

ROCK ISLAND COUNTY METROPOLITAN
MASS TRANSIT DISTRICT

Moline, Illinois

**Financial Statements
and Supplementary Information**

For the Years Ended

November 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Rock Island County Metropolitan Mass Transit District
Moline, Illinois

Report on Financial Statements

We have audited the accompanying financial statements of the Rock Island County Metropolitan Mass Transit District (the District) as of and for the years ended November 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District'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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

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 entity'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 entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of November 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 15 and the information in Schedules 1 through 5 on pages 52 to 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedules 6 through 10 are presented for the purpose of additional analysis. The accompanying Schedule 11 is presented for purposes of additional analysis as required by the State of Illinois Grant Accountability and Transparency Act. The accompanying Schedules 12 through 14 are presented for purposes of additional analysis as required by the Illinois Department of

Transportation. The accompanying Schedules 15 through 17, including the Schedule of Expenditures of Federal Awards, are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The information included in Schedules 6 through 17 is not a required part of the basic financial statements.

The schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 information, including the information in the Schedule of Expenditures of Federal Awards, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Champaign, Illinois
March 9, 2021

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended November 30, 2020 and 2019

Rock Island County Metropolitan Mass Transit District (the District)

The Rock Island County Metropolitan Mass Transit District was created in November of 1970 for the purpose of putting new life and new sources of funds into the transit system. In December 1970, by a 63% majority vote, the then four (4) participating cities (East Moline, Moline, Rock Island and Silvis) voted and approved the creation of a municipal corporation and gave the District power to levy taxes. In September 1971, a petition made the Village of Milan a part of the District. In 1992, by resolution of the Board, the Villages of Carbon Cliff and Green Rock (which later merged w/Colona) were added to the District. Also, by Board resolution, the Village of Hampton was added in 1993.

The District is a municipal corporation under the statutes of the State of Illinois. The District is comprised of the municipalities of Carbon Cliff, East Moline, Colona, Hampton, Milan, Moline, Rock Island, and Silvis. Funding is provided for the District by the Federal and State governments, Rock Island and Henry County property taxes, and passenger revenue. The District is governed by a five-member Board of Trustees appointed for four-year terms by the mayors of the following cities: East Moline, Milan, Moline, Rock Island, and Silvis.

In 1983, the Quad City Transit Facility was built in Rock Island, Illinois. This facility accommodated both the District and Davenport CitiBus vehicles. A third entity, the Quad City Garage Policy Group, operated at the facility as well. This group maintained the vehicles for both fleets.

A public contest was held to rename the transit system in 1988. The purpose was to replace the acronym RICMMTD and to increase name recognition. MetroLINK was the name selected and has become the District's branded name.

The Community Transportation Center (Centre Station) was completed in May of 1998. Centre Station features a full-service gift shop and houses the District's Safety and Security Department, including two full time Rock Island County Sherriff's Deputies.

The East Pointe Passenger and Bus Transfer Terminal opened for operations in December 2005. It is fully ADA-compliant and features a passenger lobby, restroom facilities, and real time passenger information regarding bus arrivals and departures. East Pointe also houses the District's modern, technologically advanced Training Center and Conference Room and the office of the District Training Officer.

District Station is located in downtown Rock Island and is the District's latest signature transit station. The station opened in January of 2014 and features a two-thousand square foot passenger waiting area with restrooms, an informational kiosk, and real-time bus information. Ten individual bus bays surround the station, with each bus bay displaying real time transit information to riders. The project is part of a larger development which includes market rate housing, retail, and bikeway improvements.

In April of 2014, the District completed construction on the Operations & Maintenance Center (OMC) in Rock Island. Davenport's fleet was moved to its public works facility while the District's fleet was moved to the new facility, and the Quad City Transit Facility was subsequently sold in 2015. The OMC is approximately 154,000 square feet in size, and contains a new center of operations, a bus servicing and fueling area, the Information Technology department, and storage space for the entire fleet and support vehicles. It also serves as a new base of operations for the Quad City Garage Policy Group, which will continue to maintain the District's fleet.

With a current active fleet of 60 transit buses (10 diesel, 8 electric and 42 compressed natural gas), 11 paratransit vehicles for STS services, 7 handicapped-accessible vehicles used for ADA services, and an average work force of 125 employees, the District operates an extensive system of bus routes that serve the Illinois Quad Cities seven days a week. This seamless transportation network serves the major residential, retail, and commercial corridors throughout the Illinois Quad Cities and is regionally linked to transfer passengers to the Iowa Quad Cities transit systems.

In addition to an extensive fixed route system, other specialty transportation options are offered year-round. The District is a ticket agent for Burlington Trailways and Centre Station serves as one of their hubs. Special Transportation Services (STS) provide transportation for the ARC of the Quad Cities, for kidney dialysis patients and paratransit/public-aid service to supplement Sunday Metropolitan Bus Service. Para-Transit Service (PTS) is available to individuals unable to use the fixed route service and provides "curb to curb" service for eligible riders. Complete operational services for PTS and STS dispatching services are contracted from Coordinated Transportation Development.

Seasonally, the Channel Cat Water Taxi service allows passengers to see the Quad Cities from a different point of view. Three passenger ferryboats equipped with bicycle racks and wheelchair accessibility make hourly stops at four docks (two on the Illinois side and two on the Iowa side) along the "Mighty Mississippi" allowing thousands to enjoy a link to the Quad City River front walking and biking trails.

The District also contracts with the City of Davenport to provide customer service support to their ridership via an Intergovernmental Agreement initiated in December of 2016. It also participates in an agreement with the City of Davenport and the City of Bettendorf to provide bus transportation over the I-74 bridge. The purpose of this service is to offer an additional option for traveling in the construction zone across the existing bridge while a replacement bridge is being constructed. This project is entitled "The Stretch," and is expected to last through 2021.

About the Financial Statements of the District

The financial statements of the District are presented on a proprietary fund basis. Accounting principles used are similar to principles applicable in the private sector. The District's basic financial statements consist of a Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These statements are the measures used to evaluate the short-term and long-term outlook of the District's finances and are used in conjunction with the Annual Budget and Appropriations Ordinance, which is the District's financial plan for the fiscal year.

Statement of Net Position

The Statement of Net Position presents the assets and liabilities of the District similar to the private sector on an accrual basis. Revenues and expenses are recognized when incurred rather than when cash is paid or received. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources as reflected on the Statement of Net Position represents the financial position of the District or the Net Position.

A comparative analysis of the District's Net Position is presented below (Table 1):

Table 1
Net Position (000's)

	FY20	FY19	FY18
Current and Other Assets	\$13,204	\$11,728	\$13,919
Capital Assets	79,077	80,509	78,964
Total Assets	92,281	92,237	92,883
Deferred Outflows of Resources	2,237	3,649	1,133
Current and Other Liabilities	1,657	1,938	2,233
Noncurrent liabilities	3,226	6,395	2,660
Total liabilities	4,883	8,333	4,893
Deferred Inflows of Resources	5,890	4,440	6,134
Net Position:			
District			
Net Invested in Capital Assets	77,943	79,013	78,335
Restricted for:			
Insurance	1,099	984	966
Employee Benefits	3,064	2,841	2,424
Other Tax Levies	23	15	11
Unrestricted	1,871	527	1,530
Total District Net Position	83,999	83,380	83,266
Noncontrolling Interest in Net Position of Blended Component Unit	-254	-267	-277
Total Net Position	\$83,745	\$83,113	\$82,989

FY20 Net Position Analysis

For the year ended November 30, 2020, the District's Net Position increased by 0.74% (\$83,999 thousand compared to \$83,380 thousand). The increase of \$619 thousand in total District Net Position is illustrated in the Changes in Net Position schedule below (Table 2), which is taken from the Statement of Revenues, Expenses, and Changes in Net Position in the District's financial statements.

FY19 Net Position Analysis

For the year ended November 30, 2019, the District's Net Position increased by 0.16% (\$83,380 thousand compared to \$83,266 thousand). The increase of \$114 thousand in total District Net Position is illustrated in the Changes in Net Position schedule below (Table 2), which is taken from the Statement of Revenues, Expenses, and Changes in Net Position in the District's financial statements.

Table 2
Changes in Net Position (000's)

	FY20	FY19	FY18
Operating Revenues			
Passenger Fares	\$768	\$1,198	\$1,267
Other Transportation Revenue	174	208	249
Other	174	239	341
Total Operating Revenue	<u>1,116</u>	<u>1,645</u>	<u>1,857</u>
Operating Expenses Before Depreciation	19,036	19,457	19,066
Depreciation	4,575	4,264	3,675
Deficit from Operations	<u>-22,495</u>	<u>-22,076</u>	<u>-20,884</u>
Non-Operating Revenues (Expenses)			
Property Taxes	3,762	3,707	3,926
Investment	28	72	25
State/Federal Operating Assistance	15,632	13,737	13,494
Other	656	-29	-22
Total Non-Operating Revenue	<u>20,078</u>	<u>17,486</u>	<u>17,423</u>
Net Loss Before Capital Contributions	-2,417	-4,590	-3,461
Capital Contributions	<u>3,048</u>	<u>4,714</u>	<u>6,437</u>
Net Increase in Net Position	632	124	2,976
Less: Noncontrolling Interest of Blended Component Unit Net Increase in Net Position	<u>12</u>	<u>11</u>	<u>7</u>
District Net Increase in Net Position	619	114	2,969
District Net Position – Beginning of Year	<u>83,380</u>	<u>83,266</u>	<u>80,297</u>
District Net Position – End of Year	<u><u>\$83,999</u></u>	<u><u>\$83,380</u></u>	<u><u>\$83,266</u></u>

FY20 Change in Net Position Analysis

For the year ended November 30, 2020, the District's Operating Revenue decreased by 32.14% (\$529 thousand). Fare Revenue decreased 35.90% (\$430 thousand) over the prior year.

Operating Expenses before Depreciation decreased 2.16% (\$421 thousand) in FY20 from FY19. The significant expense category variances were as follows: Labor and Benefits decreased 4.38% (\$536 thousand) due to reduced service hours during the pandemic and the associated decrease in employer taxes and pension expense; Professional Services increased 8.36% (\$235 thousand) primarily due to the large increase in custodial services associated with the pandemic; Insurance decreased 5.73% (\$32 thousand) due to lower insurance costs and increased recoveries; Miscellaneous Expense decreased 36.71% (\$121 thousand) primarily due to decreased travel, meeting and promotional expenses. The other variances in expense categories from the prior year were insignificant.

Total Non-Operating Revenues increased by 14.82% (\$2,592 thousand). The primary reason for this increase was that the State/Federal Operating Assistance increased 13.79% (\$1,895 thousand) due to the CARES Act funding associated with COVID-19 expenses and FEMA funding associated with disaster expenses incurred by the District. Other Non-Operating Revenues increased by 2,327.40% (\$685 thousand) due the federal incentive program for compressed natural gas usage for the calendar years 2018 and 2019.

The state operating assistance cycle is based on the State of Illinois fiscal cycle (July 01 to June 30). The formula used to calculate the state operating assistance is 65% of eligible expenses subject to a maximum contract amount. The appropriation has been increasing at 10% annually. The contract amount is awarded annually upon approval of the state operating assistance application.

FY19 Change in Net Position Analysis

For the year ended November 30, 2019, the District's Operating Revenue increased by 11.41% (\$212 thousand). Fare Revenue decreased 5.44% (\$69 thousand) over the prior year.

Operating Expenses before Depreciation increased 2.05% (\$391 thousand) in FY19 from FY18. The significant expense category variances were as follows: Professional Services increased 12.4% (\$309 thousand) due to additional maintenance contracts and several new professional service contracts; Insurance decreased 12.9% (\$82 thousand) due to lower insurance costs and increased recoveries; Purchased Transportation increased 23.0% (\$197 thousand) due to the District's participation in the Stretch service and increased labor expenses within the paratransit and ferryboat operations contracts; Miscellaneous Expense increased 17.7% (\$50 thousand) primarily due to increased travel for training. The other variances in expense categories from the prior year were insignificant.

Total Non-Operating Revenues increased by .36% (\$63 thousand). The primary reason for this increase was that State Operating Assistance increased 2.81% (\$341 thousand) and investment income increased 181% (\$46 thousand); however, the increase was offset by: increased interest expense of 117% (\$20 thousand) for additional battery leases, a decrease in property taxes of 5.58% (\$219 thousand), and a decrease in federal preventive maintenance of 7.32% (\$99 thousand).

The state operating assistance cycle is based on the State of Illinois fiscal cycle (July 01 to June 30). The formula used to calculate the state operating assistance is 65% of eligible expenses subject to a maximum contract amount. The appropriation has been increasing at 10% annually.

The contract amount is awarded annually upon approval of the state operating assistance application.

Budgetary Highlights

A comparative analysis of the District’s actual results compared to budget (excluding the insurance sub-fund and blended component unit Quad City Garage Policy Group) is presented below (Table 3):

Table 3
Annual Budget and Appropriation
(000’s)

	FY20 Budget	FY20 Actual
Passenger Fares	\$1,174	\$768
Other Transportation Revenue	350	175
Other Operating Revenue	437	184
Total Operating Revenue	1,961	1,127
Wages	7,821	7,317
Fringes	6,011	4,768
Fuel	838	552
Materials & Supplies	1,049	1,231
Utilities	371	305
Casualty/Liability and Losses	532	473
Purchased Transportation	1,045	1,058
Leases	230	215
Miscellaneous	3,153	3,136
Total Operating Expenses before Depreciation	21,050	19,055
Depreciation	5,098	4,575
Investment Income	0	23
Interest Expense	-39	-39
Property Taxes	3,740	3,762
Equity in QCGPG	0	17
Government Grants & Assistance	15,458	16,339
Loss on Disposal of Assets	0	-12
Total Non-Operating Revenue	19,160	20,090
Net Loss Before Capital Contributions	-\$5,027	-\$2,413

Budgetary Analysis

The District's actual resources available for appropriations for the year, excluding capital contributions, were .46% (\$97 thousand) more than budgeted. Total Operating Revenue was 42.53% (\$834 thousand) less than budgeted. The large variance was due to the unforeseen pandemic that began in March 2020. Operating Expenses before Depreciation were 9.48% (\$1,955 thousand) less than budgeted, primarily due to lower wages, fringe benefits and fuel costs. Non-Operating Revenue was 4.86% (\$930 thousand) more than budgeted, primarily due to additional federal operating assistance received to offset the effects of pandemic-related losses of revenue and the federal incentive program for compressed natural gas usage for calendar years 2018 and 2019.

The overall effect was that the District's net loss was less than budgeted.

Capital Assets

Table 4
Capital Assets at Year-end
(In 000s)

	FY20	FY19	FY18
Land	\$969	\$969	\$969
Intangible Assets	315	315	315
STS/PTS Buses & Vans	1,631	1,503	1,503
Large Buses/Fixed Route	27,864	28,972	28,564
Channel Cat Boats	1,159	1,137	568
Automobiles	336	336	297
Tram	70	70	70
Passenger Amenities / Shelters	4,035	4,036	4,036
Radios	0	0	0
Camera Equipment	1,326	1,265	1,087
Fare Boxes	352	352	352
Computer Equipment	460	749	749
Office Equipment	283	288	280
Buildings	40,583	40,052	39,547
CNG Fueling Station	3,322	3,322	3,302
Shop Equipment	146	164	164
STS Building	400	433	404
Community Transit Centre (CTC)	8,475	8,481	8,469
EM Transfer Facility	2,284	2,284	2,284
AVLS System	2,987	2,993	2,993
Access Control System	92	92	92
Web Site	58	58	58
Rights of Way/Improvements	161	161	161
Leased Batteries	1,840	1,840	690
CIP – Ferryboat Terminal	89	26	16
CIP – Feasibility Corridor Study	35	35	35
CIP – OMC HVAC / Domestic Water	98	0	0
Asset Held for Distribution	15,767	14,423	14,196
Total	115,137	114,355	111,201
Accumulated Depreciation	-36,061	-33,846	-32,237
Capital Assets - Net	\$79,077	\$80,509	\$78,964

FY20 Capital Assets - Analysis

A comparative analysis of the changes in the District's capital assets for the year ended November 30, 2020 is presented in Table 4. Total capital assets increased by 0.68% (\$782 thousand). The major capital investments were as follows: construction of a skybridge connecting the Multi-Modal Facility to Centre Station, HVAC and domestic water revisions for the Operations & Maintenance Center (OMC), a collision avoidance system for the fixed route vehicles, a touchless wheelchair securement system, electronic air purifiers for fixed route vehicles, automatic touchless front doors at OMC, touchless faucets and flushometer installation, and new racking for the inventory storeroom. Accumulated depreciation increased 6.54% (\$2,214 thousand), which was the accumulated effect of normal depreciation netted with the addition of new assets and the removal of fully depreciated and disposed assets. The combined effect of the decrease in capital assets and increase in accumulated depreciation resulted in a decrease in Net Property, Plant, & Equipment for FY20 of 1.78% (\$1,432 thousand). Additional information on the District's capital assets can be found in Note 6 of this report.

FY19 Capital Assets - Analysis

A comparative analysis of the changes in the District's capital assets for the year ended November 30, 2019 is presented in Table 4. Total capital assets increased by 2.83% (\$3,154 thousand). The major capital investments were as follows: five electric buses with bus batteries and completion of an electric charging system for the Operations & Maintenance Center (OMC), repowering of three ferryboats, installation of high-speed doors entering the service lanes at the OMC, several new shelters, and continued work on the skywalk at the multi-modal facility. Accumulated depreciation increased 4.75% (\$1,609 thousand), which was the accumulated effect of normal depreciation in addition to the new assets mentioned earlier. The combined effect of the increase in total capital assets and increase in accumulated depreciation resulted in an increase in Net Property, Plant, & Equipment for FY19 of 1.96% (\$1,545 thousand). Additional information on the District's capital assets can be found in Note 6 of this report.

Debt Management

Table 5
Long-Term Debt at Year-end
(In 000s)

	FY20	FY19	FY18
Capital Lease Liability	\$1,197	\$1,553	\$621
Net Pension Liability - IMRF	312	3,106	0
Net Pension Liability - IPERS	610	831	922
OPEB Obligation	100	154	150
Accrued Sick Leave	225	220	206
Total	<u>\$2,444</u>	<u>\$5,864</u>	<u>\$1,899</u>

Debt Management – FY20 Debt Analysis

The District's total outstanding debt as of November 30, 2020, decreased 58.32% (\$3,420 thousand) from November 30, 2019. This was primarily due to a pension liability decrease, as per Government Accounting Standards Board (GASB) Statement 68 (see Note 8) netted with an adjustment to Other Post-Employment Benefits per GASB Statement 75 (see Note 9).

Debt Management – FY19 Debt Analysis

The District's total outstanding debt as of November 30, 2019, increased 209% (\$3,965 thousand) from November 30, 2018. This was primarily due to a pension liability increase, as per Government Accounting Standards Board (GASB) Statement 68 (see Note 8) netted with an adjustment to Other Post-Employment Benefits per GASB Statement 75 (see Note 9). Additionally, a new capital lease liability for the batteries on five new electric buses was incurred.

Economic Trends

For the year ending November 30, 2021, the District will continue to monitor how the COVID-19 pandemic is affecting its passengers, workforce, and community. Staff will comply with all federal and state regulatory agencies and also identify revenue challenges and funding opportunities in order to position the District to effectively guide the agency through the second year of the pandemic. The State Operating Appropriation for FY22 (July 2021 to June 2022) increased 10% from FY21. Management continues to monitor the Illinois state budget proposals that could impact transit funding in future periods, to communicate with the governor and legislators, and to continually update plans as changes occur. The fuel performance of the fleet will continue to be optimized with mixed use of CNG and electric-powered buses. Projects expected to be substantially completed in FY21 are a new dock for the John Deere Commons ferryboat stop, a new CAD/AVL system, replacement of approximately twenty-three fixed route vehicles, and addition of seven electric bus chargers. Future projects include a new bus fare collection system.

Contacting the District's Management

The financial reports of the District provide an overview for the public of the financial accountability the District maintains for the resources received. Further questions concerning this report should be directed to the Director of Finance, Rock Island County Metropolitan Mass Transit District (the District), 1515 River Drive, Moline, Illinois 61265.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Statements of Net Position
November 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ (159,274)	\$ 589,064
Restricted Assets		
Cash and Cash Equivalents for Insurance and Employee Benefits	4,112,168	3,735,446
Property Taxes Receivable	73,578	103,859
Receivables		
Property Taxes Receivable	3,684,543	3,537,843
Accounts Receivable, Net of Allowance	152,466	172,308
Federal and State Grants Receivable	511,716	827,094
Due from Other Governments	1,855,912	24,972
Prepaid Expenses	456,302	376,199
Inventory	761,635	619,194
Total Current Assets	11,449,046	9,985,979
Noncurrent Assets:		
Cash and Cash Equivalents - Designated Funds	71,424	57,661
Receivables		
Due from Other Governments - Net of Current	1,684,129	1,684,129
Capital Assets		
Not Being Depreciated	1,505,872	1,344,285
Being Depreciated		
Property and Equipment	97,863,915	98,588,346
Accumulated Depreciation	(36,060,602)	(33,846,299)
Held for Distribution	15,767,470	14,422,713
Total Noncurrent Assets	80,832,208	82,250,835
Total Assets	92,281,254	92,236,814
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Deferred Outflows	2,206,695	3,632,200
OPEB Related Deferred Outflows	30,212	17,224
Total Deferred Outflows of Resources	2,236,907	3,649,424

See Accompanying Notes

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Statements of Net Position
November 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	674,569	495,587
Accrued Payroll and Payroll Taxes	323,788	250,261
Accrued Leave	252,675	187,741
Due to Other Governments	111	609,414
Unearned Other Revenue	38,779	38,533
Capital Lease Liability	367,195	356,242
Total Current Liabilities	<u>1,657,117</u>	<u>1,937,778</u>
Noncurrent Liabilities:		
Accrued Leave - Net of Current	224,595	219,927
Due to Other Governments - Net of Current	1,149,243	886,760
Capital Lease Liability - Net of Current	829,807	1,197,001
Net Pension Liability	922,491	3,936,896
OPEB Liability	99,985	154,316
Total Noncurrent Liabilities	<u>3,226,121</u>	<u>6,394,900</u>
Total Liabilities	<u>4,883,238</u>	<u>8,332,678</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned Property Taxes	3,647,851	3,518,655
Pension Related Deferred Inflows	2,170,231	921,408
OPEB Related Deferred Inflows	71,642	-
Total Deferred Inflows of Resources	<u>5,889,724</u>	<u>4,440,063</u>
NET POSITION		
District		
Net Investment in Capital Assets	77,942,797	79,013,463
Restricted:		
Tax Levy Restrictions:		
Liability Insurance	1,098,669	983,819
Employee Benefits	3,063,945	2,840,519
Other Tax Levy Restrictions	23,132	14,966
Unrestricted	1,870,841	527,434
Total District Net Position	<u>83,999,384</u>	<u>83,380,201</u>
Noncontrolling Interest in Net Position of Blended Component Unit	<u>(254,185)</u>	<u>(266,704)</u>
Total Net Position	<u>\$ 83,745,199</u>	<u>\$ 83,113,497</u>

See Accompanying Notes

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
 Statements of Revenues, Expenses, and Changes in Net Position
 For the Years Ended November 30, 2020 and 2019

	2020	2019
Operating Revenue		
Passenger Fares	\$ 767,891	\$ 1,198,004
Other Transportation Revenue	174,550	208,411
Other Operating Revenue	173,928	238,786
Total Operating Revenue	1,116,369	1,645,201
Operating Expenses		
Labor and Benefits	11,716,342	12,252,697
Professional Services	3,043,799	2,808,977
Materials and Supplies	1,880,811	1,843,824
Utilities	384,277	389,742
Insurance	524,554	556,466
Purchased Transportation	1,057,880	1,056,585
Leases	214,936	219,222
Miscellaneous	208,652	329,685
Depreciation	4,575,027	4,264,120
Bad Debt Expense	4,846	-
Total Operating Expenses	23,611,124	23,721,318
Operating Loss	(22,494,755)	(22,076,117)
Non-Operating Revenue (Expenses)		
Investment Income	28,080	71,515
Interest Expense	(39,065)	(37,542)
Property Taxes		
Levied	3,558,416	3,485,563
Replacement	187,618	205,913
Payments in Lieu of Taxes	16,217	15,899
Government Grants and Assistance		
State Operating Assistance	12,161,544	12,488,468
Federal Operating Assistance	3,470,159	1,248,551
Gain (Loss) on Disposal of Assets	(12,361)	8,102
Excise Tax Rebate Revenue	707,174	-
Total Non-Operating Revenue (Expenses)	20,077,782	17,486,469
Net Loss Before Capital Contributions	(2,416,973)	(4,589,648)
Capital Contributions		
State Capital Assistance	857,679	306,634
Federal Capital Assistance	2,190,996	4,407,455
Total Capital Contributions	3,048,675	4,714,089
Net Increase in Net Position	631,702	124,441
Less: Noncontrolling Interest of Blended Component		
Unit Net Increase in Net Position	12,519	10,674
District Net Increase in Net Position	619,183	113,767
District Net Position - Beginning of Year	83,380,201	83,266,434
District Net Position - End of Year	\$ 83,999,384	\$ 83,380,201

See Accompanying Notes

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Statements of Cash Flows
For the Years Ended November 30, 2020 and 2019

	2020	2019
Cash Flows From Operating Activities		
Cash Received for Passenger Fares	\$ 792,196	\$ 1,219,108
Cash Received From Special Transit Services and Advertising Income	174,550	208,411
Rent and Other Receipts	180,436	150,401
Wages Paid to Employees	(8,910,659)	(9,097,919)
Payments to Suppliers for Goods and Services	(10,389,026)	(10,138,563)
Net Cash Used in Operating Activities	(18,152,503)	(17,658,562)
Cash Flows From Non-Capital Financing Activities		
Operating Grant Proceeds		
State of Illinois	10,101,789	11,866,909
Federal Transit Administration	3,442,425	1,269,989
Other Grant Revenue Proceeds	34,334	-
Excise Tax Rebate Revenue Proceeds	707,174	-
Property and Income Taxes Received	3,775,028	3,737,730
Net Cash Provided by Non-Capital Financing Activities	18,060,750	16,874,628
Cash Flows From Capital and Related Financing Activities		
Capital Grant Proceeds		
State of Illinois	1,083,154	117,714
Federal Transit Administration	2,003,322	4,435,328
Principal Payments on Capital Lease	(356,241)	(217,765)
Interest Payments on Capital Lease	(39,065)	(37,542)
Purchase and Construction of Capital Assets	(3,000,550)	(4,584,484)
Insurance Proceeds from Disposal of Capital Assets	15,200	9,000
Net Cash Used in Capital and Related Financing Activities	(294,180)	(277,749)
Cash Flows From Investing Activities		
Interest Received	28,080	71,515
Net Cash Provided by Investing Activities	28,080	71,515
Decrease in Cash and Cash Equivalents	(357,853)	(990,168)
Cash and Cash Equivalents - Beginning of Year	4,382,171	5,372,339
Cash and Cash Equivalents - End of Year	\$ 4,024,318	\$ 4,382,171
Presented on the Statement of Net Position as Follows:		
Cash and Cash Equivalents	\$ (159,274)	\$ 589,064
Cash and Cash Equivalents for Insurance and Employee Benefits	4,112,168	3,735,446
Cash and Cash Equivalents - Designated Funds	71,424	57,661
Cash and Cash Equivalents - End of Year	\$ 4,024,318	\$ 4,382,171

See Accompanying Notes

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Statements of Cash Flows
For the Years Ended November 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	\$ (22,494,755)	\$ (22,076,117)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities		
Depreciation	4,575,027	4,264,120
Changes in Assets and Liabilities:		
Accounts Receivable	49,031	(15,068)
Prepaid Expenses	(80,103)	4,271
Inventory	(142,441)	(44,700)
Pension Related Deferred Outflows	1,425,505	(2,530,248)
OPEB Related Deferred Outflows	(12,988)	13,842
Accounts Payable	133,117	(53,152)
Other Liabilities	246	11,200
Accrued Wages and Benefits	143,129	(35,468)
Net Pension Liability	(3,014,405)	4,561,088
Net OPEB Liability	(54,331)	4,589
Pension Related Deferred Inflows	1,248,823	(1,762,919)
OPEB Related Deferred Inflows	71,642	-
Net Adjustments	<u>4,342,252</u>	<u>4,417,555</u>
Net Cash Used in Operating Activities	<u>\$ (18,152,503)</u>	<u>\$ (17,658,562)</u>
Noncash Capital and Related Financing Activities		
Capital Assets Donated by Grants	<u>\$ 128,000</u>	<u>\$ -</u>
Capital Assets Acquired through Capital Lease	<u>\$ -</u>	<u>\$ 1,150,000</u>

See Accompanying Notes

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Notes to Basic Financial Statements
November 30, 2020 and 2019

1. Nature of Operations and the Reporting Entity

The Rock Island County Metropolitan Mass Transit District (the District) was incorporated in 1970 and adopted its charter under the provisions of 70 ILCS 3610 of the Illinois Compiled Statutes. The District is governed by a Board of Trustees and provides mass transit services within the boundaries of the District in Rock Island County and a portion of Henry County, Illinois.

The reporting entity of the District was determined based on the oversight responsibility and scope of the public services provided. Oversight responsibility is measured by the extent of financial interdependency, control over the selection of the governing authority and management, ability to significantly influence operations, and accountability for fiscal matters. Quad City Garage Policy Group (the Group) is considered a blended component unit of the District based on the District's voting majority on the Board of the Group and because the Group's operations are fully in support of the District's operations. The Group is responsible for the maintenance of buses used in the transit programs of the District. The Group has a noncontrolling interest equity owner, which is the City of Davenport, Iowa.

The Group's fiscal year is July 1 to June 30, thus the information included in the District's financial statements for the years ended November 30, 2020 and 2019 are from the Group's fiscal years ended June 30, 2020 and 2019. Copies of the separately issued financial statements of the Group are available at the District's office in Moline, Illinois.

There are no other entities for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be materially misstated or incomplete.

2. Summary of Significant Accounting Policies

- a. The financial statements of the District are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.
- b. For the purposes of preparing the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents. Non-negotiable certificates of deposits are recorded at cost.

- c. The District considers its deposit in the Illinois Funds Investment Pool to be a cash equivalent. The investment pool is essentially a demand deposit account and deposits and withdrawals may be made at any time without prior notice or penalty.
- d. Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements or enabling legislation related to property taxes.
- e. Designated funds are cash, cash equivalents, or investments set aside for bond payments or capital asset acquisition purposes. Designated funds do not carry external restriction but are not available to be used for the District's operations.
- f. Receivables from government units are considered to be fully collectible; accordingly, no allowance for doubtful accounts from governmental units is presented. Allowances of \$752 and \$866 are included for fiscal years 2020 and 2019, respectively, for general accounts receivable. At November 30, 2020 and 2019, the District had liabilities to the State of Illinois for operating assistance, which are shown as due to other governments.
- g. The District levies property taxes each year, on all taxable real property located within the District, on or before the last Tuesday in December. Property taxes attach as an enforceable lien on property as of January 1 each year and are payable in four installments on June 1, August 1, September 1, and November 1. All unpaid taxes become delinquent on April 1 and October 1 of the following year. The counties of Rock Island and Henry bill and collect the District's property taxes. Since the 2020 property taxes are not due and collectible until June 2021 and are intended to finance the operations of Fiscal Year 2021, they are not considered earned as of November 30, 2020 and are, therefore, shown as unearned revenue and will be recognized as revenue in Fiscal Year 2021.
- h. Prepaid expenses, such as for insurance, are deferred and expensed over the term when the services are received.
- i. Inventory consists of concessions held by the District available for purchase by the public at the Center Station Facility and parts inventories held by the Group. Inventories are stated at cost using the first-in, first-out method.
- j. Purchased capital assets are valued at actual or estimated historical cost, while contributed capital assets are valued at their acquisition value at the time of contribution. Assets are capitalized if they are valued at more than \$10,000 and have a useful life of more than one year.

Depreciation is calculated on all capital assets, including capital leases, other than land, construction in progress, works of art, and assets that appreciate in value, using the straight-line method with the following useful lives:

	<u>Years</u>
Structure	
Building	50
Remodeling	10
Carpet	5
Vans and Autos	5
Buses	7-15
Office Equipment	5-10
Ferry Boats	15
Bus Accessories and Parts	10-12
Bus Shelters	10-25
Electric Bus Batteries	5
Radios	5-10
Shop Equipment	10
Tow Truck	10

- k. The financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category. The items, pension related deferred outflows and other postemployment benefits (OPEB) related deferred outflows, are reported in the Statement of Net Position. The pension related deferred outflow consists of unrecognized items not yet charged to pension expense and contributions from the District after the measurement date of the net pension liability, December 31, 2019 and 2018, but before the end of the District's reporting periods of November 30, 2020, and 2019, respectively. This item will be included in the net pension liability or asset and pension expense calculation in subsequent fiscal years. The OPEB related deferred outflow consists of unrecognized items not yet charged to OPEB expense. This item will be included in the net OPEB liability and OPEB expense calculation in subsequent fiscal years.

The financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category, unearned property taxes and pension related deferred inflows. The unearned property taxes represent future revenue from property taxes. This amount is deferred and recognized as an inflow of resources (revenue) in the period in which the property taxes become earned. The pension-related deferred inflow consists of unrecognized items not yet charged to pension expense. This item will be included in the net pension liability or asset and pension expense calculation in subsequent fiscal years.

1. It is the District's policy to allow employees to accumulate unused compensated sick leave. The District calculates the liability for unused sick leave included in compensated absences using the vesting method. The District considers accrued sick leave to be a noncurrent liability. It is the District's policy to allow employees to accrue sick leave to a maximum of 1,400 hours. Salaried employees hired prior to June 1, 2000, who terminate employment with the District, are eligible to receive compensation for unused sick leave at termination of employment with the District. Salaried employees hired after May 31, 2000, who terminate employment with the District and are vested with the Illinois Municipal Retirement Fund (IMRF), may have a portion of their unused sick leave benefits credited to their IMRF account towards their length of service. Employees covered in the collective bargaining agreements retiring in accordance with the eligibility provisions of IMRF guidelines or salaried employees retiring in accordance with IMRF's Early Retirement Incentive Program are eligible to credit unused sick leave for additional pension service credits.

Full-time employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the District. Accumulated vacation pay amounts are accrued and recorded as an expense as the benefits are earned by employees. The District considers accrued vacation leave to be a current liability.

- m. The District's net position is classified as follows:

- Net Investment in Capital Assets – This represents the District's capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent funds related to that debt at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted Net Position – This includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or enabling legislation.
- Unrestricted Net Position – This includes resources that do not meet the definition of "restricted" or "net investment in capital assets."

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

- n. Operating revenues and expenses generally result from providing services. Operating revenues principally include charges to customers for services. Operating expenses include administrative expenses, costs of services, and depreciation on capital assets. All other revenues are considered non-operating or other revenues and expenses. This includes tax levies, state and federal grants, investment income and interest expense.

- o. Federal and state grants are subject to grantor agency compliance audits. Management believes losses, if any, resulting from those compliance audits are not material to these financial statements.
- p. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The significant estimates at November 30, 2020 include the allowance for uncollectible receivables, useful lives of capital assets, valuation of the liability for pensions, valuation of the liability for OPEB, and the allowable expenses charged to grants.

3. Deposits and Investments

The District’s investment policy permits the District to invest in instruments allowed by Illinois Compiled Statutes (ILCS). Specifically, the District is permitted to invest in interest bearing savings accounts, certificates of deposits, or time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act. The District is also permitted to invest in the Illinois Funds Investment Pool, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer. The Illinois Funds are reported at \$1 per share value, which equals the District’s fair value of the pool.

In addition, the District’s Board of Trustees has adopted an investment policy which provides further restrictions on the investment of District funds. It is the policy of the District 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 District 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 of capital, liquidity, return on investment, and maintaining public trust.

Cash and cash equivalents consist of the following at November 30:

	2020		2019	
	Bank Balance	Carrying Value	Bank Balance	Carrying Value
<i>Cash</i>				
Checking and Savings	\$ 1,104,280	\$ 700,720	\$ 989,241	\$ 590,141
Petty Cash	-	960	-	960
<i>Cash Equivalents</i>				
Money Market	3,115,661	3,115,661	128,508	128,508
Illinois Funds	1,446	1,446	3,398,511	3,398,511
Certificate of Deposit	205,531	205,531	264,051	264,051
Total	<u>\$ 4,426,918</u>	<u>\$ 4,024,318</u>	<u>\$ 4,780,311</u>	<u>\$ 4,382,171</u>

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At November 30, 2020, none of the District's \$4,425,472 bank balance, which reconciles to a financial statement balance of \$4,022,872, was exposed to custodial credit risk.

Interest Rate and Credit Risk – External Investment Pool

At November 30, 2020, The District had a total of \$1,446 in the Illinois Funds Money Market Fund. The value of the District's position in this fund is equal to the value of the District's fund shares, which maintain a \$1 net asset value. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private rating agencies. The portfolio has an AAAM rating from Standard and Poor's. The assets of the fund are mainly invested in securities issues by the United States government or agencies related to the United States and valued at amortized cost. Assets of the fund not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The District has no restriction on withdrawing funds from this external investment pool.

4. Due from and Due to Other Governments

The District had the following amounts due from and due to other governments at November 30, 2020 and 2019:

	2020	2019
Due from Other Governments:		
State of Illinois - Department of Transportation		
State Fiscal Year 2021 Operating Grant	\$ 1,712,935	\$ -
State Fiscal Year 2019 Operating Grant	111,380	111,380
State Fiscal Year 2017 Operating Grant	489,352	489,352
State Fiscal Year 2016 Operating Grant	1,020,670	1,020,670
State Fiscal Year 2013 Operating Grant	62,727	62,727
Federal Government - Internal Revenue Service	142,977	24,972
Due from Other Governments	<u>\$ 3,540,041</u>	<u>\$ 1,709,101</u>
Current	\$ 1,855,912	\$ 24,972
Noncurrent	1,684,129	1,684,129
	<u>\$ 3,540,041</u>	<u>\$ 1,709,101</u>
Due to Other Governments:		
State of Illinois - Department of Transportation		
State Fiscal Year 2020 Operating Grant	\$ 262,483	\$ 609,321
State Fiscal Year 2018 Operating Grant	55,388	55,388
State Fiscal Year 2015 Operating Grant	186,420	186,420
State Fiscal Year 2012 Operating Grant	482,645	482,645
State Fiscal Year 2011 Operating Grant	162,307	162,307
Other Governments	111	93
Due to Other Governments	<u>\$ 1,149,354</u>	<u>\$ 1,496,174</u>
Current	\$ 111	\$ 609,414
Noncurrent	1,149,243	886,760
	<u>\$ 1,149,354</u>	<u>\$ 1,496,174</u>

5. Blended Component Unit Condensed Financial Information

As discussed in Note 1, the District's financial statements for the years ended November 30, 2020 and 2019 include the Group's financial activity and balances for the Group's fiscal years ended June 30, 2020 and 2019, with applicable eliminations of activity and balances between the District and the Group.

The following is condensed financial information taken from the Group's audited financial statements for the fiscal years ended June 30, 2020 and 2019:

Condensed Statements of Net Position

	2020	2019
Assets		
Current Assets	\$ 970,139	\$ 619,279
Deferred Outflows of Resources	130,323	198,791
Liabilities		
Current		
Unearned Revenue from the District	369,996	62,569
Other Current Liabilities	160,054	116,621
Non-Current	610,050	831,013
Total Liabilities	1,140,100	1,010,203
Deferred Inflows of Resources	273,507	150,819
Net Position		
Unrestricted	(313,145)	(342,952)
Total Net Position	\$ (313,145)	\$ (342,952)

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2020	2019
Operating Revenue		
Revenue from the District	\$ 3,088,958	\$ 3,084,931
Total Operating Revenue	3,088,958	3,084,931
Operating Expenses	3,059,151	3,059,516
Operating Income	29,807	25,415
Net Increase in Net Position	29,807	25,415
Net Position - Beginning of the Year	(342,952)	(368,367)
Net Position - End of the Year	\$ (313,145)	\$ (342,952)

Condensed Statements of Cash Flows

	2020	2019
Net Cash Provided by (Used in)		
Operating Activities	\$ 190,704	\$ (92,050)
Cash and Cash Equivalents - Beginning of Year	(15,826)	76,224
Cash and Cash Equivalents - End of Year	\$ 174,878	\$ (15,826)

Due to the different fiscal years of the District and the Group, the statement of net position balances that require elimination to consolidate the two entities do not agree between the two entities.

The net difference at November 30, 2020 was a net unearned revenue from the District of \$159,024 on the statement of net position of the Group. This amount has been adjusted through the Group's cash and accounts payable balances presented in the consolidated statement of net position of the District as operations between the two entities between June 30, 2020 and November 30, 2020 resulted in the Group's cash and unearned revenue from the District decreasing significantly and accounts payable increasing. The net difference at November 30, 2019 was a net receivable from the Group of \$131,115 on the statement of net position of the District. This amount has been adjusted through the Group's cash, accounts payable, and accrued expenses balances presented in the consolidated statement of net position for November 30, 2019.

6. Capital Assets

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

	November 30, 2019	Additions and Adjustments	Disposals and Adjustments	November 30, 2020
<i>Used in Operations</i>				
Not Being Depreciated:				
Land	\$ 968,797	\$ -	\$ -	\$ 968,797
Intangible Assets	315,000	-	-	315,000
Construction in Progress	60,488	161,587	-	222,075
Total Not Being Depreciated	<u>1,344,285</u>	<u>161,587</u>	<u>-</u>	<u>1,505,872</u>
Being Depreciated:				
Buildings and Improvements	55,447,769	545,335	55,434	55,937,670
Vehicles	31,448,701	1,006,451	1,986,306	30,468,846
Equipment	11,691,876	112,068	346,545	11,457,399
Total Being Depreciated	<u>98,588,346</u>	<u>1,663,854</u>	<u>2,388,285</u>	<u>97,863,915</u>
Total Cost	<u>99,932,631</u>	<u>1,825,441</u>	<u>2,388,285</u>	<u>99,369,787</u>
Less: Accumulated				
Depreciation				
Buildings and Improvements	11,231,661	1,560,068	27,874	12,763,855
Vehicles	16,089,741	2,121,598	1,986,306	16,225,033
Equipment	6,524,897	893,361	346,544	7,071,714
Total Accumulated				
Depreciation	<u>33,846,299</u>	<u>4,575,027</u>	<u>2,360,724</u>	<u>36,060,602</u>
Total Capital Assets				
Used in Operations	66,086,332	(2,749,586)	27,561	63,309,185
<i>Held for Distribution</i>				
Buildings and Improvements	14,422,713	1,344,757	-	15,767,470
Net Capital Assets	<u>\$ 80,509,045</u>	<u>\$ (1,404,829)</u>	<u>\$ 27,561</u>	<u>\$ 79,076,655</u>

Included in Held for Distribution at November 30, 2020 is \$15,767,470 related to an asset that will be turned over to the City of Moline, Illinois, once a formal agreement is made, which is projected in Fiscal Year 2021.

Capital asset activity for the year ended November 30, 2019 was as follows:

	November 30, 2018	Additions and Adjustments	Disposals and Adjustments	November 30, 2019
<i>Used in Operations</i>				
Not Being Depreciated:				
Land	\$ 968,797	\$ -	\$ -	\$ 968,797
Intangible Assets	315,000	-	-	315,000
Construction in Progress	51,317	9,171	-	60,488
Total Not Being Depreciated	<u>1,335,114</u>	<u>9,171</u>	<u>-</u>	<u>1,344,285</u>
Being Depreciated:				
Buildings and Improvements	54,901,346	668,849	122,426	55,447,769
Vehicles	31,001,338	3,001,185	2,553,822	31,448,701
Equipment	9,766,862	1,925,014	-	11,691,876
Total Being Depreciated	<u>95,669,546</u>	<u>5,595,048</u>	<u>2,676,248</u>	<u>98,588,346</u>
Total Cost	<u>97,004,660</u>	<u>5,604,219</u>	<u>2,676,248</u>	<u>99,932,631</u>
Less: Accumulated				
Depreciation				
Buildings and Improvements	9,781,015	1,551,675	101,029	11,231,661
Vehicles	16,725,456	1,918,107	2,553,822	16,089,741
Equipment	5,730,559	794,338	-	6,524,897
Total Accumulated				
Depreciation	<u>32,237,030</u>	<u>4,264,120</u>	<u>2,654,851</u>	<u>33,846,299</u>
Total Capital Assets				
Used in Operations	64,767,630	1,340,099	21,397	66,086,332
<i>Held for Distribution</i>				
Buildings and Improvements	14,196,792	225,921	-	14,422,713
Net Capital Assets	<u>\$ 78,964,422</u>	<u>\$ 1,566,020</u>	<u>\$ 21,397</u>	<u>\$ 80,509,045</u>

Included in Held for Distribution at November 30, 2019 is \$14,422,713 related to an asset that will be turned over to the City of Moline, Illinois, once a formal agreement is made, which is projected in Fiscal Year 2021.

Depreciation for transit operations for the years ended November 30, 2020 and 2019, including depreciation on capital leases, was \$4,575,027 and \$4,264,120, respectively.

7. Notes Payable

Line of Credit

The District had a \$3,000,000 bank revolving line of credit that bears a variable rate of 0.25 percent over the independent index which is the Prime Rate as reported in the Wall Street Journal, with a minimum rate of 4.50 percent and maximum rate of 15.00 percent. Interest rate as of November 30, 2019 was 4.50 percent and interest is paid monthly. This line of credit matures November 30, 2021 and is secured by substantially all the District's assets. Outstanding amounts were \$0 at both November 30, 2020 and 2019.

Each of the following shall constitute an event of default under this agreement: payment default, failure to comply with or to perform any other term contained in the agreement, default in favor of third parties, false statements, insolvency, creditor or forfeiture proceedings, events affecting guarantor, and adverse change. If an event of default occurs under this agreement, the lender may declare the entire unpaid principal balance and all accrued unpaid interest to be immediately due. There are no termination or acceleration clauses.

Long-Term Obligation Summary

The following is a summary of changes to the District’s long-term debt for the fiscal year 2020:

	November 30, 2019	Issued	Retired	November 30, 2020	Due Within One Year
OPEB Liability	\$ 154,316	\$ (54,331)	\$ -	\$ 99,985	\$ -
Net Pension Liability-IMRF	3,105,883	(2,315,200)	478,242	312,441	-
Net Pension Liability-IPERS	831,013	(145,277)	75,686	610,050	-
Accrued Sick Leave	219,927	21,819	17,151	224,595	-
Capital Lease Liability	1,553,243	-	356,241	1,197,002	367,195
Totals	\$ 5,864,382	\$ (2,492,989)	\$ 927,320	\$ 2,444,073	\$ 367,195

The following is a summary of changes to the District’s long-term debt for the fiscal year 2019:

	November 30, 2018	Issued	Retired	November 30, 2019	Due Within One Year
OPEB Liability	\$ 149,727	\$ 7,453	\$ 2,864	\$ 154,316	\$ -
Net Pension Liability-IMRF	-	3,831,613	725,730	3,105,883	-
Net Pension Liability-IPERS	921,966	(2,816)	88,137	831,013	-
Accrued Sick Leave	206,068	21,780	7,921	219,927	-
Capital Lease Liability	621,008	1,150,000	217,765	1,553,243	356,242
Totals	\$ 1,898,769	\$ 5,008,030	\$ 1,042,417	\$ 5,864,382	\$ 356,242

8. Pension and Retirement Plans

Rock Island County Metropolitan Mass Transit District

Plan Description

The District’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and their beneficiaries. The District’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members, including the District, participate in the Regular Plan.

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.67 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3 percent of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.67 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of: 3 percent of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

There have been no changes in benefits between measurement dates.

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	97
Inactive Plan Members entitled to but not yet receiving benefits	49
Active Plan Members	141
Total	<u>287</u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar years 2020 and 2019 were 8.34 percent and 5.52 percent, respectively. For the fiscal years ended November 30, 2020 and 2019, the District contributed \$747,171 and \$582,214, respectively, to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50 percent.
- Salary Increases were expected to be 3.35 percent to 14.25 percent, including inflation.
- The Investment Rate of Return was assumed to be 7.25 percent.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study for the period 2014 to 2016.
- For non-disabled retirees, an IMRF-specific Mortality table was used with fully generational projection scale MP-2017 (base year 2015). The 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). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percent and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.60-7.60%
Cash Equivalents	1%	1.85%
Total	100%	

The investment rate of return assumption between December 31, 2018 and December 31, 2019 measurement dates remained at 7.25 percent.

Single Discount Rate

A Single Discount Rate of 7.25 percent was used to measure the total pension liability as of December 31, 2019. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25 percent, the municipal bond rate is 2.75 percent, and the resulting single discount rate is 7.25 percent.

Changes in the Net Pension Liability

For the fiscal year ended November 30, 2020:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2018	\$ 34,795,816	\$ 31,689,933	\$ 3,105,883
Changes for the year:			
Service Cost	736,820	-	736,820
Interest on the Total Pension Liability	2,484,217	-	2,484,217
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,082,573	-	1,082,573
Changes of Assumptions	-	-	-
Contributions - Employer	-	478,242	(478,242)
Contributions - Employees	-	339,447	(339,447)
Net Investment Income	-	5,924,625	(5,924,625)
Benefit Payments, including Refunds of Employee Contributions	(1,798,316)	(1,798,316)	-
Other (Net Transfer)	-	354,738	(354,738)
Net Changes	<u>2,505,294</u>	<u>5,298,736</u>	<u>(2,793,442)</u>
Balances at December 31, 2019	<u>\$ 37,301,110</u>	<u>\$ 36,988,669</u>	<u>\$ 312,441</u>

For the fiscal year ended November 30, 2019:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2017	\$ 32,299,662	\$ 33,845,820	\$ (1,546,158)
Changes for the year:			
Service Cost	705,842	-	705,842
Interest on the Total Pension Liability	2,394,253	-	2,394,253
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(95,988)	-	(95,988)
Changes of Assumptions	950,475	-	950,475
Contributions - Employer	-	725,730	(725,730)
Contributions - Employees	-	329,544	(329,544)
Net Investment Income	-	(1,853,558)	1,853,558
Benefit Payments, including Refunds of Employee Contributions	(1,458,428)	(1,458,428)	-
Other (Net Transfer)	-	100,825	(100,825)
Net Changes	2,496,154	(2,155,887)	4,652,041
Balances at December 31, 2018	<u>\$ 34,795,816</u>	<u>\$ 31,689,933</u>	<u>\$ 3,105,883</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25 percent, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Lower (6.25%)	Rate (7.25%)	1% Higher (8.25%)
Net Pension Liability (Asset)	<u>\$ 4,875,354</u>	<u>\$ 312,441</u>	<u>\$ (3,481,221)</u>

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

For the years ended November 30, 2020 and 2019, the District recognized IMRF pension expense of \$358,102 and \$793,057, respectively. At November 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 880,508	\$ 68,218
Changes of assumptions	534,139	374,533
Net difference between projected and actual Earnings on pension plan investments	<u>-</u>	<u>1,453,973</u>
Total Deferred Amounts to be recognized in Pension expense in future periods	1,414,647	1,896,724
Pension Contributions made subsequent to the Measurement Date	<u>661,725</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 2,076,372</u></u>	<u><u>\$ 1,896,724</u></u>

The \$661,725 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended November 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended November 30</u>	<u>Net Deferred Inflows of Resources</u>
2021	\$ 213,095
2022	169,657
2023	(486,755)
2024	<u>586,080</u>
Total	<u><u>\$ 482,077</u></u>

Payables to the Pension Plan

At November 30, 2020 and 2019, the District reported payables to IMRF of \$53,197 and \$44,071, respectively, for legally required employer contributions and \$34,085 and \$41,646, respectively, for legally required employee contributions which had been withheld from employee wages but not yet remitted to IMRF.

Quad City Garage Policy Group

Plan Description – Employees of the Group hired before October 2013 are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55.

The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service)
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65. Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member’s beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member’s accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. The statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year closed amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In Fiscal Year 2020, pursuant to the required rate, regular members contributed 6.29 percent of pay and the Group contributed 9.44 percent for a total rate of 15.73 percent. In Fiscal Year 2019, regular members contributed 5.95 percent of pay and the Group contributed 9.44 percent for a total rate of 15.39 percent. The Group’s total contributions to IPERS for the years ended June 30, 2020 and 2019 were \$63,287 and \$75,686, respectively.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020 and 2019, the Group reported a liability of \$610,050 and \$831,013, respectively, for its proportionate share of the net pension liability. The net pension liability at June 30, 2020 and 2019, was measured at June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Group’s proportion of the net pension liability was based on the Group’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2019, the Group’s collective proportion was .010465 percent, which was a decrease of .002671 percent from its proportion of .013136 measured as of June 30, 2018.

For the year ended June 30, 2020 and 2019, the Group recognized IPERS pension expense of \$31,316 and \$49,230, respectively, which is included in Labor and Benefits operating expense on the statements of revenues, expenses, and changes in net position along with other non-IPERS pension expenses incurred by the Group.

At June 30, 2020, the Group reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,691	\$ 21,934
Changes of Assumptions	65,345	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	68,745
Changes in Proportion and Difference Between Group Contributions and Proportionate Share of Contributions	-	182,828
Group Contributions Subsequent to the Measurement Date	<u>63,287</u>	<u>-</u>
Total	<u>\$ 130,323</u>	<u>\$ 273,507</u>

The \$63,287 reported as deferred outflows of resources related to pensions resulting from the Group's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Net Deferred Inflows of Resources</u>
2021	\$ (61,319)
2022	(78,862)
2023	(38,083)
2024	(25,335)
2025	<u>(2,872)</u>
Total	<u>\$ (206,471)</u>

There were no non-employer contributing entities in relation to the Group's IPERS pension.

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (Effective June 30, 2017)	2.6 percent per annum
Rates of Salary Increases (Effective June 30, 2017)	3.25 to 16.25 percent, average, including inflation. Rates vary by membership group
Long-term Investment Rate of Return (Effective June 30, 2017)	7 percent, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience study. The most recent analysis was performed for the period covering fiscal years 2014 to 2017 and was reported in June 2018.

Mortality rates were based on the RP-2014 generational mortality tables with age setbacks and set forwards

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
U.S. Equity	22.00%	5.60%
Non U.S. Equity	15.00%	6.08%
Private Equity	11.00%	10.13%
Real Estate	7.00%	2.81%
Core Plus Fixed Income	27.00%	1.71%
Global Smart Beta Equity	3.00%	5.82%
Credit Opportunities	3.50%	3.32%
TIPS	3.00%	3.01%
Other Real Estate	7.50%	4.76%
Cash	1.00%	-0.21%
Total	100.00%	

Discount Rate – The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the Group will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability and the municipal rate of return of 3.50 percent was not used.

Sensitivity of the Group’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Group’s proportionate share of the net pension liability calculated using the discount rate of 7 percent, as well as what the Group’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6 percent) or 1 percentage point higher (8 percent) than the current rate.

	1% Decrease (6%)	Current Discount Rate Used (7%)	1% Increase (8%)
Group's Proportionate Share of of the Net Pension Liability	\$ 1,083,253	\$ 610,050	\$ 213,134

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Payables to the Pension Plan – At June 30, 2020 and 2019, the Group reported payables to the defined benefit pension plan of \$4,466 and \$5,335, respectively, for legally required employer contributions and \$2,977 and \$3,554 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

9. Post-Employment Benefits Other Than Pension (OPEB)

Plan Description and Benefits Provided

GASB Statement 75, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. The post-employment benefit liability is recognized on the Statement of Net Position over time. The District provides post-employment healthcare benefits for certain eligible retirees. Assets are not accumulated in a trust to fund this plan.

Plan Membership

All retirees of the District that were participants in IMRF through the District’s employment prior to retirement are eligible to participate in the plan. The eligible retired employee’s spouse and dependents are also covered by the plan. A surviving spouse of a retiree who is eligible for an IMRF survivor benefit is also eligible for continuing coverage under the health plan. The benefits valued in this plan end when the retiree and or the covered spouse reach age 65 as Medicare becomes the primary health insurer at a much lower cost to the retiree.

Benefits Provided

Certain eligible retirees and their dependents may continue coverage under the District’s group health insurance program, as described above. The District’s Board retains the authority to establish or amend the benefit terms and payment requirements of the District and participants.

There were no changes in benefits since the prior measurement.

Employees Covered by Benefit Terms

As of December 1, 2019, the following employees were covered by the benefit terms:

Inactive Employees or beneficiaries currently receiving benefit payments	-
Inactive Employees entitled to but not yet receiving benefit payments	-
Active Employees	115
Total Participants covered by OPEB Plan	<u>115</u>

Contribution Requirement

Retirees pay their full premium, including for spousal and dependent coverage, for the health insurance program, which is the same premium paid for active employees. This results in the District providing an implied subsidy of the retiree's normal age adjusted premium even though the District pays none of the retiree's premium.

Total OPEB Liability

The District's total OPEB Liability was measured as of December 1, 2019 and was determined by an actuarial valuation as of that date. The District's total OPEB liability was \$99,985 and \$154,316 as of November 30, 2020 and 2019, respectively.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.13%
Healthcare Cost Trend Rates:	
2019 - 2020 Trend (Single / Two Person)	5.69% / 6.12%
2020 - 2021 Trend	9.50%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2030
Salary Increases	2.40%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of November 30, 2020.

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (Base Year 2006).

The following assumptions changed since the prior measurement:

- Discount rate decreased from 3.59% to 2.13%
- Initial year healthcare cost trend rate decreased
From 9.50% to 5.69%/6.12%
- Second year healthcare cost trend rate increased
from 9.00% to 9.50%

Changes in the Total OPEB Liability

For fiscal year ended November 30, 2020:

Total OPEB Liability December 1, 2019	\$	154,316
Changes for the Year		
Service Cost		7,355
Plan Change		-
Interest		1,932
Assumption Changes		(70,625)
Difference Between Actual and Expected Experience		7,007
Benefit Payments		-
		<hr/>
Total OPEB Liability November 30, 2020	\$	<u><u>99,985</u></u>

For fiscal year ended November 30, 2019:

Total OPEB Liability December 1, 2018	\$	149,727
Changes for the Year		
Service Cost		10,688
Interest		5,324
Assumption Changes		-
Difference Between Actual and Expected Experience		(8,559)
Change in Actuarial Cost Method		-
Benefit Payments		(2,864)
		<hr/>
Total OPEB Liability November 30, 2019	\$	<u><u>154,316</u></u>

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

The December 1, 2019 valuation was prepared using a discount rate of 2.13 percent. If the discount rate were 1 percent higher or 1 percent lower than what was used in the valuation, the Total OPEB Liability would be as follows:

	Discount Rate		
	1% Decrease	Baseline 2.13%	1% Increase
Total OPEB Liability	\$ 105,165	\$ 99,985	\$ 92,421

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

The December 1, 2019 valuation was prepared using an initial trend rate of 5.69 percent for single and 6.12 percent for two persons. If the trend rate were 1 percent higher or 1 percent lower than what was used in the valuation, the Total OPEB Liability would be as follows:

	Healthcare Cost Trends		
	1% Decrease	Baseline 5.69% / 6.12%	1% Increase
Total OPEB Liability	\$ 88,334	\$ 99,985	\$ 110,599

OPEB Expense

For the years ended November 30, 2020, and 2019 the District recognized an OPEB expense as follows:

	2020	2019
Service Cost	\$ 7,355	\$ 10,688
Plan Change	-	-
Interest	1,932	5,324
Amortization of Deferred Changes Difference Between Expected and Actual Experience	3,577	4,395
Changes of Assumptions or Other Inputs	(8,541)	888
Expected return on Investments	-	-
Total OPEB Expense	\$ 4,323	\$ 21,295

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

At November 30, 2020, the District reported deferred outflows / (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between Expected and Actual Experience	\$ 26,769	\$ (10,446)
Changes of Assumptions	3,443	(61,196)
Total Deferred Amounts to be Recognized in OPEB Expense in Future Periods	\$ 30,212	\$ (71,642)

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

Year Ending November 30	Net Deferred Inflows of Resources
2021	\$ 4,964
2022	4,964
2023	4,964
2024	5,385
2025	8,493
Thereafter	<u>12,660</u>
Total	<u>\$ 41,430</u>

10. Excise Tax Rebate Revenue

In December 2019, the U.S. Congress retroactively extended, through December 31, 2020, the Alternative Fuel Excise Tax Credit that had expired as of December 31, 2017. This credit allows the District to receive funds from the Internal Revenue Service related to the amount of compressed natural gas fuel (CNG) that the District has purchased since January 1, 2018 for use in its buses. The funding rate is 50 cents per gallon purchased. The District has claimed the revenue for 2018 and 2019 for a total of \$707,174. As of the date of the Independent Auditor's Report, the District has not elected to apply for and receive this credit for calendar year 2020. It is probable that the District will elect to receive this credit at a future date and record revenue of approximately \$300,000 or more related to CNG purchases made from January 1, 2020 through November 30, 2020.

11. Risk Management

The District participates in the Illinois Public Transit Risk Management Association (Risk Management Association) which is a public entity risk pool. The Risk Management Association was established by certain public transit districts pursuant to Article VII, Section 10 of the Illinois constitution, the Local Mass Transit District Act, 70 ILCS 3610/5, the Intergovernmental Cooperation Act, 5 ILCS 220/6, the Local Governmental and Governmental Employees Tort Immunity Act, 745 ILCS 10/9-103, and 745 ILCS 10/9-107, as amended.

This Risk Management Association seeks the prevention and lessening of losses to transit district properties and injuries to persons or properties which might result in claims being made against its participants.

It is the intent of the Risk Management Association to administer a joint risk management pool and utilize such funds contributed by the participants to avert, defend, and protect, any participant of the Risk Management Association against stated liability and loss.

Specific risk coverage provided by the Risk Management Association for its members includes auto liability, general liability, auto physical liability, property/inland marine/crime, and public official's liability. The Risk Management Association will jointly self-insure certain risks within an agreed scope and may purchase catastrophe, excess/reinsurance, or aggregate stop loss insurance. Settled claims have not exceeded this coverage in any of the past three fiscal years. There were no reductions in coverage in the last year.

During the initial three years of the Risk Management Association's existence, each participant agreed to fully fund the participant's Maximum Loss Fund allocation so as to fully fund the Risk Management Association's Maximum Loss Fund for each year. Supplemental payments from participants to fund losses may be required from time to time when the normal annual contributions (premium payments) for any fiscal year are insufficient to fund payments within the Maximum Loss Fund for that year. As of the date of the independent auditor's report, the District has not been notified by the Risk Management Association of a reasonably possible or probable supplemental payment requirement. Premium payments are amortized to expense over the coverage period applicable to the premium.

The District insures its risk of loss for employee injuries under workers' compensation laws by participating in the Illinois Public Risk Fund (IPRF), a public entity risk pool currently operating as a common risk management program for a number of Illinois municipalities. The District pays an annual "premium" to IPRF for its coverage. Annual audits of the District's payroll, workers' compensation claims, and employee job classifications are performed by IPRF.

12. Lease Commitments

Operating Leases

The District is obligated under various operating leases for office facilities, docking facility, and equipment under non-cancelable operating leases, with terms expiring between April 2021 and December 2024. Total costs for such leases were \$144,707 and \$182,380 for the years ended November 30, 2020 and 2019, respectively. The District also is responsible for its proportionate share, which was 25 percent for 2020, of costs for common area maintenance and property taxes related to the office lease. The average monthly payment amount in 2020 for common area maintenance and property taxes was \$5,079.

Future minimum lease payments under these operating leases are as follows:

Fiscal Years Ending November 30	
2021	\$ 79,743
2022	33,260
2023	30,859
2024	30,116
2025	2,200
Total	<u>\$ 176,178</u>

Capital Leases

The District has entered into two lease agreements as lessee for financing the acquisition of electric bus batteries. These leases qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. The leases expire in May 2023 and June 2024, respectively, require monthly payments of \$12,942 and \$20,000, respectively, and have implicit interest rates of 1.69 percent and 5.27 percent, respectively. At November 30, 2020, the amount capitalized under the capital leases totals \$1,840,000, and accumulated depreciation was \$690,000.

Future minimum lease payments under these capital leases are as follows:

Fiscal Years Ending November 30	
2021	\$ 395,307
2022	395,307
2023	317,682
2024	140,000
Total Minimum Lease Payments	<u>1,248,296</u>
Less: Amounts Representing Interest	<u>(51,294)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,197,002</u>
Current Maturities	\$ 367,195
Noncurrent Maturities	<u>829,807</u>
Present Value of Minimum Lease Payments	<u>\$ 1,197,002</u>

13. Concentration of Revenue

The revenue recognized related to operating and capital grants funded by the Illinois Department of Transportation (IDOT) for the years ended November 30, 2020 and 2019 was \$13,018,143 and \$12,783,122, respectively, which was 53.6 percent and 53.5 percent, respectively, of the District's revenue. At November 30, 2020 and 2019, amounts due from IDOT were \$3,415,980 and \$1,928,520, respectively.

The revenue recognized related to operating and capital grants funded by the U.S. Department of Transportation (U.S. DOT), for the years ended November 30, 2020 and 2019 was \$5,483,844 and \$5,656,006, respectively, which was 22.6 percent and 23.7 percent, respectively, of the District's revenue. At November 30, 2020 and 2019, amounts due from U.S. DOT were \$492,800 and \$582,703, respectively.

14. Related-Party Balances and Transactions

The District, through its blended component unit the Group, has transaction and balances related to activities with the City of Davenport, Iowa (Davenport), which has an equity ownership interest in the Group. Total revenue related to Davenport for fiscal years 2020 and 2019 were \$10,336 and \$3,305, respectively. Total accounts receivable from Davenport were \$3,828 and \$0, as of November 30, 2020 and 2019, respectively.

The District had accounts receivable due from the City of Moline of \$9,163 and \$8,160 as of November 30, 2020 and 2019, respectively. The City of Moline elects a representative to hold a seat on the District's Board.

15. Other Commitments

The District had nine in-progress contracts related to various capital or operational projects through the date of the Independent Auditor's Report. The remaining commitment on these contracts, after costs incurred through November 30, 2020, was approximately \$3,930,000. The majority of these commitments will be funded with grants from federal and State of Illinois agencies, or through cost sharing agreements with other local government units.

16. Contingent Liabilities

Litigation - In the normal course of events, the District records liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. Management believes that the aggregate liability, if any, resulting from any claims or proceedings will not be material after insurance coverage.

Federal and State Grants - The District participates in a number of state and federally assisted programs. Under the terms of the programs, periodic audits may be required, and certain costs may be questioned as not being appropriate expenditures under the terms of these programs. Such audits could lead to reimbursements to grantor agencies. Based on prior experience, the District believes examinations would not result in any material disallowed costs for grant revenue recorded in these financial statements or from prior years.

17. Uncertainty

Since March 2020, all governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. While the situation with COVID-19 is still unfolding as of March 9, 2021, management has taken measures to prepare for the impact and believes that a material impact on the District's financial position and results of future operations is reasonably possible.

18. Reclassification of Comparative Year Information

Statement of Net Position - The lines Cash and Cash Equivalents and Cash and Cash Equivalents for Insurance and Employee Benefits in Current Assets and Tax Levy Restrictions: Liability Insurance, Tax Levy Restrictions: Employee Benefits, and Unrestricted in the Net Position section in the 2019 column have been reclassified to correspond to the presentation for November 30, 2020.

Statement of Cash Flow - The lines Rent and Other Receipts, Wages Paid to Employees, Payments to Suppliers for Goods and Services, Cash and Cash Equivalents, and Cash and Cash Equivalents for Insurance and Employee Benefits in the 2019 column have been reclassified to correspond to the presentation for the year ended November 30, 2020.

19. New Government Accounting Standard

In June 2017, GASB issued GASB Statement 87 (GASB 87), *Leases*. The provisions of GASB 87 require that lessees recognize a lease liability and a right-of-use asset for all leases greater than 12 months. GASB 87 is effective for the District's Fiscal Year 2022. Early adoption is permitted; however, the District has not chosen to do so. The District's management is currently evaluating the effect, if any, the updated standards will have on its financial statements.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
 Schedule of Changes in the Net Pension Liability and Related Ratios
 Illinois Municipal Retirement Fund
 Last Ten Calendar Years

Required Supplementary Information
 (Unaudited)

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 736,820	\$ 705,842	\$ 735,179	\$ 735,046	\$ 671,151	\$ 738,240
Interest on the Total Pension Liability	2,484,217	2,394,253	2,343,611	2,235,573	2,156,372	1,972,268
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,082,573	(95,988)	90,608	(203,660)	(552,289)	(40,292)
Changes of Assumptions	-	950,475	(1,040,689)	-	-	1,051,532
Benefit Payments, including Refunds of Employee Contributions	(1,798,316)	(1,458,428)	(1,419,202)	(1,233,841)	(1,268,501)	(1,198,469)
Net Change in Total Pension Liability	2,505,294	2,496,154	709,507	1,533,118	1,006,733	2,523,279
Total Pension Liability - Beginning	34,795,816	32,299,662	31,590,155	30,057,037	29,050,304	26,527,025
Total Pension Liability - Ending (A)	<u>\$ 37,301,110</u>	<u>\$ 34,795,816</u>	<u>\$ 32,299,662</u>	<u>\$ 31,590,155</u>	<u>\$ 30,057,037</u>	<u>\$ 29,050,304</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 478,242	\$ 725,730	\$ 767,257	\$ 832,443	\$ 801,276	\$ 909,121
Contributions - Employees	339,447	329,544	320,762	301,853	295,554	279,826
Net Investment Income	5,924,625	(1,853,558)	5,174,112	1,888,321	140,090	1,618,079
Benefit Payments, including Refunds of Employee Contributions	(1,798,316)	(1,458,428)	(1,419,202)	(1,233,841)	(1,268,501)	(1,198,469)
Other (Net Transfer)	354,738	100,825	(509,422)	412,278	(760,902)	(35,466)
Net Change in Plan Fiduciary Net Position	5,298,736	(2,155,887)	4,333,507	2,201,054	(792,483)	1,573,091
Plan Fiduciary Net Position - Beginning	31,689,933	33,845,820	29,512,313	27,311,259	28,103,742	26,530,651
Plan Fiduciary Net Position - Ending (B)	<u>\$ 36,988,669</u>	<u>\$ 31,689,933</u>	<u>\$ 33,845,820</u>	<u>\$ 29,512,313</u>	<u>\$ 27,311,259</u>	<u>\$ 28,103,742</u>
Net Pension Liability (Asset) - Ending (A) - (B)	<u>\$ 312,441</u>	<u>\$ 3,105,883</u>	<u>\$ (1,546,158)</u>	<u>\$ 2,077,842</u>	<u>\$ 2,745,778</u>	<u>\$ 946,562</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.16%	91.07%	104.79%	93.42%	90.86%	96.74%
Covered Payroll	\$ 7,543,267	\$ 7,323,200	\$ 6,987,778	\$ 6,707,844	\$ 6,567,867	\$ 5,989,805
Net Pension Liability (Asset) as a Percentage of Covered Payroll	4.14%	42.41%	-22.13%	30.98%	41.81%	15.80%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
 Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 Last Ten Calendar Years

Required Supplementary Information
 (Unaudited)

(a) Year Ended <u>December 31</u>	Actuarially Determined Contribution	Actual Contribution	Unfunded Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll	
2019	\$ 478,242	\$ 478,242	\$ -	\$ 7,543,267	6.34%	
2018	725,730	725,730	-	7,323,200	9.91%	
2017	767,257	767,257	-	6,987,778	10.98%	
2016	832,443	832,443	-	6,707,844	12.41%	
2015	801,276	801,276	-	6,567,867	12.20%	
2014	909,121	909,121	-	5,989,805	15.18%	
2013	961,846	937,043	24,803	6,049,346	15.49%	(b)
2012	917,131	858,020	59,111	6,093,894	14.08%	(b)
2011	961,043	763,111	197,932	5,961,804	12.80%	(b)

Notes:

- (a) GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.
- (b) IMRF provided a phase in contribution rate resulting in a slight difference between required and actual contributions. During the District's 2013 fiscal year, the District made an additional catch up payment to ensure the net pension obligation remained at \$0 as of November 30, 2013.

See Accompanying Notes

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Notes to Required Supplementary Information - Schedule of Employer Contributions - IMRF
(Unaudited)
November 30, 2020

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate*

Valuation Date:

Notes: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2019 Contribution Rates:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	24-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.25%
Price Inflation:	2.50%
Salary Increases:	3.35% to 14.25%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The 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). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
 Schedule of Proportionate Share of the Net Pension Liability
 Quad City Garage Policy Group (Blended Component Unit)
 Iowa Public Employees' Retirement System
 Last Ten Fiscal Years

Required Supplementary Information
 (Unaudited)

	2020	2019	2018	2017	2016	2015	2014
Group's Proportion of the Net Pension Liability	0.0104650%	0.0131360%	0.0139660%	0.0145890%	0.0152927%	0.0176922%	0.0192930%
Group's Proportionate Share of the Net Pension Liability	\$ 610,050	\$ 831,013	\$ 921,966	\$ 909,812	\$ 760,265	\$ 716,019	\$ 1,092,364
Group's Covered Payroll	\$ 801,760	\$ 986,978	\$ 1,033,143	\$ 1,037,474	\$ 1,054,250	\$ 1,181,399	\$ 1,247,798
Group's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	76.09%	84.20%	89.24%	87.69%	72.11%	60.61%	87.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.38%	82.57%	81.23%	80.86%	84.19%	87.61%	81.25%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Group will present information for those years for which information is available.

See Notes on Page 57

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
 Schedule of Contributions
 Quad City Garage Policy Group (Blended Component Unit)
 Iowa Public Employees' Retirement System
 Last Ten Fiscal Years

Required Supplementary Information
 (Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily Required Contribution	\$ 61,124	\$ 75,686	\$ 88,137	\$ 92,259	\$ 92,647	\$ 94,145	\$ 105,499	\$ 108,184	\$ 103,305
Contributions in Relation to the Statutorily Required Contribution	<u>61,124</u>	<u>75,686</u>	<u>88,137</u>	<u>92,259</u>	<u>92,647</u>	<u>94,145</u>	<u>105,499</u>	<u>108,184</u>	<u>103,305</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Group's Covered Payroll	\$ 647,499	\$ 801,760	\$ 986,978	\$ 1,033,143	\$ 1,037,474	\$ 1,054,250	\$ 1,181,399	\$ 1,247,798	\$ 1,283,712
Contribution as a Percentage of Covered Payroll	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.05%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Group will present information for those years for which information is available.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Notes to Required Supplementary Information - Pension Liability - IPERS
Quad City Garage Policy Group (Blended Component Unit)
(Unaudited)
November 30, 2020

Changes of Benefit and Funding Terms:

The following changes were made in the valuation performed as of June 30, 2019:

No changes.

Changes of Actuarial Assumptions:

The following changes were made in the valuation performed as of June 30, 2019:

No changes.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
 Schedule of Changes in Total OPEB Liability and Related Ratios
 Other Post-Employment Benefits
 Last Ten Fiscal Years
 Required Supplementary Information
 (Unaudited)

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 7,355	\$ 10,688	\$ 10,438
Changes in Benefit Terms	-	-	-
Interest on Total OPEB Liability	1,932	5,324	5,054
Assumption Changes	(70,625)	-	-
Difference Between Actual and Expected Experience of the Total OPEB Liability	7,007	(8,559)	(5,519)
Benefit Payments	-	(2,864)	(2,066)
Net Change in Total OPEB Liability	(54,331)	4,589	7,907
Total OPEB Liability - Beginning	154,316	149,727	141,820
Total OPEB Liability - Ending	<u>\$ 99,985</u>	<u>\$ 154,316</u>	<u>\$ 149,727</u>
Covered Employee Payroll	<u>\$ 6,209,711</u>	<u>\$ 5,965,421</u>	<u>\$ 5,825,606</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	1.61%	2.59%	2.57%

NOTE: GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Assumptions Used to Determine Total OPEB Liability:

Valuation Date:

December 1, 2019

Measurement Date:

November 30, 2020

Actuarial Cost Method:

Entry Age Normal (Percent of Salary)

Interest Rate Used to Discount the Liability:

2.13%

Healthcare Inflation Rates:

5.69% Single and 6.12% Two Person in Fiscal Year 2020, and decreasing to 5.00% by Fiscal Year 2030 and thereafter

Participation Assumption for the Healthcare Benefit:

4.00%

Mortality:

Probabilities of death for participants were according to the SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (Base Year 2006).

Accumulation of Assets to Fund the Benefits:

No assets are accumulated in a trust to pay benefits related to the OPEB plans.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Combining Schedule of Net Position by Sub-Fund - Excluding Blended Component Unit
November 30, 2020

	Operating	Insurance	Eliminations	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ (178,535)	\$ -	\$ -	\$ (178,535)
Restricted Assets				
Cash and Cash Equivalents for Insurance and Employee Benefits	2,792,139	1,320,029	-	4,112,168
Property Taxes Receivable	73,578	-	-	73,578
Receivables				
Property Taxes Receivable	3,684,543	-	-	3,684,543
Accounts Receivable, Net of Allowance	148,249	-	-	148,249
Federal and State Grants Receivable	511,716	-	-	511,716
Due from Other Governments	1,855,912	-	-	1,855,912
Quad City Garage Policy Group Receivable	210,972	-	-	210,972
Due from Insurance Fund	436,096	-	(436,096)	-
Prepaid Expenses	399,724	215	-	399,939
Inventory	26,954	-	-	26,954
Total Current Assets	<u>9,961,348</u>	<u>1,320,244</u>	<u>(436,096)</u>	<u>10,845,496</u>
Noncurrent Assets:				
Cash and Cash Equivalents - Designated Funds	71,424	-	-	71,424
Investment in Quad City Garage Policy Group Receivable	(58,960)	-	-	(58,960)
Due from Other Governments - Net of Current	1,684,129	-	-	1,684,129
Capital Assets				
Not Being Depreciated	1,505,872	-	-	1,505,872
Being Depreciated				
Property and Equipment	97,863,915	-	-	97,863,915
Accumulated Depreciation	(36,060,602)	-	-	(36,060,602)
Held for Distribution	15,767,470	-	-	15,767,470
Total Noncurrent Assets	<u>80,773,248</u>	<u>-</u>	<u>-</u>	<u>80,773,248</u>
Total Assets	<u>90,734,596</u>	<u>1,320,244</u>	<u>(436,096)</u>	<u>91,618,744</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows	2,076,372	-	-	2,076,372
OPEB Related Deferred Outflows	30,212	-	-	30,212
Total Deferred Outflows of Resources	<u>2,106,584</u>	<u>-</u>	<u>-</u>	<u>2,106,584</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	614,726	-	-	614,726
Accrued Payroll and Payroll Taxes	270,618	-	-	270,618
Accrued Leave	202,227	-	-	202,227
Capital Lease Liability	367,195	-	-	367,195
Unearned State Operating Assistance	111	-	-	111
Due to Operating Fund	-	436,096	(436,096)	-
Unearned Other Revenue	38,779	-	-	38,779
Total Current Liabilities	<u>1,493,656</u>	<u>436,096</u>	<u>(436,096)</u>	<u>1,493,656</u>
Noncurrent Liabilities:				
Accrued Leave - Net of Current	224,595	-	-	224,595
Capital Lease Liability - Net of Current	829,807	-	-	829,807
Unearned State Operating Assistance	1,149,243	-	-	1,149,243
Net Pension Liability	312,441	-	-	312,441
Other Post-Employment Benefits Obligation	99,985	-	-	99,985
Total Noncurrent Liabilities	<u>2,616,071</u>	<u>-</u>	<u>-</u>	<u>2,616,071</u>
Total Liabilities	<u>4,109,727</u>	<u>436,096</u>	<u>(436,096)</u>	<u>4,109,727</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned Property Taxes	3,647,851	-	-	3,647,851
Pension Related - Deferred Inflows	1,896,724	-	-	1,896,724
OPEB Related - Deferred Inflows	71,642	-	-	71,642
Total Deferred Inflows of Resources	<u>5,616,217</u>	<u>-</u>	<u>-</u>	<u>5,616,217</u>
NET POSITION				
Net Investment in Capital Assets	77,942,797	-	-	77,942,797
Restricted:				
Tax Levy Restrictions for:				
Liability Insurance	214,521	884,148	-	1,098,669
Employee Benefits	3,063,945	-	-	3,063,945
Other Tax Levy Restrictions	23,132	-	-	23,132
Unrestricted	<u>1,870,841</u>	<u>-</u>	<u>-</u>	<u>1,870,841</u>
Total Net Position	<u>\$ 83,115,236</u>	<u>\$ 884,148</u>	<u>\$ -</u>	<u>\$ 83,999,384</u>

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Combining Schedule of Revenues, Expenses, and Changes in Net Position by Sub-Fund -
Excluding Blended Component Unit
For the Year Ended November 30, 2020

	Operating	Insurance	Total
Operating Revenues			
Passenger Fares	\$ 767,891	\$ -	\$ 767,891
Other Transportation Revenue	174,550	-	174,550
Other Operating Revenue	184,264	-	184,264
Total Operating Revenues	<u>1,126,705</u>	<u>-</u>	<u>1,126,705</u>
Operating Expenses			
Labor and Benefits	11,735,634	-	11,735,634
Professional Services	3,052,330	-	3,052,330
Materials and Supplies	1,892,883	-	1,892,883
Utilities	384,277	-	384,277
Insurance	503,887	20,858	524,745
Purchased Transportation	1,057,880	-	1,057,880
Leases	214,957	-	214,957
Miscellaneous	208,688	-	208,688
Depreciation	4,575,027	-	4,575,027
Bad Debt Expense	4,846	-	4,846
Total Operating Expenses	<u>23,630,409</u>	<u>20,858</u>	<u>23,651,267</u>
Operating Loss	<u>(22,503,704)</u>	<u>(20,858)</u>	<u>(22,524,562)</u>
Non-Operating Revenues (Expenses)			
Investment Income	23,473	4,607	28,080
Interest Expense	(39,065)	-	(39,065)
Property Taxes			
Levied	3,558,416	-	3,558,416
Replacement	187,618	-	187,618
Payment in Lieu of Taxes	16,217	-	16,217
Equity in Net Income of Quad City Garage Policy Group	17,288	-	17,288
Government Grants and Assistance			
State Operating Assistance	12,161,544	-	12,161,544
Federal Operating Assistance	3,470,159	-	3,470,159
Loss on Disposal of Assets	(12,361)	-	(12,361)
Excise Tax Rebate Revenue	707,174	-	707,174
Total Non-Operating Revenues (Expenses)	<u>20,090,463</u>	<u>4,607</u>	<u>20,095,070</u>
Net Loss Before Capital Contributions	<u>(2,413,241)</u>	<u>(16,251)</u>	<u>(2,429,492)</u>
Capital Contributions			
State Capital Assistance	857,679	-	857,679
Federal Capital Assistance	2,190,996	-	2,190,996
Total Capital Contributions	<u>3,048,675</u>	<u>-</u>	<u>3,048,675</u>
Net Increase (Decrease) in Net Position	635,434	(16,251)	619,183
Net Position - Beginning of Year	<u>82,479,802</u>	<u>900,399</u>	<u>83,380,201</u>
Net Position - End of Year	<u>\$ 83,115,236</u>	<u>\$ 884,148</u>	<u>\$ 83,999,384</u>

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Combining Schedule of Cash Flows by Sub-Fund - Excluding Blended Component Unit
For the Year Ended November 30, 2020

	Operating	Insurance	Total
Cash Flows From Operating Activities			
Cash Received for Transit Fares	\$ 792,196	\$ -	\$ 792,196
Cash Received From Special Transit Services and Advertising Income	174,550	-	174,550
Rent and Other Receipts	184,264	-	184,264
Wages Paid to Employees	(8,446,333)	-	(8,446,333)
Payments to Suppliers for Goods and Services	(10,801,735)	(27,958)	(10,829,693)
Net Cash Used in Operating Activities	<u>(18,097,058)</u>	<u>(27,958)</u>	<u>(18,125,016)</u>
Cash Flows From Non-Capital Financing Activities			
Operating Grant Proceeds			
State of Illinois	10,101,789	-	10,101,789
Federal Transit Administration	3,442,425	-	3,442,425
Federal Emergency Management Agency	34,334	-	34,334
Excise Tax Rebate Revenue Proceeds	707,174	-	707,174
Property and Income Taxes Received	3,775,028	-	3,775,028
Interfund Loans	(1,305,697)	1,305,697	-
Net Cash Provided by Non-Capital Financing Activities	<u>16,755,053</u>	<u>1,305,697</u>	<u>18,060,750</u>
Cash Flows From Capital and Related Financing Activities			
Capital Grant Proceeds			
State of Illinois	1,083,154	-	1,083,154
Federal Transit Administration	2,003,322	-	2,003,322
Principal Payments on Capital Leases	(356,241)	-	(356,241)
Interest Payments on Capital Lease	(39,065)	-	(39,065)
Purchase and Construction of Capital Assets	(3,000,550)	-	(3,000,550)
Insurance Proceeds from Disposal of Capital Assets	15,200	-	15,200
Net Cash Used in Capital and Related Financing Activities	<u>(294,180)</u>	<u>-</u>	<u>(294,180)</u>
Cash Flows From Investing Activities			
Interest Received	23,473	4,607	28,080
Increase (Decrease) in Cash and Cash Equivalents	(1,612,712)	1,282,346	(330,366)
Cash and Cash Equivalents, Beginning of Year	4,297,740	37,683	4,335,423
Cash and Cash Equivalents, End of Year	<u>\$ 2,685,028</u>	<u>\$ 1,320,029</u>	<u>\$ 4,005,057</u>
Presented on the Schedule of Net Position as Follows:			
Cash and Cash Equivalents	\$ (178,535)	\$ -	\$ (178,535)
Cash and Cash Equivalents for Insurance and Employee Benefits	2,792,139	1,320,029	4,112,168
Cash and Cash Equivalents - Designated Funds	71,424	-	71,424
Cash and Cash Equivalents - End of Year	<u>\$ 2,685,028</u>	<u>\$ 1,320,029</u>	<u>\$ 4,005,057</u>

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Combining Schedule of Cash Flows by Sub-Fund - Excluding Blended Component Unit
For the Year Ended November 30, 2020

	<u>Operating</u>	<u>Insurance</u>	<u>Total</u>
Reconciliation of Operating Loss to Net			
Cash Used in Operating Activities			
Operating Loss	\$ (22,503,704)	\$ (20,858)	\$ (22,524,562)
Adjustments to Reconcile Operating Loss to			
Net Cash Used in Operating Activities			
Depreciation	4,575,027	-	4,575,027
Changes in Assets and Liabilities			
Accounts Receivable	31,743	-	31,743
Prepaid Expenses	(52,353)	(215)	(52,568)
Inventory	1,789	-	1,789
Pension Related Deferred Outflows	1,357,037	-	1,357,037
OPEB Related Deferred Outflows	(12,988)	-	(12,988)
Accounts Payable	84,376	(6,885)	77,491
Other Liabilities	246	-	246
Accrued Wages and Benefits	71,765	-	71,765
Net Pension Liability	(2,793,442)	-	(2,793,442)
OPEB Liability	(54,331)	-	(54,331)
Pension Related Deferred Inflows	1,126,135	-	1,126,135
OPEB Related Deferred Inflows	71,642	-	71,642
Net Adjustments	<u>4,406,646</u>	<u>(7,100)</u>	<u>4,399,546</u>
Net Cash Used in Operating Activities	<u>\$ (18,097,058)</u>	<u>\$ (27,958)</u>	<u>\$ (18,125,016)</u>

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
 Schedule of Property, Plant, and Equipment - Excluding Blended Component Unit
 For the Year Ended November 30, 2020

	Balance at November 30, 2019	Additions and Adjustments	Deletions and Adjustments	Balance at November 30, 2020
Land	\$ 968,797	\$ -	\$ -	\$ 968,797
Intangible Assets	315,000	-	-	315,000
EZ Transit Buses	1,503,370	128,000	-	1,631,370
Large Buses / Fixed Route	28,971,705	878,451	1,986,306	27,863,850
Channel Cat Boats	1,137,302	21,420	-	1,158,722
Autos	335,817	-	-	335,817
Tram	70,000	-	-	70,000
Shelters	4,036,444	15,179	16,200	4,035,423
Camera Equipment	1,264,869	61,558	-	1,326,427
Fare Boxes	351,554	-	-	351,554
Computers	748,777	-	288,596	460,181
Office Equipment	287,812	12,266	17,286	282,792
Building Garage	40,052,443	530,156	-	40,582,599
CNG Fueling Station	3,322,128	-	-	3,322,128
Shop Equipment	164,263	16,824	34,608	146,479
STS Building	432,554	-	32,915	399,639
Community Transit Centre (CTC)	8,481,388	-	6,319	8,475,069
East Moline Transfer Facility	2,283,618	-	-	2,283,618
AVLS System	2,993,225	-	6,055	2,987,170
Access Control	91,640	-	-	91,640
Website	58,115	-	-	58,115
Rights of Way / Improvements	161,321	-	-	161,321
Leased Batteries	1,840,000	-	-	1,840,000
Construction in Progress:				
Ferryboat Terminal	25,621	63,144	-	88,765
Feasibility Corridor Study	34,868	-	-	34,868
OMC HVAC / Domestic Water	-	98,443	-	98,443
Assets Held for Distribution:				
Multi Modal Facility	14,422,713	1,344,757	-	15,767,470
Totals	114,355,344	3,170,198	2,388,285	115,137,257
Accumulated Depreciation	33,846,299	4,575,027	2,360,724	36,060,602
Net Property, Plant, and Equipment	\$ 80,509,045	\$ (1,404,829)	\$ 27,561	\$ 79,076,655

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
 Schedule of Revenues and Expenses - Budget and Actual - Operating Sub-Fund -
 Excluding Blended Component Unit
 For the Year Ended November 30, 2020

	Budget	Actual	Over/(Under)
Operating Revenues			
Passenger Fares	\$ 1,174,089	\$ 767,891	\$ (406,198)
Other Transportation Revenue	349,964	174,550	(175,414)
Other Operating Revenue	436,590	184,264	(252,326)
Total Operating Revenues	<u>1,960,643</u>	<u>1,126,705</u>	<u>(833,938)</u>
Operating Expenses			
Operators' Salaries and Wages	4,569,141	4,125,301	(443,840)
Salaries and Wages - Other	3,251,705	3,191,797	(59,908)
Group Health Insurance	2,162,394	1,764,945	(397,449)
Other Materials and Supplies	1,048,656	1,230,949	182,293
Purchased Transportation	1,045,010	1,057,880	12,870
Custodial Services	871,772	1,008,129	136,357
Contract Maintenance	887,943	862,501	(25,442)
Professional Services	672,645	659,337	(13,308)
Social Security and Medicare	643,549	594,687	(48,862)
Fuel and Lubricants	838,263	552,359	(285,904)
Public Liability and Physical Damage	789,630	503,527	(286,103)
Vacation	514,473	468,550	(45,923)
Pension	925,139	436,901	(488,238)
Utilities (Gas and Electric)	371,426	305,339	(66,087)
Workers' Compensation	362,682	298,162	(64,520)
Holiday	256,612	272,951	16,339
Security Services	245,638	247,899	2,261
Leases and Rentals	229,568	214,957	(14,611)
Sick Leave	211,589	209,222	(2,367)
Other Paid Leave	42,463	202,210	159,747
Advertising and Media Professional Fees	170,000	171,624	1,624
Tires	127,364	109,575	(17,789)
Utilities (Cell and Telephones)	80,666	78,938	(1,728)
Dues and Subscriptions	88,960	73,815	(15,145)
Advertising and Promotion	130,700	61,629	(69,071)
Miscellaneous	26,559	51,652	25,093
Management Fees	48,924	49,099	175
Other Services	51,073	45,683	(5,390)
Uniform Allowance	38,304	44,659	6,355
Training	76,750	43,331	(33,419)
Group Life Insurance	31,316	28,872	(2,444)
Other Fringe Benefits	31,070	28,264	(2,806)
Travel and Meetings	111,767	20,361	(91,406)
Unemployment Tax	33,532	12,650	(20,882)
Temporary Services	23,000	8,058	(14,942)
Disability Insurance	6,517	6,140	(377)
OPEB Expense	15,000	4,323	(10,677)
Tuition Reimbursement	10,000	2,669	(7,331)
Vehicle Licensing	4,525	1,231	(3,294)
Other Corporate Premiums	3,000	360	(2,640)
Bad Debt Expense	700	4,846	4,146
Depreciation	5,097,685	4,575,027	(522,658)
Total Operating Expenses	<u>26,147,710</u>	<u>23,630,409</u>	<u>(2,517,301)</u>

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Schedule of Revenues and Expenses - Budget and Actual - Operating Sub-Fund -
Excluding Blended Component Unit
For the Year Ended November 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Over/(Under)</u>
Operating Loss	(24,187,067)	(22,503,704)	1,683,363
Non-Operating Revenues (Expenses)			
Investment Income	-	23,473	23,473
Interest Expense	(38,876)	(39,065)	(189)
Property Taxes			
Levied	3,518,655	3,558,416	39,761
Replacement	205,631	187,618	(18,013)
Payment in Lieu of Taxes	16,138	16,217	79
Equity in Net Income of Quad City Garage Policy Group	-	17,288	17,288
Government Grants and Assistance			
State Operating Assistance	13,958,412	12,161,544	(1,796,868)
Federal Operating Assistance	1,500,000	3,470,159	1,970,159
Excise Tax Rebate Revenue	-	707,174	707,174
Loss on Disposal of Assets	-	(12,361)	(12,361)
Total Non-Operating Revenues (Expenses)	<u>19,159,960</u>	<u>20,090,463</u>	<u>930,503</u>
Net Income (Loss) Before Capital Contributions and Transfers	<u>\$ (5,027,107)</u>	<u>\$ (2,413,241)</u>	<u>\$ 2,613,866</u>

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
 Illinois Grant Accountability and Transparency - Consolidated Year-End Financial Report
 For the Year Ended November 30, 2020

CSFA Number	Program Name	State Funding	Federal Funding	Other Funding	Total
494-80-1134	Transit Illinois Jobs Now for Downstate Illinois	\$ 812,269	\$ 89,891	\$ 31,981	\$ 934,141
494-80-1141	Transit Downstate Operating Assistance Program	12,130,874	3,470,159	3,834,998	19,436,031
494-80-1284	Transit Downstate Transit Improvement Fund Program	76,080	-	-	76,080
	Other Grant Programs and Activities	-	2,101,105	-	2,101,105
	All Other Costs Not Allocated	-	-	-	-
Total		<u>\$ 13,019,223</u>	<u>\$ 5,661,155</u>	<u>\$ 3,866,979</u>	<u>\$ 22,547,357</u>

Reconciliation of Audited Expenses to GATA CYEFR Expenses

Audited Operating Expenses from Statement of Activities	\$ 23,611,124
Less: Depreciation	(4,575,027)
Less: Bad Debt	(4,846)
Plus: Direct Federal and State Capital	3,048,675
Plus: Debt Service on State Operating Grant	395,307
Plus: Local Match for Capital Acquisitions on Capital Grants	31,981
Plus: Component Unit Consolidation Adjustment Due to Different Fiscal Year Ends	<u>40,143</u>
GATA CYEFR Expenses	<u>\$ 22,547,357</u>

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
 Schedule of Revenues and Expenses
 Under Downstate Operating Assistance Grant OP-20-03-IL
 For the State Fiscal Year Ended June 30, 2020

Operating Revenues:

401 Passenger Fares for Transit Services	\$ 774,805
402 Special Transit Fares	61,908
406 Auxiliary Revenue	274,832
407 Non-Transportation Revenue	171,762
412 State Special Fare Assistance	10,441
413 Sec. 5307 Capital Funds for State Eligible Operating Expenses	1,966,439
Total Operating Revenues	<u>\$ 3,260,187</u>

Operating Expenses:

501 Labor	\$ 7,517,800
502 Fringe Benefits	4,525,893
503 Professional Services	3,008,241
504 Materials and Supplies Consumed	1,837,780
505 Utilities	358,426
506 Casualty and Liability	561,429
507 Taxes	1,482
508 Net Purchased Transportation	1,074,655
509 Miscellaneous Expense	267,603
511 Debt Obligation	13,752
512 Leases, Rentals, and Purchase/Lease Payments	219,180
517 Debt Service on Equipment/Facilities - Interest	29,749
517 Debt Service on Equipment/Facilities - Principal	351,806
Total Operating Expenses	<u>19,767,796</u>

Less: Ineligible Operating Expenses:

Federal Grant Funds Used	99,701
FEMA Ineligible February through June 2020	57,813
APTA Dues	4,485
Audit and Consulting Services	127,487
Computer Equipment	39,111
Interest on Electric Bus Battery Leases	25,802
Principal on Electric Bus Battery Leases	129,505
Intergovernmental Agreement - City of Bettendorf Operating Expenses	48,859
Miscellaneous Expenses	34,315

Total Ineligible Operating Expenses 567,078

Total Eligible Operating Expenses \$ 19,200,718

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Schedule of Revenues and Expenses
Under Downstate Operating Assistance Grant OP-20-03-IL
For the State Fiscal Year Ended June 30, 2020

Total Eligible Operating Expenses	\$ 19,200,718
Total Operating Revenues	3,260,187
Deficit	<u>\$ 15,940,531</u>
Sixty-Five Percent of Eligible Expense	<u>\$ 12,480,467</u>
Maximum Contract Amount	<u>\$ 15,668,359</u>
Eligible Downstate Operating Assistance (Deficit or Sixty-Five Percent of Eligible Expense or Maximum Contract Amount, Whichever is Less)	\$ 12,480,467
State Fiscal Year 2020 Downstate Operating Assistance Received (Prior to the Close of the District's Fiscal Year 2020)	<u>12,742,950</u>
State Fiscal Year 2020 Downstate Operating Assistance Over Paid	<u>\$ (262,483)</u>

The Schedule of Revenues and Expenses Under Downstate Operating Assistance Grant is prepared based on the grant period July 1, 2019 through June 30, 2020. This activity is included in the District's fiscal years 2019 and 2020 financial statements based on accrual accounting in accordance with U.S. Generally Accepted Accounting Principles.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Schedule of Prior Audit Findings –
Downstate Operating Assistance Grant
For the Year Ended November 30, 2020

No findings noted in the prior year.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Schedule of Auditor Assurances Applicable to
Downstate Operating Assistance Grant OP-20-03-IL
For the Year Ended November 30, 2020

1. The financial statements of the Rock Island County Metropolitan Mass Transit District are prepared in accordance with accounting principles generally accepted in the United States of America as adopted by the Governmental Accounting Standards Board.
2. The Rock Island County Metropolitan Mass Transit District complied with the Regulations for Operating Assistance to Downstate Areas.
3. The District's system of internal accounting controls and procedures was adequate relating to funds received and costs charged to the grant.
4. State funds were expended in accordance with the grant contract.
5. Financial reports and claims for advances were accurate and complete with no exceptions.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Year Ended November 30, 2020

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Grant Number	Federal Awards Expended	Total Provided to Sub-recipients
U.S. Department of Transportation -				
Direct Awards:				
Federal Transit Cluster				
Bus and Bus Facility Formula Program	20.526	IL-2019-005/IL-34-0029	\$ 443,938	\$ -
Federal Transit Formula Grants Program				
Urbanized Area Formula Grants	20.507	IL-90-0745	7,273	-
Urbanized Area Formula Grants		IL-90-0748	1,176	-
Urbanized Area Formula Grants		IL-2018-001/IL-90-0776	36,410	-
Urbanized Area Formula Grants		IL-2019-008/IL-90-0093	84,544	-
Urbanized Area Formula Grants		IL-2019-009/IL-90-0792	411,364	-
Urbanized Area Formula Grants		IL-2020-012/IL-90-0803	837,614	-
COVID-19 Urbanized Area Formula Grants		IL-2020-031/IL-90-0815	3,514,219	-
Total Federal Transit Formula Grants Program			<u>4,892,600</u>	<u>-</u>
Total Federal Transit Cluster			* 5,336,538	-
Highway Planning and Construction	20.205	1180-2021-1-P1	19,306	-
Pass Through from the Illinois Department of Transportation				
Enhanced Mobility of Seniors and				
Individuals with Disabilities (noncash)	20.513	IL-2018-029	128,000	-
Total U.S. Department of Transportation			<u>5,483,844</u>	<u>-</u>
U.S. Department of Homeland Security				
Direct Awards:				
Disaster Grants -				
Public Assistance (Presidentially Declared Disasters)	97.036	PA-05-IL-4489-PW-00273	142,977	-
Public Assistance (Presidentially Declared Disasters)	97.036	PA-05-IL-4489-PW-00265	34,334	-
Total U.S. Department of Homeland Security			<u>177,311</u>	<u>-</u>
Total			<u>\$ 5,661,155</u>	<u>\$ -</u>

* - Denotes a major program

Notes to Schedule of Expenditures of Federal Awards:

- The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the District's federal award programs presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in the basic financial statements, which are presented in conformity with accounting principles generally accepted in the United States of America.
- The District did not use the 10 percent de minimis indirect cost rate for the year ended November 30, 2020.
- Property and equipment purchases that are presented as expenditures in the Schedule of Expenditures of Federal Awards may be capitalized by the District for presentation in the basic financial statements.
- There were no sub-recipients for the year ended November 30, 2020.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended November 30, 2020

1. Summary of Auditor's Results

- (i) Type of auditor's report issued on the financial statements: Unmodified
- (ii) The audit did not disclose a material weakness or significant deficiency in internal control over financial reporting.
- (iii) The audit did not disclose instances of noncompliance material to the financial statements.
- (iv) The audit did not disclose material weaknesses or significant deficiencies in internal control over the major federal award program.
- (v) Type of auditor's report issued on compliance for the major program: Unmodified
- (vi) The audit did not disclose a finding that is required to be reported in accordance with 2 CFR section 200.516a.
- (vii) Major program:
 - U.S. Department of Transportation – Federal Transit Administration:
 - Federal Transit Cluster
 - CFDA #20.507 and #20.526
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$750,000.
- (ix) Rock Island County Metropolitan Mass Transit District does qualify as a low-risk auditee.

2. Findings – Financial Statement Audit

None noted.

3. Findings and Questioned Costs – Major Federal Award Program Audit

None noted.

ROCK ISLAND COUNTY METROPOLITAN MASS TRANSIT DISTRICT
Summary Schedule of Prior Audit Findings
For the Year Ended November 30, 2020

No findings noted in the prior year.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Rock Island County Metropolitan Mass Transit District
Moline, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Rock Island County Metropolitan Mass Transit District (the District), as of and for the year ended November 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 9, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Audit Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Champaign, Illinois
March 9, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Rock Island County Metropolitan Mass Transit District
Moline, Illinois

Report on Compliance for Each Major Federal Program

We have audited Rock Island County Metropolitan Mass Transit District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended November 30, 2020. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs (Schedule 16).

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).



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Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended November 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Hood LLC

Champaign, Illinois

March 9, 2021