1,156,581	66,581
State use tax	293,732	327,265	33,533
Personal property replacement tax	-	23,666	23,666
Video gaming	230,000	227,075	(2,925)
Cannabis use tax	-	1,516	1,516
Utility	114,000	137,484	23,484
Total taxes	4,236,372	4,950,034	713,662
License and permits			
Liquor	60,000	84,800	24,800
Other	28,000	40,161	12,161
Total license and permits	88,000	124,961	36,961
Intergovernmental			
Police grant	2,500	20,734	18,234
Grant funds	110,000	60,880	(49,120)
School resource officer reimbursement	71,624	45,305	(26,319)
Acting Chief reimbursement	87,886	87,886	-
Total intergovernmental	272,010	214,805	(57,205)

(This schedule is continued on the following page.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)			
Fines and fees			
Circuit court	\$ 100,720	\$ 68,160	\$ (32,560)
Bail and warrant fees	10,000	20,833	10,833
Building permits	25,000	51,049	26,049
Nicor franchise fee	15,500	-	(15,500)
Telecommunication maintenance	150,000	141,217	(8,783)
Cablevision	130,000	124,412	(5,588)
Total fines and fees	<u>431,220</u>	<u>405,671</u>	<u>(25,549)</u>
Charges for services			
Street excavation/sidewalk repair	19,000	28,997	9,997
Rent	70,786	80,702	9,916
Capital cost recovery	490,000	471,746	(18,254)
Wireless tower rental	10,000	10,641	641
Administrative fees	9,000	17,291	8,291
Fire protection	257,000	272,470	15,470
Total charges for services	<u>855,786</u>	<u>881,847</u>	<u>26,061</u>
Investment income	<u>10,000</u>	<u>31,217</u>	<u>21,217</u>
Reimbursements	<u>162,231</u>	<u>155,147</u>	<u>(7,084)</u>
Miscellaneous	<u>35,000</u>	<u>32,365</u>	<u>(2,635)</u>
TOTAL REVENUES	<u><u>\$ 6,090,619</u></u>	<u><u>\$ 6,796,047</u></u>	<u><u>\$ 705,428</u></u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT			
Legislative expense			
Elected officials salaries	\$ 44,400	\$ 43,500	\$ (900)
Mayor's expenses	600	2,062	1,462
Codification or ordinances	6,000	6,031	31
Dues and subscriptions	1,500	1,330	(170)
GIS/IT technician expense	1,226	1,227	1
Meetings and seminars	12,000	4,956	(7,044)
Telephone	1,000	702	(298)
Office expenses	2,000	2,986	986
Miscellaneous	1,800	6,187	4,387
Contingency	56,485	-	(56,485)
Total legislative expense	<u>127,011</u>	<u>68,981</u>	<u>(58,030)</u>
City Clerk			
Salaries	147,206	130,097	(17,109)
Elected officials' salaries	3,600	-	(3,600)
Insurance expense	47,520	23,990	(23,530)
Dues and subscriptions	2,230	1,439	(791)
Office expense	13,430	12,928	(502)
Meetings and seminars	2,900	88	(2,812)
Telephone	1,680	1,404	(276)
IT expense	1,838	1,838	-
Miscellaneous charges	250	793	543
Contingency	22,065	-	(22,065)
Total City Clerk	<u>242,719</u>	<u>172,577</u>	<u>(70,142)</u>
City Administrator			
Salaries	90,996	89,025	(1,971)
Health insurance	20,520	19,967	(553)
Dues and subscriptions	205	-	(205)
Telephone	1,054	1,061	7
IT expense	1,225	1,225	-
Meetings and seminars	1,000	40	(960)
Vehicle allowance	1,200	1,200	-
Miscellaneous	250	-	(250)
Office supplies	3,000	398	(2,602)
Contingency	11,945	-	(11,945)
Total City Administrator	<u>131,395</u>	<u>112,916</u>	<u>(18,479)</u>
Planning Commission			
Printing/publishing ordinances	100	-	(100)
Dues and subscriptions	275	-	(275)
Postage and office supplies	500	834	334
Legal expenses	2,500	8,588	6,088
Meetings and seminars	450	-	(450)
Miscellaneous	50	-	(50)
Contingency	388	-	(388)
Total Planning Commission	<u>4,263</u>	<u>9,422</u>	<u>5,159</u>

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)			
Building inspector			
Salary	\$ 170,160	\$ 168,393	\$ (1,767)
Insurance expense	66,328	67,605	1,277
Vehicle, gas, oil and maintenance	2,500	3,759	1,259
Dues and subscriptions	1,600	580	(1,020)
Postage and office supplies	-	399	399
Telephone expense	2,500	1,884	(616)
IT expense	1,225	1,225	-
Office expense	6,000	5,871	(129)
Public awareness	400	75	(325)
Meetings and seminars	1,500	75	(1,425)
Legal expense	2,000	4,344	2,344
Emergency code enforcement	250	-	(250)
Miscellaneous	1,200	2,136	936
Contingency	25,566	-	(25,566)
Total building inspector	<u>281,229</u>	<u>256,346</u>	<u>(24,883)</u>
Code hearing			
Software	3,600	3,600	-
MSI commission	7,500	5,246	(2,254)
Legal expenses	500	725	225
Professional expense	8,700	6,525	(2,175)
Office supplies	2,500	1,125	(1,375)
Miscellaneous	1,000	79	(921)
Contingency	2,380	-	(2,380)
Total code hearing	<u>26,180</u>	<u>17,300</u>	<u>(8,880)</u>
Other expenses			
Legal and professional	68,560	34,002	(34,558)
Auditing	23,000	21,201	(1,799)
Union drainage tax	5,000	-	(5,000)
Insurance (general liability)	266,478	230,161	(36,317)
Insurance (employee)	69,951	73,999	4,048
Chamber general office expense	6,000	6,000	-
Total other expenses	<u>438,989</u>	<u>365,363</u>	<u>(73,626)</u>
Total general government	<u>1,251,786</u>	<u>1,002,905</u>	<u>(248,881)</u>
PUBLIC SAFETY			
Police department			
Salaries	1,601,869	1,667,018	65,149
Health insurance	222,480	296,883	74,403
ICMA contribution	5,997	6,388	391
Pension contribution	508,351	523,580	15,229
Commissioners secretary	600	600	-
Commissioner expense	3,888	1,776	(2,112)
Uniform allowance	16,000	11,707	(4,293)
Postage	8,475	4,128	(4,347)
Printing	3,000	1,989	(1,011)

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)			
Police department (Continued)			
Photographic expense	\$ 500	\$ -	\$ (500)
Legal and professional expense	5,000	4,806	(194)
Repairs and maintenance	6,125	4,633	(1,492)
Telephone	12,396	9,324	(3,072)
Service contracts	45,891	49,738	3,847
Dues	4,625	3,209	(1,416)
Investigation	6,000	2,391	(3,609)
Training	15,400	12,836	(2,564)
Police supplies	1,000	594	(406)
Janitor supplies	1,000	893	(107)
Animal control	7,000	5,023	(1,977)
Radio expense	5,000	3,894	(1,106.0)
Electric expense	10,840	11,150	310
Physicals	650	279	(371)
Safety	4,060	2,421	(1,639)
Towing	200	1,230	1,030
Gas and oil	32,500	32,133	(367)
Vehicle operations and maintenance	20,000	33,415	13,415
Maintenance (building)	12,800	9,882	(2,918)
Heating gas	1,500	976	(524)
Community policing	500	192	(308)
Consolidated dispatch	381,375	359,403	(21,972)
Miscellaneous	28,903	25,024	(3,879)
Contingency	250,507	-	(250,507)
Total police department	3,224,432	3,087,515	(136,917)
Fire department			
Salaries	927,115	926,081	(1,034)
Health insurance	196,800	213,345	16,545
ICMA contributions	1,157	5,664	4,507
Pension contribution	-	416,296	416,296
Fire investigation	50	-	(50)
Dues and subscriptions	4,080	2,405	(1,675)
Postage and office supplies	1,140	1,105	(35)
Maintenance (building)	10,000	64,041	54,041
Maintenance (equipment)	11,000	8,875	(2,125)
ESDA equipment	530	1,201	671
Maintenance (vehicles)	25,000	26,339	1,339
Commissioner's secretary	600	600	-
Commissioner expense	1,888	2,666	778
Telephone	5,855	5,396	(459)
IT expense	1,225	1,225	-
Meetings and seminars	10,000	9,686	(314)
Legal expense	2,500	2,445	(55)
Uniform allowance	5,000	5,066	66
Electric	-	11,150	11,150
Heating	3,000	2,928	(72)
Physicals	1,000	790	(210)
Supplies (equipment)	17,550	12,356	(5,194)
Radio expense	1,500	1,746	246
Safety expense	125	-	(125)

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)			
Fire department (Continued)			
Operating supplies	\$ 1,500	\$ 1,271	\$ (229)
Janitorial supplies	1,700	1,088	(612)
Gas and oil	10,000	6,584	(3,416)
Miscellaneous	13,910	3,246	(10,664)
Contingency	128,619	-	(128,619)
	<hr/>	<hr/>	<hr/>
Total fire department	1,382,844	1,733,595	350,751
	<hr/>	<hr/>	<hr/>
Total public safety	4,607,276	4,821,110	213,834
	<hr/>	<hr/>	<hr/>
PUBLIC WORKS			
Streets and highways			
Salaries	320,250	312,310	(7,940)
Health insurance	95,686	92,144	(3,542)
Maintenance (building)	3,000	6,603	3,603
Maintenance (streets)	10,000	3,881	(6,119)
Maintenance (snow removal)	500	93	(407)
Maintenance (service vehicles)	20,000	53,675	33,675
Information technology	613	613	-
Radio expense	500	249	(251)
Alarm expense	2,000	1,732	(268)
Vehicle gas and oil	13,500	12,132	(1,368)
Small tools and supplies	1,500	2,089	589
Equipment rental	-	1	1
Telephone	5,225	6,761	1,536
Vehicle operation and maintenance	20,000	32,532	12,532
Tree and stump removal	5,000	5,800	800
Sign material	8,000	5,005	(2,995)
Legal expenses	1,000	845	(155)
Uniform allowance	1,500	1,123	(377)
Janitor supplies	5,000	8,459	3,459
Physicals	375	-	(375)
Postage and office supplies	500	226	(274)
Engineering	10,000	107,545	97,545
RB&W Development	50,000	-	(50,000)
Barricade expose	500	419	(81)
Paint and painting supplies	15,000	11,074	(3,926)
Heating gas expense	4,500	5,767	1,267
Sales tax project - infrastructure	640,000	54,907	(585,093)
Safety expense	2,000	3,375	1,375
Miscellaneous	10,885	10,990	105
Contingency	141,814	-	(141,814)
	<hr/>	<hr/>	<hr/>
Total streets and highways	1,388,848	740,350	(648,498)
	<hr/>	<hr/>	<hr/>
Public property division			
New equipment	500	424	(76)
Equipment rental	500	31	(469)
Maintenance (equipment)	1,000	31	(969)
Maintenance (grounds)	1,000	1,543	543
Maintenance (building)	150,000	71,664	(78,336)
Limestone building expenses	-	1,118	1,118

(This schedule is continued on the following page.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Final Budget	Actual	Variance Over (Under)
PUBLIC WORKS (Continued)			
Public property division (Continued)			
Schmitt property expenses	\$ -	\$ 704	\$ 704
Hallman property expenses	-	5,586	5,586
Public address system	-	520	520
Boat ramp expense	-	1,405	1,405
Janitor supplies	1,000	1,054	54
Miscellaneous	65,240	79,809	14,569
Heating and air conditioning repairs	3,000	9,336	6,336
Equipment - gas and oil	200	-	(200)
Fire alarm service expense	3,500	6,915	3,415
Heating gas expense	1,200	2,041	841
Contingency	22,714	-	(22,714)
Total public property division	<u>249,854</u>	<u>182,181</u>	<u>(67,673)</u>
CAPITAL OUTLAY			
Public works			
Sidewalk repairs	100,000	88,020	(11,980)
New equipment	20,000	243,517	223,517
Police department			
New cars	35,000	-	(35,000)
New equipment	4,500	3,220	(1,280)
Total capital outlay	<u>159,500</u>	<u>334,757</u>	<u>175,257</u>
DEBT SERVICE			
Principal	75,271	76,666	1,395
Interest	7,794	96,325	88,531
Total debt service	<u>83,065</u>	<u>172,991</u>	<u>89,926</u>
TOTAL EXPENDITURES	<u>\$ 7,740,329</u>	<u>\$ 7,254,294</u>	<u>\$ (486,035)</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ROCK FALLS, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2020

	Special Revenue		
	Tourism	Industrial Development	Motor Fuel Fuel Tax
ASSETS			
Cash and investments	\$ 984,357	\$ 58,506	\$ 613,484
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	-	-	-
Accounts	11,606	-	-
Accrued interest	1,192	-	80
Due from other governments	-	-	27,483
TOTAL ASSETS	\$ 997,155	\$ 58,506	\$ 641,047
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 3,621	\$ 641	\$ -
Accrued payroll	2,008	-	-
Unearned revenue	30,675	-	-
Total liabilities	36,304	641	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	36,304	641	-
FUND BALANCES			
Restricted for maintenance of streets	-	-	641,047
Restricted for tourism	960,851	-	-
Restricted for economic development	-	57,865	-
Restricted for public safety	-	-	-
Restricted for retirement	-	-	-
Restricted for workers' compensation	-	-	-
Unrestricted			
Assigned for economic development	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	960,851	57,865	641,047
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 997,155	\$ 58,506	\$ 641,047

Special Revenue						
IMRF	Downtown Redevelopment	DUI	Drug	Tobacco Grant	Building Code Demolition	
\$ 409,900	\$ 480,214	\$ 15,600	\$ 48,844	\$ 2,534	\$ 2,563	
176,055	160,720	-	-	-	-	
-	-	162	-	-	-	
84	-	-	-	-	-	
-	-	-	-	-	-	
\$ 586,039	\$ 640,934	\$ 15,762	\$ 48,844	\$ 2,534	\$ 2,563	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98	
4,886	-	-	-	-	-	
-	-	-	-	2,578	-	
4,886	-	-	-	2,578	98	
176,055	160,720	-	-	-	-	
176,055	160,720	-	-	-	-	
180,941	160,720	-	-	2,578	98	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	2,465	
-	-	15,762	48,844	-	-	
405,098	-	-	-	-	-	
-	-	-	-	-	-	
-	480,214	-	-	-	-	
-	-	-	-	(44)	-	
405,098	480,214	15,762	48,844	(44)	2,465	
\$ 586,039	\$ 640,934	\$ 15,762	\$ 48,844	\$ 2,534	\$ 2,563	

(This statement is continued on the following page.)

CITY OF ROCK FALLS, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2020

	<u>Special Revenue</u>			
	<u>Foreign Fire Insurance</u>	<u>Workers' Compensation</u>	<u>Safe Passage</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 11,356	\$ 227,422	\$ 1,170	\$ 2,855,950
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	-	230,214	-	566,989
Accounts	-	-	-	11,768
Interest	-	-	-	1,356
Due from other governments	-	-	-	27,483
TOTAL ASSETS	\$ 11,356	\$ 457,636	\$ 1,170	\$ 3,463,546
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 4,360
Accrued payroll	-	-	-	6,894
Unearned revenue	-	-	-	33,253
Total liabilities	-	-	-	44,507
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	-	230,214	-	566,989
Total deferred inflows of resources	-	230,214	-	566,989
Total liabilities and deferred inflows of resources	-	230,214	-	611,496
FUND BALANCES				
Restricted for maintenance of streets	-	-	-	641,047
Restricted for tourism	-	-	-	960,851
Restricted for economic development	-	-	-	60,330
Restricted for public safety	11,356	-	1,170	77,132
Restricted for retirement	-	-	-	405,098
Restricted for workers' compensation	-	227,422	-	227,422
Unrestricted (deficit)				
Assigned for economic development	-	-	-	480,214
Unassigned (deficit)	-	-	-	(44)
Total fund balances (deficit)	11,356	227,422	1,170	2,852,050
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 11,356	\$ 457,636	\$ 1,170	\$ 3,463,546

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Special Revenue		
	Tourism	Industrial Development	Motor Fuel Tax
REVENUES			
Taxes	\$ 240,556	\$ -	\$ -
Intergovernmental	14,205	-	341,931
Fines and fees	-	-	-
Investment income	19,123	2,642	7,832
Reimbursements	1,986	-	-
Miscellaneous	8,933	550	-
Total revenues	284,803	3,192	349,763
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Streets and highways	-	-	122,094
Development	248,247	45,237	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	248,247	45,237	122,094
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	36,556	(42,045)	227,669
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	(660,390)	-
Proceeds from sale of capital assets	-	229,781	-
Total other financing sources (uses)	-	(430,609)	-
NET CHANGE IN FUND BALANCES	36,556	(472,654)	227,669
FUND BALANCES (DEFICIT), MAY 1	924,295	530,519	413,378
FUND BALANCES (DEFICIT), APRIL 30	\$ 960,851	\$ 57,865	\$ 641,047

Special Revenue						
IMRF	Downtown Redevelopment	DUI	Drug	Tobacco Grant	Building Code Demolition	
\$ 140,408	\$ 140,949	\$ -	\$ -	\$ -	\$ -	
42,500	-	-	-	685	8,920	
-	-	4,199	30,983	-	-	
7,252	5,145	-	-	-	353	
-	-	-	-	-	-	
-	4,499	-	-	-	26,206	
190,160	150,593	4,199	30,983	685	35,479	
96,094	-	-	-	685	62,435	
-	-	2,314	6,672	-	-	
58,897	-	-	-	-	-	
-	7,117	-	-	-	-	
-	85,000	-	-	-	-	
-	59,955	-	-	-	-	
154,991	152,072	2,314	6,672	685	62,435	
35,169	(1,479)	1,885	24,311	-	(26,956)	
-	500,000	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	500,000	-	-	-	-	
35,169	498,521	1,885	24,311	-	(26,956)	
369,929	(18,307)	13,877	24,533	(44)	29,421	
\$ 405,098	\$ 480,214	\$ 15,762	\$ 48,844	\$ (44)	\$ 2,465	

(This statement is continued on the following page.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Special Revenue			Total
	Foreign Fire Insurance	Workers' Compensation	Safe Passage	
REVENUES				
Taxes	\$ -	\$ 243,687	\$ -	\$ 765,600
Intergovernmental	26,341	-	-	434,582
Fines and fees	-	-	-	35,182
Investment income	420	3,969	-	46,736
Reimbursements	-	-	-	1,986
Miscellaneous	-	-	5,524	45,712
Total revenues	26,761	247,656	5,524	1,329,798
EXPENDITURES				
Current				
General government	-	2,276	-	161,490
Public safety	42,058	-	5,425	56,469
Streets and highways	-	-	-	180,991
Development	-	-	-	300,601
Debt service				
Principal	-	-	-	85,000
Interest and fiscal charges	-	-	-	59,955
Total expenditures	42,058	2,276	5,425	844,506
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,297)	245,380	99	485,292
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	500,000
Transfers (out)	-	(230,154)	-	(890,544)
Proceeds from sale of asset	-	-	-	229,781
Total other financing sources (uses)	-	(230,154)	-	(160,763)
NET CHANGE IN FUND BALANCES	(15,297)	15,226	99	324,529
FUND BALANCES (DEFICIT), MAY 1	26,653	212,196	1,071	2,527,521
FUND BALANCES (DEFICIT), APRIL 30	\$ 11,356	\$ 227,422	\$ 1,170	\$ 2,852,050

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Hotel/motel taxes	\$ 220,000	\$ 240,556	\$ 20,556
Investment income	5,000	19,123	14,123
Intergovernmental	-	14,205	14,205
Reimbursements	1,747	1,986	239
Miscellaneous	5,000	8,933	3,933
	<hr/>		
Total revenues	231,747	284,803	53,056
	<hr/>		
EXPENDITURES			
Current			
Development			
Salaries	72,816	82,561	9,745
Other services	134,253	143,035	8,782
Miscellaneous	23,000	22,651	(349)
Contingency	23,007	-	(23,007)
	<hr/>		
Total expenditures	253,076	248,247	(4,829)
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (21,329)	36,556	\$ 57,885
FUND BALANCE, MAY 1		<hr/>	
		924,295	
FUND BALANCE, APRIL 30		<hr/>	
		\$ 960,851	
		<hr/>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INDUSTRIAL DEVELOPMENT FUND

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment income	\$ 20	\$ 20	\$ 2,642	\$ 2,622
Miscellaneous	4,000	4,000	550	(3,450)
Total revenues	4,020	4,020	3,192	(828)
EXPENDITURES				
Current				
Development				
Commodities	100	100	-	(100)
Other services	1,100	1,100	46	(1,054)
Miscellaneous	1,500	62,609	45,191	(17,418)
Contingency	500	500	-	(500)
Total expenditures	3,200	64,309	45,237	(19,072)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	820	(60,289)	(42,045)	18,244
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(500)	(660,390)	(660,390)	-
Proceeds from sale of asset	-	229,782	229,781	(1)
Total other financing sources (uses)	(500)	(430,608)	(430,609)	(1)
NET CHANGE IN FUND BALANCE	\$ 320	\$ (490,897)	(472,654)	\$ 18,243
FUND BALANCE, MAY 1			530,519	
FUND BALANCE, APRIL 30			\$ 57,865	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Intergovernmental			
Motor fuel tax allotments	\$ 237,314	\$ 341,931	\$ 104,617
Investment income	5,000	7,832	2,832
	<hr/>		
Total revenues	242,314	349,763	107,449
	<hr/>		
EXPENDITURES			
Current			
Streets and highways			
Contractual services	10,000	404	(9,596)
Maintenance	179,981	121,690	(58,291)
Contingency	18,998	-	(18,998)
	<hr/>		
Total expenditures	208,979	122,094	(86,885)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 33,335</u>	227,669	<u>\$ 194,334</u>
FUND BALANCE, MAY 1		<u>413,378</u>	
FUND BALANCE, APRIL 30		<u>\$ 641,047</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended April 30, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Taxes			
Property taxes	\$ 139,525	\$ 140,408	\$ 883
Replacement taxes	20,000	42,500	22,500
Investment income	1,000	7,252	6,252
	<hr/>	<hr/>	<hr/>
Total revenues	160,525	190,160	29,635
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
General government			
IMRF contributions	120,025	96,094	23,931
Streets and highways			
IMRF contributions	73,564	58,897	14,667
	<hr/>	<hr/>	<hr/>
Total expenditures	193,589	154,991	(38,598)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (33,064)</u>	35,169	<u>\$ 68,233</u>
FUND BALANCE, MAY 1		<hr/>	
		369,929	
FUND BALANCE, APRIL 30		<u><u>\$ 405,098</u></u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Taxes			
Property taxes	\$ 140,000	\$ 140,949	\$ 949
Investment income	-	5,145	5,145
Miscellaneous	8,000	4,499	(3,501)
	<hr/>	<hr/>	<hr/>
Total revenues	148,000	150,593	2,593
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Development			
Commodities	-	3,601	3,601
Contractual services	2,500	1,900	(600)
Miscellaneous	-	1,616	1,616
Contingency	14,712	-	(14,712)
Debt service			
Principal	85,000	85,000	-
Interest	59,950	59,955	5
	<hr/>	<hr/>	<hr/>
Total expenditures	162,162	152,072	(10,090)
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,162)	(1,479)	12,683
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	500,000	500,000
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	500,000	500,000
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (14,162)</u>	498,521	<u>\$ 512,683</u>
FUND BALANCE (DEFICIT), MAY 1		<hr/>	(18,307)
FUND BALANCE, APRIL 30		<u>\$ 480,214</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Fines and fees	\$ 5,560	\$ 4,199	\$ (1,361)
Total revenues	<u>5,560</u>	<u>4,199</u>	<u>(1,361)</u>
EXPENDITURES			
Current			
Public safety			
Other services	5,000	2,314	(2,686)
Contingency	500	-	(500)
Total expenditures	<u>5,500</u>	<u>2,314</u>	<u>(3,186)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 60</u>	<u>1,885</u>	<u>\$ 1,825</u>
FUND BALANCE, MAY 1		<u>13,877</u>	
FUND BALANCE, APRIL 30		<u>\$ 15,762</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Fines and fees	\$ 15,850	\$ 25,850	\$ 30,983	\$ 5,133
Total revenues	15,850	25,850	30,983	5,133
EXPENDITURES				
Current				
Public safety				
Other services	5,000	15,000	6,672	(8,328)
Contingency	500	500	-	(500)
Total expenditures	5,500	15,500	6,672	(8,828)
NET CHANGE IN FUND BALANCE	<u>\$ 10,350</u>	<u>\$ 10,350</u>	24,311	<u>\$ 13,961</u>
FUND BALANCE, MAY 1			<u>24,533</u>	
FUND BALANCE, APRIL 30			<u>\$ 48,844</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental	\$ 1,430	\$ 685	\$ (745)
Total revenues	<u>1,430</u>	<u>685</u>	<u>(745)</u>
EXPENDITURES			
Current			
General government	<u>1,430</u>	<u>685</u>	<u>(745)</u>
Total expenditures	<u>1,430</u>	<u>685</u>	<u>(745)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(44)</u>	
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (44)</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING CODE DEMOLITION FUND**

For the Year Ended April 30, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Intergovernmental	\$ 76,000	\$ 8,920	\$ (67,080)
Investment income	225	353	128
Miscellaneous income	9,000	26,206	17,206
	<hr/>	<hr/>	<hr/>
Total revenues	85,225	35,479	(49,746)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
General government			
Contractual services	51,500	53,800	2,300
Other services	25,000	8,635	(16,365)
Contingency	7,650	-	(7,650)
	<hr/>	<hr/>	<hr/>
Total expenditures	84,150	62,435	(21,715)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 1,075</u>	(26,956)	<u>\$ (28,031)</u>
FUND BALANCE, MAY 1		<hr/> 29,421	
FUND BALANCE, APRIL 30		<hr/> <u>\$ 2,465</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKERS' COMPENSATION FUND

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property taxes	\$ 242,000	\$ 242,000	\$ 243,687	\$ 1,687
Investment income	1,800	1,800	3,969	2,169
Total revenues	243,800	243,800	247,656	3,856
EXPENDITURES				
Current				
General government				
Contractual services	-	-	2,276	2,276
Total expenditures	-	-	2,276	2,276
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	243,800	243,800	245,380	1,580
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(230,000)	(231,000)	(230,154)	846
Total other financing sources (uses)	(230,000)	(231,000)	(230,154)	846
NET CHANGE IN FUND BALANCE	\$ 13,800	\$ 12,800	15,226	\$ 2,426
FUND BALANCE, MAY 1			212,196	
FUND BALANCE, APRIL 30			\$ 227,422	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Miscellaneous	\$ -	\$ 1,500	\$ 5,524	\$ 4,024
Total revenues	-	1,500	5,524	4,024
EXPENDITURES				
Current				
Public safety				
Miscellaneous	-	1,500	5,425	3,925
Total expenditures	-	1,500	5,425	3,925
NET CHANGE IN FUND BALANCE	\$ -	\$ -	99	\$ 99
FUND BALANCE, MAY 1			1,071	
FUND BALANCE, APRIL 30			\$ 1,170	

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

CITY OF ROCK FALLS, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
FIBER OPTIC BROADBAND SUB FUNDS**

April 30, 2020

	Taxable Fiber Optic Broadband	Non-Taxable Fiber Optic Broadband	Eliminations	Total
CURRENT ASSETS				
Restricted cash	\$ 291,725	\$ -	\$ -	\$ 291,725
Receivables				
Accounts	6,339	-	-	6,339
Unbilled	9,875	-	-	9,875
	<hr/>			
Total current assets	307,939	-	-	307,939
CAPITAL ASSETS				
Depreciable	-	3,305,811	-	3,305,811
Accumulated depreciation	-	(303,849)	-	(303,849)
	<hr/>			
Net capital assets	-	3,001,962	-	3,001,962
	<hr/>			
Total assets	307,939	3,001,962	-	3,309,901
DEFERRED OUTFLOWS OF RESOURCES				
OPEB items	911	-	-	911
Pension items - IMRF	19,206	-	-	19,206
	<hr/>			
Total deferred outflows of resources	20,117	-	-	20,117
	<hr/>			
Total assets and deferred outflows of resources	328,056	3,001,962	-	3,330,018

(This statement is continued on the following page.)

CITY OF ROCK FALLS, ILLINOIS

COMBINING STATEMENT OF NET POSITION (Continued)
FIBER OPTIC BROADBAND SUB FUNDS

April 30, 2020

	Taxable Fiber Optic Broadband	Non-Taxable Fiber Optic Broadband	Eliminations	Total
CURRENT LIABILITIES				
Accounts payable	\$ 574	\$ 8,001	\$ -	\$ 8,575
Accrued payroll	1,664	-	-	1,664
Accrued interest payable	6,833	6,450	-	13,283
Compensated absences, current	2,905	-	-	2,905
Total other postemployment benefit liability, current	627	-	-	627
Bonds payable, current	190,748	-	-	190,748
Total current liabilities	203,351	14,451	-	217,802
LONG-TERM LIABILITIES				
Advances from other funds	-	607,055	-	607,055
Compensated absences, noncurrent	16,460	-	-	16,460
Total other postemployment benefit liability, noncurrent	15,533	-	-	15,533
Net pension liability	10,298	-	-	10,298
Bonds payable, noncurrent	2,269,252	2,118,458	-	4,387,710
Total long-term liabilities	2,311,543	2,725,513	-	5,037,056
Total liabilities	2,514,894	2,739,964	-	5,254,858
DEFERRED INFLOWS OF RESOURCES				
OPEB items	482	-	-	482
Pension items - IMRF	63,675	-	-	63,675
Total deferred inflows of resources	64,157	-	-	64,157
Total liabilities and deferred inflows of resources	2,579,051	2,739,964	-	5,319,015
NET POSITION				
Net investment in capital assets (deficit)	(2,460,000)	883,504	-	(1,576,496)
Unrestricted (deficit)	209,005	(621,506)	-	(412,501)
TOTAL NET POSITION (DEFICIT)	\$ (2,250,995)	\$ 261,998	\$ -	\$ (1,988,997)

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FIBER OPTIC BROADBAND SUB FUNDS

For the Year Ended April 30, 2020

	Taxable Fiber Optic Broadband	Non-Taxable Fiber Optic Broadband	Eliminations	Total
OPERATING REVENUES				
Charges for services	\$ 122,756	\$ -	\$ -	\$ 122,756
Total operating revenues	122,756	-	-	122,756
OPERATING EXPENSES				
Personnel				
Salaries	176,318	-	-	176,318
Payroll taxes	30,395	-	-	30,395
Payroll benefits	27,952	-	-	27,952
Total personnel	234,665	-	-	234,665
Commodities	278,169	-	-	278,169
Contractual services	37,161	-	-	37,161
Miscellaneous	41	-	-	41
Depreciation and amortization	-	210,236	-	210,236
Total operating expenses	550,036	210,236	-	760,272
OPERATING INCOME (LOSS)	(427,280)	(210,236)	-	(637,516)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	3,364	-	-	3,364
Reimbursements	5,578	-	-	5,578
Other miscellaneous revenue	65,490	-	-	65,490
Interest and fiscal charges	(83,657)	(76,652)	-	(160,309)
Total non-operating revenues (expenses)	(9,225)	(76,652)	-	(85,877)
NET INCOME (LOSS) BEFORE TRANSFERS	(436,505)	(286,888)	-	(723,393)
TRANSFERS				
Transfers (out)	(12,000)	-	-	(12,000)
Total transfers	(12,000)	-	-	(12,000)
CHANGE IN NET POSITION	(448,505)	(286,888)	-	(735,393)
NET POSITION (DEFICIT), MAY 1	(1,802,490)	548,886	-	(1,253,604)
NET POSITION (DEFICIT), APRIL 30	\$ (2,250,995)	\$ 261,998	\$ -	\$ (1,988,997)

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS
FIBER OPTIC BROADBAND SUB FUNDS**

For the Year Ended April 30, 2020

	Taxable Fiber Optic Broadband	Non-Taxable Fiber Optic Broadband	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 116,643	\$ -	\$ -	\$ 116,643
Payments to suppliers	(327,467)	(2)	-	(327,469)
Payments to employees	(231,151)	-	-	(231,151)
Net cash from operating activities	(441,975)	(2)	-	(441,977)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipt of loan from other funds	-	607,055	-	607,055
Transfers (out)	(12,000)	-	-	(12,000)
Receipt of other miscellaneous revenue	71,068	-	-	71,068
Net cash from noncapital financing activities	59,068	607,055	-	666,123
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	-	(237,978)	-	(237,978)
Principal payments on long-term debt	(185,000)	-	-	(185,000)
Interest payments on long-term debt	(83,989)	(77,399)	-	(161,388)
Net cash from capital and related financing activities	(268,989)	(315,377)	-	(584,366)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	3,364	-	-	3,364
Net cash from investing activities	3,364	-	-	3,364
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(648,532)	291,676	-	(356,856)
CASH AND CASH EQUIVALENTS, MAY 1	940,257	(291,676)	-	648,581
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 291,725	\$ -	\$ -	\$ 291,725

(This statement is continued on the following page.)

CITY OF ROCK FALLS, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)
FIBER OPTIC BROADBAND SUB FUNDS

For the Year Ended April 30, 2020

	Taxable Fiber Optic Broadband	Non-Taxable Fiber Optic Broadband	Eliminations	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (427,280)	\$ (210,236)	\$ -	\$ (637,516)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization	-	210,236	-	210,236
Changes in assets and liabilities				
Accounts receivable	(6,113)	-	-	(6,113)
Deferred outflows - pension items - IMRF	71,659	-	-	71,659
Deferred outflows - pension items - OPEB	(911)	-	-	(911)
Accounts payable	(12,096)	(2)	-	(12,098)
Accrued payroll	1,664	-	-	1,664
Compensated absences	852	-	-	852
Net pension liability	(102,179)	-	-	(102,179)
Total other postemployment benefit liability	(909)	-	-	(909)
Deferred inflows - pension items - IMRF	33,460	-	-	33,460
Deferred inflows - OPEB	(122)	-	-	(122)
NET CASH FROM OPERATING ACTIVITIES	\$ (441,975)	\$ (2)	\$ -	\$ (441,977)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Cost of capital assets included in accounts payable	\$ -	\$ 8,299	\$ -	\$ 8,299

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

CITY OF ROCK FALLS, ILLINOIS

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

April 30, 2020

	Health Insurance	GIS IT	Total
CURRENT ASSETS			
Cash and investments	\$ 325,393	\$ 215,007	\$ 540,400
Receivables			
Accrued interest	200	-	200
	<hr/>		
Total current assets	325,593	215,007	540,600
	<hr/>		
Total assets	325,593	215,007	540,600
	<hr/>		
CURRENT LIABILITIES			
Accounts payable	-	-	-
	<hr/>		
Total liabilities	-	-	-
	<hr/>		
NET POSITION			
Unrestricted	325,593	215,007	540,600
	<hr/>		
TOTAL NET POSITION	\$ 325,593	\$ 215,007	\$ 540,600
	<hr/> <hr/>		

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Health Insurance	GIS IT	Total
OPERATING REVENUES			
Charges for services			
Contributions	\$ 1,153,445	\$ 61,272	\$ 1,214,717
Total operating revenues	<u>1,153,445</u>	<u>61,272</u>	<u>1,214,717</u>
OPERATING EXPENSES			
Administration			
Personnel			
Employee benefits	1,142,774	-	1,142,774
Contractual services	-	22,802	22,802
Other	-	19,760	19,760
Total operating expenses	<u>1,142,774</u>	<u>42,562</u>	<u>1,185,336</u>
OPERATING INCOME	<u>10,671</u>	<u>18,710</u>	<u>29,381</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	5,572	2,804	8,376
Miscellaneous income	22,600	-	22,600
Total non-operating revenues (expenses)	<u>28,172</u>	<u>2,804</u>	<u>30,976</u>
CHANGE IN NET POSITION	38,843	21,514	60,357
NET POSITION, MAY 1	<u>286,750</u>	<u>193,493</u>	<u>480,243</u>
NET POSITION, APRIL 30	<u>\$ 325,593</u>	<u>\$ 215,007</u>	<u>\$ 540,600</u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Health Insurance	GIS IT	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund service transactions	\$ 1,153,445	\$ 61,272	\$ 1,214,717
Payments to suppliers	(1,142,883)	(42,562)	(1,185,445)
Net cash from operating activities	10,562	18,710	29,272
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipt of miscellaneous revenue	22,600	-	22,600
Net cash from noncapital financing activities	22,600	-	22,600
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
None	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	5,655	2,804	8,459
Net cash from investing activities	5,655	2,804	8,459
NET INCREASE IN CASH AND CASH EQUIVALENTS	38,817	21,514	60,331
CASH AND CASH EQUIVALENTS, MAY 1	286,576	193,493	480,069
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 325,393	\$ 215,007	\$ 540,400
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 10,671	\$ 18,710	\$ 29,381
Adjustments to reconcile operating income to net cash from operating activities			
Changes in assets and liabilities			
Accounts payable	(109)	-	(109)
NET CASH FROM OPERATING ACTIVITIES	\$ 10,562	\$ 18,710	\$ 29,272
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ 325,393	\$ 215,007	\$ 540,400
TOTAL CASH AND INVESTMENTS	\$ 325,393	\$ 215,007	\$ 540,400

(See independent auditor's report.)

FIDUCIARY FUNDS

CITY OF ROCK FALLS, ILLINOIS

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

April 30, 2020

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and short-term investments	\$ 359,317	\$ 187,718	\$ 547,035
Investments			
U.S. agency obligations	-	209,144	209,144
U.S. Treasury obligations	1,635,116	2,806,355	4,441,471
Common stock	479,264	666,483	1,145,747
Mutual funds	2,476,023	2,728,673	5,204,696
Corporate bonds	1,880,405	836,257	2,716,662
Mortgage pools	34,064	35,737	69,801
Annuities	624,090	-	624,090
Negotiable certificates of deposit	75,783	-	75,783
Receivables			
Accrued interest	24,609	23,508	48,117
Contributions	2,762	2,762	5,524
Prepaid items	2,711	367	3,078
 Total assets	 <u>7,594,144</u>	 <u>7,497,004</u>	 <u>15,091,148</u>
LIABILITIES			
Accounts payable	2,991	2,107	5,098
 Total liabilities	 <u>2,991</u>	 <u>2,107</u>	 <u>5,098</u>
NET POSITION RESTRICTED FOR PENSIONS			
	<u>\$ 7,591,153</u>	<u>\$ 7,494,897</u>	<u>\$ 15,086,050</u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer contributions	\$ 523,580	\$ 416,296	\$ 939,876
Employee contributions	209,997	79,219	289,216
Total contributions	<u>733,577</u>	<u>495,515</u>	<u>1,229,092</u>
Investment income			
Net depreciation in fair value of investments	(190,828)	(230,216)	(421,044)
Interest	385,739	441,630	827,369
Total investment income	<u>194,911</u>	<u>211,414</u>	<u>406,325</u>
Less investment expense	<u>(15,642)</u>	<u>(19,535)</u>	<u>(35,177)</u>
Net investment income	<u>179,269</u>	<u>191,879</u>	<u>371,148</u>
Total additions	<u>912,846</u>	<u>687,394</u>	<u>1,600,240</u>
DEDUCTIONS			
Benefits and refunds	769,698	572,808	1,342,506
Administrative expenses	31,858	24,728	56,586
Total deductions	<u>801,556</u>	<u>597,536</u>	<u>1,399,092</u>
NET INCREASE	111,290	89,858	201,148
NET POSITION RESTRICTED FOR PENSIONS			
May 1	<u>7,479,863</u>	<u>7,405,039</u>	<u>14,884,902</u>
April 30	<u>\$ 7,591,153</u>	<u>\$ 7,494,897</u>	<u>\$ 15,086,050</u>

(See independent auditor's report.)

SUPPLEMENTAL INFORMATION

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2020

CSFA Number	Program Name	State	Federal	Other	Total
444-26-1565	Tobacco Enforcement Program	\$ 685	\$ -	\$ -	\$ 685
494-00-1488	Motor Fuel Tax Program	122,094	-	-	122,094
569-00-2095	Law Enforcement Camera Grant	19,319	-	-	19,319
	Other grant programs and activities	84,005	106,436	-	190,441
	All other costs not allocated	-	-	24,981,664	24,981,664
	TOTALS	<u>\$ 226,103</u>	<u>\$ 106,436</u>	<u>\$ 24,981,664</u>	<u>\$ 25,314,203</u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF CAPITAL ASSETS
MUNICIPAL WATER FUND**

For the Year Ended April 30, 2020

Construction in progress	\$ 624,859
Water plant and system improvements	11,220,560
Equipment	<u>778,523</u>
Total capital assets	12,623,942
Less accumulated depreciation	<u>7,253,006</u>
CAPITAL ASSETS	<u><u>\$ 5,370,936</u></u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF CAPITAL ASSETS
MUNICIPAL ELECTRIC FUND**

For the Year Ended April 30, 2020

LAND AND BUILDINGS

Buildings and substations	\$ 7,137,500
Hydro plant	14,815,964
Fiber build out	686,839
	<hr/>
Total land and buildings	22,640,303

IMPROVEMENTS, OTHER THAN BUILDINGS

South 14th generators	3,302,388
New services/metering	565,234
Underground/conductors/fixtures	6,540,422
Poles, cross arms and fixtures	6,907,806
Route 30 project	19,042
Riverside trailer court project	4,962
GIS mapping	141,022
Generator upgrades	396,186
Centennial Park risers	53,360
Telecomm engineering	109,376
Telecomm legal	2,604
Telecommunications maintenance	6,589
Telecomm project	289,830
	<hr/>
Total improvements, other than buildings	18,338,821

EQUIPMENT

Utility office computer	60,781
Equipment	2,948,419
Computer software	81,077
Computer software - labor	14,842
	<hr/>
Total equipment	3,105,119

Total capital assets 44,084,243

Less accumulated depreciation 26,815,519

CAPITAL ASSETS \$ 17,268,724

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF CAPITAL ASSETS
MUNICIPAL SANITARY SEWERAGE FUND**

For the Year Ended April 30, 2020

Construction in progress	\$ 1,102,104
New sewer plant	26,007,327
Disposal plant property and equipment	12,020,456
Sewer extensions	4,234,097
Equipment	<u>1,636,882</u>
Total capital assets	45,000,866
Less accumulated depreciation	<u>15,132,828</u>
CAPITAL ASSETS	<u><u>\$ 29,868,038</u></u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF CAPITAL ASSETS
FIBER OPTIC BROADBAND FUND**

For the Year Ended April 30, 2020

Headend equipment	\$ 651,097
Buildout engineering	610,912
Building improvements	69,412
Tools, equipment and vehicles	75,169
Network restoration	29,198
Network buildout	1,626,322
Customer drop	76,332
Fiberhood buildout	4,621
Customer premise	15,421
GIS fiber module	23,100
IPV4 block purchase	36,045
Pole make ready	3,037
Improvement projects	<u>85,145</u>
 Total capital assets	 3,305,811
 Less accumulated depreciation	 <u>303,849</u>
 CAPITAL ASSETS	 <u><u>\$ 3,001,962</u></u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT
DEBT CERTIFICATES, SERIES 2012**

For the Year Ended April 30, 2020

Date of Issue	October 1, 2012
Authorized Issue	\$ 280,000
Interest Rates	3.50%
Interest Dates	November 1 and May 1
Principal Maturity Date	January 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	
April 30,	Due Serially	November 1	Total
	November 1	and May 1	
2021	\$ 28,000	\$ 4,017	\$ 32,018
2022	30,000	3,038	33,038
2023	30,000	1,988	31,988
2024	25,000	938	25,938
	<u>\$ 113,000</u>	<u>\$ 9,981</u>	<u>\$ 122,982</u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT
DEBT CERTIFICATES, SERIES 2016**

For the Year Ended April 30, 2020

Date of Issue	March 17, 2016
Authorized Issue	\$ 2,427,000
Interest Rates	2.28% through March 16, 2016, after three-year Treasury Constant Maturity plus 1.50%
Interest Dates	March 1 and September 1
Principal Maturity Date	March 16, 2022

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Interest		
April 30,	Principal	March 1 and	Total
	March 16	September 1	
2021	\$ -	\$ 91,741	\$ 55,336
2022	2,427,000	95,563	2,482,334
	<u>\$ 2,427,000</u>	<u>\$ 187,304</u>	<u>\$ 2,537,670</u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT
GENERAL OBLIGATION BONDS, SERIES 2016
(ALTERNATE REVENUE SOURCE)**

For the Year Ended April 30, 2020

Date of Issue	September 14, 2016
Authorized Issue	\$ 1,925,000
Interest Rates	2% to 4%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year April 30,	Principal Due Serially October 1	Interest April 1 and October 1	Total
2021	\$ 90,000	\$ 58,200	\$ 146,650
2022	90,000	56,400	144,950
2023	90,000	54,600	148,200
2024	95,000	52,750	146,400
2025	95,000	50,850	145,850
After 2025	1,295,000	303,950	1,598,950
	<u>\$ 1,755,000</u>	<u>\$ 576,750</u>	<u>\$ 2,331,000</u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING
UTILITY FUNDS**

For the Year Ended April 30, 2020

Date of Issue	August 4, 2009
Authorized Issue	\$ 15,000,000
Interest Rates	0%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1 and November 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Loans Payable			
Illinois EPA - Treatment Plant Loan			
Fiscal Year	Principal	Interest	
April 30,	May 1 and	May 1 and	
	November 1	November 1	Total
2021*	\$ 384,615	\$ -	\$ 384,615
2022	769,231	-	769,231
2023	769,231	-	769,231
2024	769,231	-	769,231
2025	769,231	-	769,231
After 2025	5,000,000	-	5,000,000
	\$ 8,461,539	\$ -	\$ 8,461,539

*May 2020 payment paid before year-end

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2020

Date of Issue	August 10, 2011
Authorized Issue	\$ 4,111,016
Interest Rates	1.25%
Interest Dates	March 19 and September 19
Principal Maturity Date	March 19 and September 19

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**Loans Payable
Illinois EPA - Treatment Plant Loan**

Fiscal Year	Loans Payable		Total
	Principal	Interest	
April 30,	March 19 and September 19	March 19 and September 19	
2021	\$ 182,791	\$ 28,822	\$ 211,613
2022	185,083	26,529	211,613
2023	187,404	24,209	211,613
2024	189,754	21,859	211,612
2025	192,133	19,475	211,608
After 2025	1,414,111	67,181	1,481,292
	\$ 2,351,276	\$ 188,075	\$ 2,539,351

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2020

Date of Issue	October 3, 2000
Authorized Issue	\$ 1,621,986
Interest Rates	2.905%
Interest Dates	April 4 and October 4
Principal Maturity Date	April 4 and October 4

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Loans Payable			
Illinois EPA - Drinking Water Loan			
Fiscal Year	Principal	Interest	
April 30,	April 4 and	April 4 and	
	October 4	October 4	Total
2021	\$ 102,210	\$ 5,288	\$ 107,499
2022	105,201	1,998	107,498
	<u>\$ 207,411</u>	<u>\$ 7,286</u>	<u>\$ 214,997</u>

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2020

Date of Issue	April 5, 2014
Authorized Issue	\$ 654,443
Interest Rates	1.25%
Interest Dates	May 19 and November 19
Principal Maturity Date	May 19 and November 19

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Loans Payable			
Illinois EPA - Lift Station Rehabilitation Loan			
Fiscal Year	Principal	Interest	
April 30,	May 19 and	May 19 and	
	November 19	November 19	Total
2021	\$ 23,512	\$ 3,707	\$ 27,219
2022	23,807	3,412	27,219
2023	24,105	3,114	27,219
2024	24,408	2,812	27,220
2025	24,714	2,506	27,220
After 2025	181,894	8,642	190,536
	<u>\$ 302,440</u>	<u>\$ 24,193</u>	<u>\$ 326,633</u>

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2020

Date of Issue	November 19, 2016
Authorized Issue	\$ 535,517
Interest Rates	1.86%
Interest Dates	May 19 and November 19
Principal Maturity Date	May 19 and November 19

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**Loans Payable
Illinois EPA - Drinking Water Loan**

Fiscal Year April 30,	Principal May 19 and November 19	Interest May 19 and November 19	Total
2021	\$ 37,630	\$ 5,009	\$ 42,639
2022	38,333	4,305	42,638
2023	39,049	3,589	42,638
2024	39,779	2,859	42,638
2025	40,522	2,116	42,638
After 2025	83,329	1,947	85,276
	<u>\$ 278,642</u>	<u>\$ 19,825</u>	<u>\$ 298,467</u>

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2020

Date of Issue	September 29, 2019
Authorized Issue	\$938,938 (\$281,681 forgiven)
Interest Rates	1.00%
Interest Dates	March 5 and September 5
Principal Maturity Date	March 5 and September 5

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Loans Payable Illinois EPA - Sewer				
Fiscal Year	Principal	Interest	Interest	Total
April 30,	March 5 and September 5	March 5 and September 5	September 5	
2021	\$ 21,818	\$ 4,609		\$ 26,427
2022	22,036	4,390		26,426
2023	22,257	4,169		26,426
2024	22,480	3,946		26,426
2025	22,705	3,721		26,426
After 2025	355,028	27,185		382,213
	\$ 466,324	\$ 48,020		\$ 514,344

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2020

Date of Issue	April 27, 2017
Authorized Issue	\$ 2,105,000
Interest Rates	2% to 4%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1, 2031 through October 1, 2037

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**General Obligation Bonds Series 2017A
(Alternate Revenue Source)**

Fiscal Year April 30,	Principal Due Starting October 1, 2031	Interest April 1 and October 1	Total
2021	\$ -	\$ 77,400	\$ 77,400
2022	-	77,400	77,400
2023	-	77,400	77,400
2024	-	77,400	77,400
2025	-	77,400	77,400
After 2025	2,105,000	754,025	754,025
	\$ 2,105,000	\$ 1,141,025	\$ 1,141,025

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2020

Date of Issue	April 27, 2017
Authorized Issue	\$ 2,645,000
Interest Rates	2.15% to 4.00%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1, 2019 through October 1, 2031

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**General Obligation Bonds Series 2017B
(Alternate Revenue Source)**

Fiscal Year April 30,	Principal Due Starting October 1, 2019	Interest April 1 and October 1	Total
2021	\$ 190,000	\$ 79,720	\$ 85,978
2022	195,000	74,905	268,989
2023	200,000	69,570	269,720
2024	205,000	63,695	269,905
2025	210,000	57,208	267,208
After 2025	1,460,000	175,532	1,635,532
	<u>\$ 2,460,000</u>	<u>\$ 520,630</u>	<u>\$ 2,797,332</u>

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2020

Date of Issue	August 2, 2018
Authorized Issue	\$ 6,475,000
Interest Rates	3% to 4%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1, 2019 through October 1, 2035

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**General Obligation Bonds Series 2018A
(Electric System Alternate Revenue Source)**

Fiscal Year April 30,	Principal Due Starting October 1, 2019	Interest April 1 and October 1	Total
2021	\$ 285,000	\$ 235,400	\$ 85,978
2022	295,000	223,800	268,989
2023	310,000	211,700	269,720
2024	320,000	199,100	269,905
2025	335,000	186,000	521,000
After 2025	4,655,000	1,067,600	5,722,600
	<u>\$ 6,200,000</u>	<u>\$ 2,123,600</u>	<u>\$ 7,138,192</u>

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2020

Date of Issue	August 2, 2018
Authorized Issue	\$ 1,000,000
Interest Rates	3% to 4%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1, 2019 through October 1, 2033

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**General Obligation Bonds Series 2018B
(Waterworks System Alternate Revenue Source)**

Fiscal Year April 30,	Principal Due Starting October 1, 2019	Interest April 1 and October 1	Total
2021	\$ 55,000	\$ 34,925	\$ 85,978
2022	55,000	33,275	268,989
2023	55,000	31,625	269,720
2024	60,000	29,900	269,905
2025	60,000	27,800	87,800
After 2025	665,000	127,100	792,100
	<u>\$ 950,000</u>	<u>\$ 284,625</u>	<u>\$ 1,774,492</u>

(This schedule is continued on the following page.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2020

Date of Issue	August 2, 2018
Authorized Issue	\$ 995,000
Interest Rates	3% to 4%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1, 2019 through October 1, 2029

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**General Obligation Bonds Series 2018C
(Alternate Revenue Source)**

Fiscal Year April 30,	Principal Due Starting October 1, 2019	Interest April 1 and October 1	Total
2021	\$ 80,000	\$ 32,300	\$ 85,978
2022	80,000	29,900	268,989
2023	85,000	27,425	269,720
2024	85,000	24,875	269,905
2025	90,000	21,800	111,800
After 2025	500,000	52,000	552,000
	<hr/>	<hr/>	<hr/>
	\$ 920,000	\$ 188,300	\$ 1,558,392

(See independent auditor's report.)

STATISTICAL SECTION

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF ASSESSED VALUATIONS, RATES, EXTENSIONS
AND COLLECTIONS**

Last Five Levy Years
(Unaudited)

	2019 Levy			2018 Levy		
	Equalized Assessed Valuation - \$76,280,312			Equalized Assessed Valuation - \$74,742,635		
	Rate per \$100	Taxes Extended	Collections	Rate per \$100	Taxes Extended	Collections
General	0.2438	\$ 185,971	\$ -	0.2500	\$ 186,857	\$ 187,987
IMRF/Social Security	0.2308	176,055	-	0.1868	139,619	140,464
Road and bridge		62,092	-		61,662	61,948
Police protection	0.0732	55,837	-	0.0506	37,820	38,048
Fire protection	0.0732	55,837	-	0.0506	37,820	38,048
Police Pension	0.7707	587,892	-	0.6802	508,399	511,473
Firefighters' Pension	0.5944	453,410	-	0.5376	401,816	404,247
Audit	0.0328	25,020	-	-	-	-
Liability insurance/workers comp	0.3018	230,215	-	0.3239	242,091	243,556
Emergency vehicle	-	-	-	-	-	-
	2.3207	\$ 1,832,329	\$ -	2.0797	\$ 1,616,084	\$ 1,625,771

*Schedule excludes tax increment financing (TIF) collections.

2017 Levy			2016 Levy			2015 Levy		
Equalized Assessed Valuation - \$73,358,544			Equalized Assessed Valuation - \$72,276,388			Equalized Assessed Valuation - \$73,051,319		
Rate per \$100	Taxes Extended	Collections	Rate per \$100	Taxes Extended	Collections	Rate per \$100	Taxes Extended	Collections
0.2500	\$ 183,396	\$ 182,214	0.2500	\$ 180,691	\$ 181,365	0.2500	\$ 182,628	\$ 180,846
0.2471	181,269	180,101	0.2583	186,690	187,386	0.2191	160,056	158,491
-	60,521	60,098	-	59,628	59,765	-	59,391	58,878
0.0750	55,019	54,665	0.0750	54,207	54,410	0.0750	54,788	54,252
0.0750	55,019	54,665	0.0750	54,207	54,410	0.0750	54,788	54,252
0.6240	457,757	454,809	0.6611	477,819	479,602	0.4769	348,382	344,976
0.4634	339,943	337,754	0.3595	259,834	260,803	0.3750	273,942	271,264
-	-	-	-	-	-	0.0206	15,050	14,901
0.2836	208,045	206,704	0.2741	198,109	198,847	0.1843	134,634	133,317
-	-	-	0.0342	24,719	24,811	0.0336	24,545	24,306.00
2.0181	\$ 1,540,969	\$ 1,531,010	1.9872	\$ 1,495,904	\$ 1,501,399	1.7095	\$ 1,308,204	\$ 1,295,483

CITY OF ROCK FALLS, ILLINOIS

**OPERATING STATISTICS
MUNICIPAL WATER FUND**

Last Five Fiscal Years
(Unaudited)

The following is a schedule of gallons of water billed, pumped and meters connected to the system for the past five fiscal years:

Fiscal Year Ending April 30,	Total Gallons (Thousands) Pumped	Total Gallons (Thousands) Billed	Meters Connected
2016	257,344	205,019	4,137
2017	260,393	203,010	4,143
2018	242,536	200,926	4,140
2019	228,314	195,384	4,158
2020	231,804	202,028	4,137

CITY OF ROCK FALLS, ILLINOIS

**OPERATING STATISTICS
MUNICIPAL ELECTRIC FUND**

Last Five Fiscal Years
(Unaudited)

Operating statistics for the last five fiscal years are as follows:

	2019-2020*	2018-2019	2017-2018	2016-2017	2015-2016
Meters in service	5,281	5,297	5,297	5,350	5,358
Kilowatt hours billed	67,324,475	72,020,830	72,660,413	71,186,871	69,447,832
Kilowatt hours purchased and generated	66,862,245	77,946,543	74,798,855	76,648,319	74,824,870
Percent of loss	-0.69%	7.60%	2.86%	7.13%	7.19%

*It was noted there was a meter reading error in 2019-2020 regarding the amount of kilowatt hours purchased from Comed. This is why it appears that more kilowatt hours were billed than purchased.

CITY OF ROCK FALLS, ILLINOIS

**OPERATING STATISTICS
MUNICIPAL SANITARY SEWERAGE FUND**

Last Five Fiscal Years
(Unaudited)

The number of customers served by the system for the last five fiscal years are as follows:

	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Residential	3,707	3,690	3,682	3,712	3,781
Commercial/industrial	326	363	358	354	350
	4,033	4,053	4,040	4,066	4,131