

City of Quincy, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2020

	<u>Page</u>
<i>INTRODUCTORY SECTION</i>	
Elected Officials and Department Heads	
<i>FINANCIAL SECTION</i>	
Independent Auditor’s Report	1 - 2
Management’s Discussion and Analysis	3 - 12
<i>BASIC FINANCIAL STATEMENTS</i>	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Governmental Funds Financial Statements	
Balance Sheet	15
Reconciliation of the Governmental Funds’ Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances	17 - 18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Proprietary Funds Financial Statements	
Statement of Net Position	20
Statement of Revenues, Expenses, and Changes in Net Position	21
Statement of Cash Flows	22 - 23
Fiduciary Funds	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Notes to the Basic Financial Statements	26 - 62
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
Budgetary Comparison Schedules – Major Governmental Funds	
General Fund	63
Quincy Transit Lines Fund	64
2019B GO Street Project Fund	65
Budget - to - GAAP Reconciliation	66
Combining Statement of Net Position – Component Units	67
Schedule of Changes in the Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund	68
Firefighters’ Pension Fund	69
Police Pension Fund	70

REQUIRED SUPPLEMENTARY INFORMATION (Concluded)

Schedule of Employer Contributions & Notes

Illinois Municipal Retirement Fund	71 - 72
Firefighters' Pension	73 - 74
Police Pension	75 - 76

Schedule of Changes in the Total OPEB Liability and Related Ratios	77
---	-----------

Schedule of Employer Contributions & Notes - OPEB	78 - 79
--	----------------

OTHER SUPPLEMENTARY INFORMATION

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	80 - 87
Combining Statement of Net Position – Non-Major Proprietary Funds	88
Combining Statement of Revenues, Expenses and Changes in Net Position – Non-Major Proprietary Funds	89
Combining Statement of Cash Flows – Non-Major Proprietary Funds	90
Combining Statement of Net Position – Governmental-Type Activities – Internal Service Funds	91
Combining Statement of Revenues, Expenses and Changes in Net Position – Governmental-Type Activities – Internal Service Funds	92
Combining Statement of Cash Flows – Governmental-Type Activities – Internal Service Funds	93 - 94
Combining Statement of Fiduciary Net Position – Pension Funds	95
Combining Statement of Changes in Fiduciary Net Position – Pension Funds	96
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	97
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	98

STATISTICAL SECTION

Schedule of Long-Term Debt Service Requirements	99
Principal Taxpayers in the City	100
Revenue Base, Revenue Rates, and Property Tax Levies	101
Debt Capacity and Debt Ratios	102
Number of Employees and Level of Service	103
Employment Rates – City of Quincy and Adams County	104

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	105 - 106
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	107 - 108
Schedule of Expenditures of Federal Awards	109
Notes to Schedule of Expenditures of Federal Awards	110
Schedule of Findings and Questioned Costs	111
Status of Prior Year Findings and Questioned Costs	112

City of Quincy, Illinois

A Home Rule City

Council/Mayor Form of Government

(As of April 30, 2020)

MAYOR

Kyle A. Moore

CITY COUNCIL

1 st Ward	Tonia McKiernan Eric M. Entrup	5 th Ward	John M. (Mike) Rein John Mast
2 nd Ward	Jeffrey W. Bergman David A. Bauer	6 th Ward	Richard C. Reis Katie Awerkamp
3 rd Ward	Jason Finney Jared Holbrook	7 th Ward	Jack E. Holtschlag Ben Uzelac
4 th Ward	Michael H. Farha Anthony E. Sassen		

CITY CLERK

Virginia Hayden

CITY TREASURER

Dr. Linda K. Moore

DIRECTOR OF ADMINISTRATIVE SERVICES

Jeff Mays

DEPARTMENT DIRECTORS

Corporation Counsel	Lonnie Dunn
Comptroller	Sheri Ray
Engineering	Jeffrey Conte
Utilities	Jeffrey Conte
Police	Robert R. Copley
Planning and Development	Charles T. Bevelheimer
Central Services	Kevin McClean
Fire	Joe Henning
Quincy Transit Lines	Marty Stegeman
Quincy Regional Airport	Sandy Shore
Purchasing	Jeff Mays
911 System	Jessica Douglas
MIS	James E. Murphy
Human Resources	Elizabeth Clow

Financial Section



Independent Auditor's Report

The Honorable Mayor
and City Council
City of Quincy, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Quincy, Illinois, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Quincy, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Quincy, Illinois, as of April 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (Concluded)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, combining statement of financial position – component units, schedule of funding progress, schedules of changes in the net pension liability and schedule of employer contributions on pages 3 through 12 and 63 through 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Quincy, Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2020, on our consideration of the City of Quincy, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City of Quincy, Illinois' internal control over financial reporting and compliance.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

October 14, 2020
Quincy, Illinois

Management's
Discussion and Analysis

The discussion and analysis of the City of Quincy, Illinois is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget) and, (5) identify individual fund issues and concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the City's financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City of Quincy exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ending April 30, 2020, by \$51.2 million (net position).
- The City of Quincy's total net position increased by \$0.3 million for the year ended April 30, 2020. The increase in net position can be attributed to the governmental activities' decrease of \$4.4 million offset by the increase in business-type activities of \$4.7 million.
- As of April 30, 2020, the City of Quincy's governmental funds reported combined ending fund balances of \$42.2 million, an increase of \$19.1 million in comparison with the prior fiscal year.
- The City's general fund balance remained steady at a balance of \$11.4 million, an increase of \$0.6 million from the prior fiscal year.
- On a budgetary basis, the general fund balance increased by \$1.5 million. The budgetary fund balance is 28.9% of the charges to appropriations for the fiscal year ended April 30, 2020.

Overview of the Financial Statements

The discussion and analysis serves as an introduction to the City of Quincy's basic financial statements. The City of Quincy's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Quincy's finances. The Statement of Net Position represents information on all of the City of Quincy's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Quincy is improving or deteriorating. Other nonfinancial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure to assess the overall health or financial condition of the City. The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year.

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, including the police and fire departments, public works, engineering and administration. Property taxes, sales taxes and franchise fees finance most of these activities.
- **Business-type Activities** – The City's water and sewer system are reported here. The City charges a fee to customers to help it cover all or most of the cost of operation, including depreciation.

Reporting the City's Most Significant Funds

Fund Financial Statements

The Governmental Major Fund presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police and Fire Pensions and Private Purpose Funds). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Total column on the Business-type Fund Financial Statements is the same as the Business-type column in the Government-Wide Financial Statements, the Governmental Fund Financial Statements require reconciliation because of a different measurement focus (current financial resources versus total economic resources). The flow of current financial resources will reflect debt proceeds and interfund transfers as other financial sources as well as capital expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the Government-Wide statements.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. Budgetary comparisons for the major governmental funds are presented immediately following the notes to financial statements.

The City as a Whole – Government-Wide Financial Analysis

Net Position: The City's combined net position was \$51.2 million as of April 30, 2020. Analyzing the net position and net income of governmental and business-type activities separately, the business type activities' net position is \$85.0 million and the governmental activities' net position is a deficit of \$33.8 million.

By far the largest portion of the City's net position (\$128.5 million) reflects its investment in capital assets (e.g., property, plant and equipment, net of depreciation); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Quincy, Illinois
Management's Discussion and Analysis
For the Fiscal Year Ended April 30, 2020
(Unaudited)

Table 1
Summary of Net Position
at April 30, 2020 and 2019
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 52.2	\$ 32.1	\$ 13.8	\$ 11.5	\$ 66.0	\$ 43.6
Capital assets - net of depreciation	54.1	53.5	79.2	73.4	133.3	126.9
Total Assets	\$ 106.3	\$ 85.6	\$ 93.0	\$ 84.9	\$ 199.3	\$ 170.5
Deferred Outflows of Resources	\$ 23.7	\$ 22.1	\$ 2.6	\$ 3.5	\$ 26.3	\$ 25.6
Current liabilities	\$ 6.6	\$ 6.2	\$ 1.7	\$ 1.2	\$ 8.3	\$ 7.4
Long-term liabilities and debt	143.5	118.9	6.0	5.2	149.5	124.1
Total Liabilities	\$ 150.1	\$ 125.1	\$ 7.7	\$ 6.4	\$ 157.8	\$ 131.5
Deferred Inflows of Resources	\$ 13.7	\$ 12.0	\$ 2.9	\$ 1.7	\$ 16.6	\$ 13.7
Net position:						
Invested in capital assets, net of related debt	\$ 49.5	\$ 48.5	\$ 79.0	\$ 70.7	\$ 128.5	\$ 119.2
Restricted	13.1	13.2	-	-	13.1	13.2
Unrestricted (deficit)	(96.4)	(91.1)	6.0	9.6	(90.4)	(81.5)
Total Net Position	\$ (33.8)	\$ (29.4)	\$ 85.0	\$ 80.3	\$ 51.2	\$ 50.9

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase invested in capital assets, net of debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

Change in Net Position: The City's combined change in net position in FY2020 was an increase of \$0.3 million compared to the increase of \$1.8 million in FY2019. The City's total revenues increased in 2020 by \$0.7 million to \$63.3 million. Of this amount, the Governmental revenues increased by \$1.1 million while Business-type revenues decreased by \$0.4 million.

The cost of all City programs increased by \$2.2 million with the Business-type costs increasing by \$0.5 million and the Governmental costs increasing by \$1.7 million. In Governmental Activities' expenses, Public Safety expenses increased by \$0.9 million due to the changes in the Net Pension liability of the Police and Fire pension liabilities. Public Works/Engineering, General Government and the other remaining functions remained steady when compared to the prior year.

The Business-type net position increase of \$4.7 million is due to the \$2.0 million increase in the water department and very slight increase in the sewer department along with an increase of \$2.5 million in the airport fund (largely due to the capital grant of \$3.1 million). Operating revenues in the water department increased just \$100 thousand from the prior year and sewer operating revenues decreased \$200 thousand. Operating expenses in the water

City of Quincy, Illinois
Management's Discussion and Analysis
For the Fiscal Year Ended April 30, 2020
(Unaudited)

department and airport all remained pretty steady from the prior year. Operating expenses in the sewer department were up \$375 thousand from the prior year.

The following chart shows the revenue and expenses of the governmental and business-type activities:

Table 2
Changes in Net Position
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 5.4	\$ 5.9	\$ 14.8	\$ 15.1	\$ 20.2	\$ 21.0
Operating grants and contributions	3.6	3.5	-	-	3.6	3.5
Capital grants and contributions	0.2	0.6	3.1	3.5	3.3	4.1
General Revenues:						
Property taxes	2.4	2.3	-	-	2.4	2.3
Other taxes	32.3	31.0	-	-	32.3	31.0
Other	0.8	0.3	0.7	0.4	1.5	0.7
Total revenues	\$ 44.7	\$ 43.6	\$ 18.6	\$ 19.0	\$ 63.3	\$ 62.6
Expenses:						
General government	\$ 4.9	\$ 5.0	\$ -	\$ -	\$ 4.9	\$ 5.0
Public safety	26.1	25.2	-	-	26.1	25.2
Public works and engineering	12.5	12.4	-	-	12.5	12.4
Water, Sewer, Airport, Barge Dock	-	-	15.1	14.6	15.1	14.6
Health, Culture, Community Dev	3.7	3.2	-	-	3.7	3.2
Interest on long-term debt	0.7	0.4	-	-	0.7	0.4
Total expenses	\$ 47.9	\$ 46.2	\$ 15.1	\$ 14.6	\$ 63.0	\$ 60.8
Increase (decrease) in net position before transfers and special items	\$ (3.2)	\$ (2.6)	\$ 3.5	\$ 4.4	\$ 0.3	\$ 1.8
Transfers	(1.2)	(0.7)	1.2	0.7	-	-
Increase (decrease) in net position	\$ (4.4)	\$ (3.3)	\$ 4.7	\$ 5.1	\$ 0.3	\$ 1.8
Net Position at beginning of year	(29.4)	(26.1)	80.3	75.2	50.9	49.1
Net Position at end of year	\$ (33.8)	\$ (29.4)	\$ 85.0	\$ 80.3	\$ 51.2	\$ 50.9

Normal Impacts

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income and sales tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in City approved rates – while certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water, wastewater, building fees, home rule sales tax, etc.).

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and are often distorting in their impact on year-to-year comparisons.

Market Impacts on Investment income – the City's investment portfolio is managed using rotating short-term maturities resulting in less fluctuation in investment income.

Expenses:

Introduction of New Programs – within the functional expense categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the City Council to increase/decrease authorized staffing.

Salary Increases (annual adjustments) – of the City's six organized bargaining units, four are prohibited from work stoppage and, therefore, are subject to arbitration.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuel and parts. Some functions may experience unusual commodity-specific increases.

Current Year Impacts (Budgetary Basis)

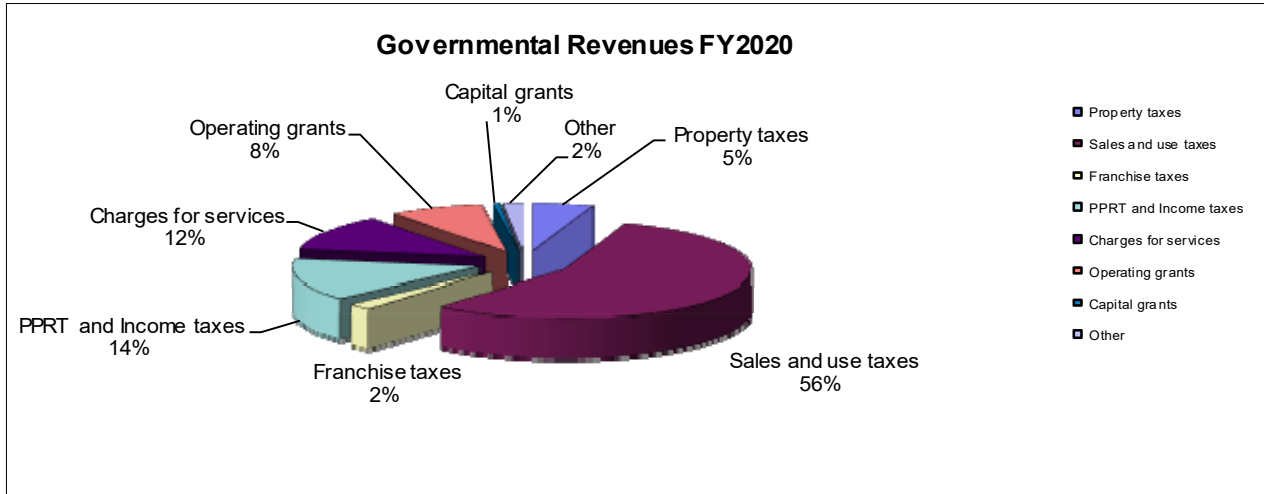
Salaries & Benefits: In fiscal year 2020 city wide salaries & wages declined by \$525,000, down approximately 2.4%. Even though all labor unions received contractual pay increases ranging from 2-2.75%, the decline is due to the inflated FYE 2019 wages paid due to the Sick pay buy down initiative. Health insurance contribution rates were flat; while the workers compensation/general liability insurance contribution rates decreased overall by about 7%. The IMRF employer rate for the 2019 calendar year was 7.63%, which is down 29% to the calendar 2018 rate of 10.69%. Police and Fire pension fund payments increased over previous year by \$746,000 or 12%. Overall General Fund expenses were at \$35 million, approximately \$600,000 over last year.

Property Tax Revenues: The EAV for the 2018 tax year (collected in FY 2020) grew by 1.68%. The property tax rate increased about 5% from 1.02850 to 1.08362. The city used \$600,000 of fund balance to prevent an estimated 14% rate hike if the entire pension costs were on the property tax bill.

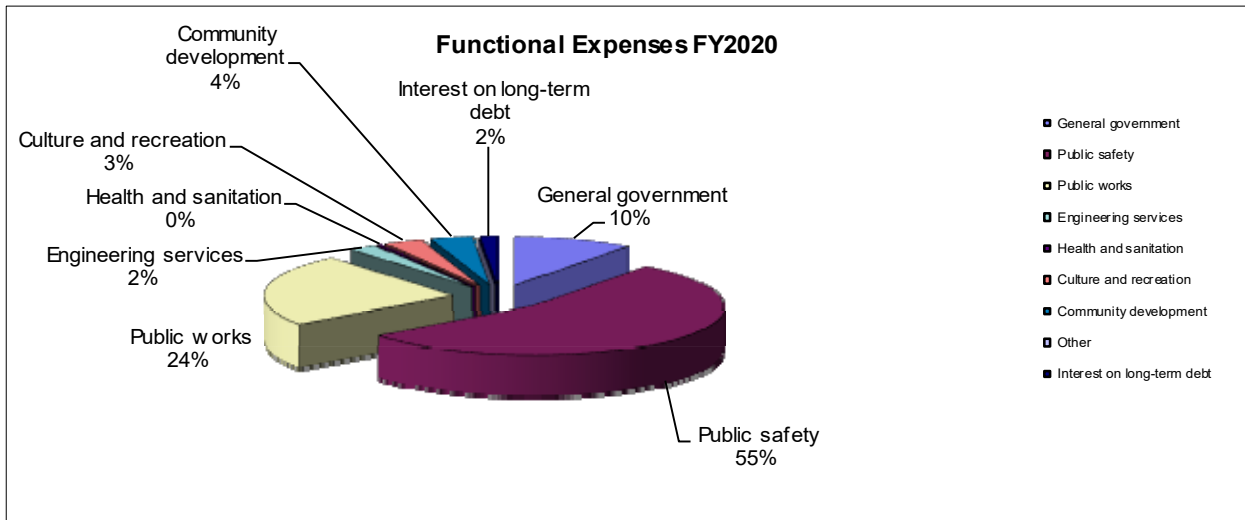
Other Revenues: The City relies heavily on sales tax dollars to meet obligations. Sales Tax alone (municipal sales tax and home rule) make up 50% of the City's Operating revenues. FY 2020 municipal sales tax revenues were ahead of budget by \$144,000 (1.45%) and 3% over previous year; while home rule purchase tax was down \$197,000 to budget (-2.09%) and down 1.23% to FY 2019. The City certainly feels the effect of the state's two percent administrative fee place of the home rule tax collections. In addition, the city has entered into agreements which obligate a portion of the municipal sales tax collected to be rebated to retail developers. In May 2018, Illinois enacted legislation that allowed for the collection of the state's Use Tax requiring remote sellers with 200 or more transactions or \$100,000 or more in annual gross receipts to collect Use Tax on purchases made for use or consumption in Illinois. The FY 2020 use tax grew by \$200,000 over previous year collections (up by 17%) State Income Tax is collected by the state with a portion allocated to local governments on a per-capita basis. In July 2017, the state began the 10% reduction, which was later reduced to 5%. Income Tax finished \$117,000 ahead of budget (up 3.65%) which is also 6% ahead of FY 2019. The Personal Property Replacement Tax was adjusted in November up to \$3.9 million due to indications that PPRT would see additional \$1 million in disbursements from the state, the total was nearly 32% over FY 2019.

Overall, General Fund revenues of \$36,613,671 were ahead of budget by \$1.15 million or 3.26%. The General Fund revenues were also ahead of General Fund expenses of \$35,016,041 by \$1.6 million on a cash basis.

The following graph portrays the City's revenue sources for its governmental revenues:

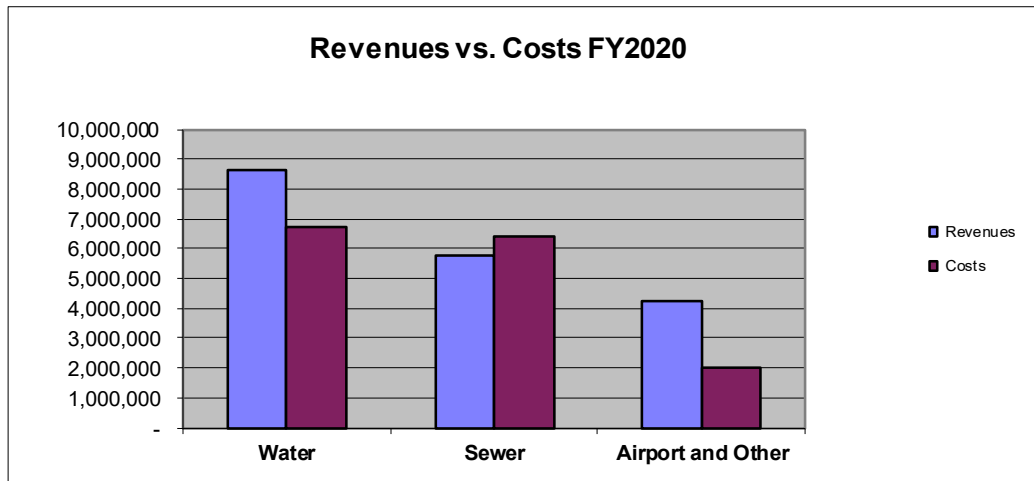


The following graph depicts the different expense categories and the percentage of resources provided for each category:



Business-type Activities

The following graph depicts the revenues versus the costs for each department of the business-type activities:



The City's Funds

For FY2020, the governmental funds of the City reported a combined fund balance of \$42.2 million. This is an increase of 82.8%, or \$19.1 million from last year's combined fund balance of \$23.1 million. Of this fund balance, \$10.4 million is unassigned and available for spending at the City's discretion. The remainder of the fund balance is legally restricted, committed or assigned which limits the availability of these resources. The majority of the restricted balance is the unspent 2019B GO Bond proceeds for the City's street projects of \$18.6 million.

The ending balance includes an increase in fund balance of \$600 thousand in the City's General Fund, the chief operating fund of the City. The General fund balance at April 30, 2020, is \$11.4 million with \$9.6 as unassigned. The Police Department and Fire Department make up the majority of the expenditures in the General Fund of 41.1% and 30.6%, respectively. The General fund is funded mainly by sales tax, property tax, income tax and franchise tax. In addition, these other changes in fund balances should be noted:

- The 2019B GO Street Project Fund had an increase in fund balance of \$18.7 million. This fund is used to accumulate the bond proceeds restricted to fund the City's street projects. Issuance costs and capital outlay expenditures decreased this fund balance.

For FY2020, the enterprise funds showed net position of \$85.0 million, an increase of \$4.6 million from the prior year. The components of this change were discussed earlier.

General Fund Budgeting Highlights

For FY2020, actual expenditures on a budgetary basis were \$28.8 million compared to the final budget amount of \$30.7 million. The \$1.9 million variance was due to spending less than budgeted in various areas, especially building maintenance, police and fire, public works, capital outlay, and operating transfers out. The largest variances were in capital outlay of \$0.5 million and operating transfers out of \$0.4 million with budgeted transfers being more than actual.

The City's actual amounts available for appropriation on a budgetary basis were \$37.1 million as compared to the budget amount of \$36.6 million. This resulted in a slight variance of \$0.5 million.

Capital Assets

At the end of FY2020, the City had \$133.3 million invested in its funds for capital assets. This amount represents an increase of \$6.4 million or 5.0%. The increase is due to current year additions exceeding depreciation with a large addition in the airport fund due to the grant-funded runway project and the beginning of the City's street projects.

Table 3
Capital Assets
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Non-Depreciable Assets						
Land	\$ 2.8	\$ 2.8	\$ 1.8	\$ 1.8	\$ 4.6	\$ 4.6
Construction in Progress	6.3	6.7	8.5	5.1	14.8	11.8
Depreciable Assets						
Vehicles	10.5	10.1	3.8	3.5	14.3	13.6
Buildings and improvements	17.5	17.5	171.2	165.8	188.7	183.3
Equipment and furniture	9.7	7.9	6.7	5.6	16.4	13.5
Infrastructure	138.5	136.4	-	-	138.5	136.4
Accumulated depreciation	(131.2)	(127.9)	(112.8)	(108.4)	(244.0)	(236.3)
	<u>\$ 54.1</u>	<u>\$ 53.5</u>	<u>\$ 79.2</u>	<u>\$ 73.4</u>	<u>\$ 133.3</u>	<u>\$ 126.9</u>

Additional information on the City's capital assets can be found in the notes to the financial statements.

Debt Outstanding

At year-end, the City had \$26,628,419 in long-term bond obligations comprised of the following issues:

Table 4
Outstanding Debt

	Issued	Outstanding
GOB 2019B	\$ 18,215,000	\$ 18,215,000
GORB 2017A	4,115,000	4,115,000
GORN 2014	973,518	243,419
GORB 2019A	3,425,000	3,425,000
GOB 2009B	1,245,000	630,000
Total	<u>\$ 27,973,518</u>	<u>\$ 26,628,419</u>

The City of Quincy is designated as a Home Rule unit as defined in Article 7 of the Constitution of the State of Illinois. As of April 30, 2020, the Illinois General Assembly had not placed a limit on the amount of debt home rule municipalities may incur.

Additional information on the City's long-term debt can be found in the notes to financial statements.

Economic Factors and Next Year's Budget

The general fund revenue is 50% sales tax based and the City lost several retailers in FY 2020 with the June 2019 closing of mass merchandise retailer ShopKo. The Covid-19 pandemic shut down much of the City in mid-March. This triggered a severe reduction to revenues expected in FYE 2021. While the City continues to manage budget growth, expenses seem to be growing faster than revenue growth. Salary and benefit costs represent a significant portion of the budget and four labor contracts expire at the end of FYE 2021. Pension costs continue to grow by about 8% per year. The long term effects of the coronavirus pandemic are still unknown. The Garbage and Recycle programs both became enterprise funds in FYE 2021. The City wants to be more transparent regarding the cost to deliver these services. Additionally, the City will continue to explore options to maintain sustainable healthcare and liability costs.

Quincy is located in west central Illinois, adjacent to the Mississippi River and covers approximately 15.39 square miles. The City of Quincy is the economic hub for the region. The City is served by the Quincy Public School system and several institutions of higher learning including John Wood Community College, Quincy University, and Blessing-Reiman College of Nursing. The presence of health care providers and retail shopping in our City creates a regional draw. Blessing Hospital is the largest employer in the City, employing over 2,600 people.

All of these factors were considered in preparing the City's budget for the 2021 budget year.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact Sheri Ray, City Comptroller, City of Quincy, 730 Maine St., Quincy, Illinois 62301-4056.

Basic Financial Statements

Government-wide financial statements display information about the government as a whole, except for its fiduciary activities. The statements include separate columns for the governmental and business-type activities of the primary government as well as for its component units.

Fund financial statements for the City's governmental, proprietary, and fiduciary funds are presented after the government-wide statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units.

City of Quincy, Illinois
Government-Wide Statement of Net Position
April 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 43,230,432	\$ 10,947,714	\$ 54,178,146	\$ 1,487,359
Restricted cash	926,196	-	926,196	2,573,934
Receivables, net	7,946,105	2,492,763	10,438,868	732,054
Inventories	44,626	240,551	285,177	-
Prepaid items	-	87,478	87,478	18,119
Net pension asset	3,907	-	3,907	-
Capital assets, net	54,128,131	79,167,279	133,295,410	5,798,732
Total Assets	\$ 106,279,397	\$ 92,935,785	\$ 199,215,182	\$ 10,610,198
Deferred Outflows of Resources				
Pension obligations - IMRF	\$ 5,756,174	\$ 2,157,167	\$ 7,913,341	\$ 856,848
Pension obligations - pension trust funds	15,506,083	-	15,506,083	-
OPEB	2,442,181	467,652	2,909,833	19,327
Total Deferred Outflows of Resources	\$ 23,704,438	\$ 2,624,819	\$ 26,329,257	\$ 876,175
Liabilities				
Accounts payable	\$ 2,122,632	\$ 1,293,266	\$ 3,415,898	\$ 6,441
Accrued expenses	1,511,174	120,031	1,631,205	87,440
Unearned revenue	-	187,884	187,884	47,647
Non-current liabilities:				
Accrued interest	409,160	-	409,160	-
Net pension liability - IMRF	101,516	139,920	241,436	331,457
Net pension liability - pension trust funds	101,599,021	-	101,599,021	-
Net OPEB liability	10,590,785	2,028,023	12,618,808	549,857
Unamortized bond premium	1,892,963	-	1,892,963	-
Due within one year	3,015,365	127,701	3,143,066	-
Due in more than one year	28,904,745	3,794,526	32,699,271	-
Total Liabilities	\$ 150,147,361	\$ 7,691,351	\$ 157,838,712	\$ 1,022,842
Deferred Inflows of Resources				
Unearned property taxes	\$ 1,768,218	\$ -	\$ 1,768,218	\$ 732,054
Pension obligations - IMRF	7,673,277	2,874,567	10,547,844	1,141,655
Pension obligations - Pension Trust Funds	4,223,825	-	4,223,825	-
Total Deferred Inflows of Resources	\$ 13,665,320	\$ 2,874,567	\$ 16,539,887	\$ 1,873,709
Net Position				
Invested in capital assets, net of related debt	\$ 49,476,644	\$ 79,027,359	\$ 128,504,003	\$ 5,798,732
Restricted for:				
Debt service	610,586	-	610,586	-
Capital projects	4,395,359	-	4,395,359	-
Economic development loans	3,840,929	-	3,840,929	-
Motor fuel tax projects	1,879,649	-	1,879,649	-
911 system	1,545,314	-	1,545,314	-
Transit	180,420	-	180,420	-
Other purposes	640,777	-	640,777	474,865
Unrestricted	(96,398,524)	5,967,327	(90,431,197)	2,316,225
Total Net Position	\$ (33,828,846)	\$ 84,994,686	\$ 51,165,840	\$ 8,589,822

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Government-wide Statement of Activities
For the Year Ended April 30, 2020

Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 4,854,492	\$ 938,262	\$ -	\$ -	\$ (3,916,230)	\$ -	\$ (3,916,230)	\$ -
Public safety	26,098,956	864,768	635,359	152,591	(24,446,238)	-	(24,446,238)	-
Public works	11,373,642	3,320,206	2,966,516	-	(5,086,920)	-	(5,086,920)	-
Engineering services	1,106,017	-	-	-	(1,106,017)	-	(1,106,017)	-
Health and sanitation	154,183	6,698	-	-	(147,485)	-	(147,485)	-
Culture and recreation	1,546,149	-	1,750	-	(1,544,399)	-	(1,544,399)	-
Community development	1,735,346	274,171	2,700	94,675	(1,363,800)	-	(1,363,800)	-
Interest on long-term debt	703,994	-	-	-	(703,994)	-	(703,994)	-
Total Governmental Activities	\$ 47,572,779	\$ 5,404,105	\$ 3,606,325	\$ 247,266	\$ (38,315,083)	\$ -	\$ (38,315,083)	\$ -
Business-type Activities:								
Water	\$ 6,726,771	\$ 8,602,891	\$ -	\$ -	\$ -	\$ 1,876,120	\$ 1,876,120	\$ -
Sewer	6,385,359	5,757,826	-	-	-	(627,533)	(627,533)	-
Airport	1,952,885	227,213	-	3,117,455	-	1,391,783	1,391,783	-
Other	76,011	182,000	-	-	-	105,989	105,989	-
Total Business-type Activities	\$ 15,141,026	\$ 14,769,930	\$ -	\$ 3,117,455	\$ -	\$ 2,746,359	\$ 2,746,359	\$ -
Total Primary Government	\$ 62,713,805	\$ 20,174,035	\$ 3,606,325	\$ 3,364,721	\$ (38,315,083)	\$ 2,746,359	\$ (35,568,724)	\$ -
Component Units:								
Woodland Cemetery	\$ 252,471	\$ 5,497	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ (231,974)
Quincy Public Library	2,636,370	324,453	1,120,604	40,000	-	-	-	(1,151,313)
Total Component Units	\$ 2,888,841	\$ 329,950	\$ 1,135,604	\$ 40,000	\$ -	\$ -	\$ -	\$ (1,383,287)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					\$ 639,676	\$ -	\$ 639,676	\$ 732,303
Property taxes, levied for debt service					1,723,340	-	1,723,340	-
Personal property replacement tax					2,193,250	-	2,193,250	428,336
Sales and public service taxes					25,043,217	-	25,043,217	-
Income taxes					3,997,677	-	3,997,677	-
Franchise taxes					933,570	-	933,570	-
Payment from City of Quincy					(235,167)	-	(235,167)	235,167
Investment earnings (loss)					582,892	180,387	763,279	(153,410)
Miscellaneous					187,095	519,099	706,194	920
Transfers					(1,166,565)	1,166,565	-	-
Total General Revenues and Transfers					\$ 33,898,985	\$ 1,866,051	\$ 35,765,036	\$ 1,243,316
Change in Net Position					\$ (4,416,098)	\$ 4,612,410	\$ 196,312	\$ (139,971)
Net Position at beginning of year					(29,412,748)	80,382,276	50,969,528	8,729,793
Net Position at end of year					\$ (33,828,846)	\$ 84,994,686	\$ 51,165,840	\$ 8,589,822

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Balance Sheet
Governmental Funds
April 30, 2020

	General Fund	Quincy Transit Lines	2019B GO Street Project Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 8,251,861	\$ 258,600	\$ 18,743,874	\$ 10,852,312	\$ 38,106,647
Restricted cash	-	-	-	926,196	926,196
Receivables, net	179,511	-	-	188,116	367,627
Inventories	-	-	-	-	-
Due from other funds	161,680	-	-	35,000	196,680
Due from other governments	4,032,925	-	-	535,915	4,568,840
Total Assets	\$ 12,625,977	\$ 258,600	\$ 18,743,874	\$ 12,537,539	\$ 44,165,990
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 326,486	\$ 8,339	\$ 93,726	\$ 315,677	\$ 744,228
Accrued expenses	872,920	69,841	-	57,792	1,000,553
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	196,680	196,680
Total Liabilities	\$ 1,199,406	\$ 78,180	\$ 93,726	\$ 570,149	\$ 1,941,461
Fund Balances					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 1,019,746	\$ 1,019,746
Economic development loans	-	-	-	2,918,543	2,918,543
Capital projects	-	-	18,650,148	3,960,211	22,610,359
911 System	-	-	-	1,545,314	1,545,314
Motor fuel tax projects	-	-	-	1,879,649	1,879,649
Public safety projects	-	-	-	251,077	251,077
Other projects	1,270	-	-	388,430	389,700
Transit	-	180,420	-	-	180,420
Committed for:					
Pension funds	1,795,677	-	-	-	1,795,677
Assigned for:					
Green projects	-	-	-	154,431	154,431
Unassigned	9,629,624	-	-	(150,011)	9,479,613
Total Fund Balances	\$ 11,426,571	\$ 180,420	\$ 18,650,148	\$ 11,967,390	\$ 42,224,529
Total Liabilities and Fund Balances	\$ 12,625,977	\$ 258,600	\$ 18,743,874	\$ 12,537,539	\$ 44,165,990

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
 Reconciliation of the Governmental Funds' Balance Sheet to Statement of Net Position
 April 30, 2020

Total governmental fund balances	\$	42,224,529
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		50,870,687
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet maintenance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position		
Current assets		5,487,445
Capital assets		3,257,444
Deferred outflows		1,874,554
Current liabilities		(1,987,578)
Long-term liabilities		(1,550,171)
Deferred inflows		(2,085,595)
Other long-term assets are not available to pay for the current period expenditures and, therefore, they are not reported in the governmental funds balance sheet.		2,690,604
Net pension (assets) liabilities and related deferred outflows and inflows are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet		(91,707,150)
Net OPEB (assets) liabilities and related deferred outflows and inflows are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet		(7,108,357)
Long term liabilities including bonds payable with related interest and accretion, and deferred compensation are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		<u>(35,795,258)</u>
Net position of governmental activities	\$	<u><u>(33,828,846)</u></u>

City of Quincy, Illinois
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2020

	General Fund	Quincy Transit Lines	2019B GO Street Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 96,070	\$ -	\$ -	\$ 2,266,946	\$ 2,363,016
Franchise taxes	481,020	-	-	452,550	933,570
Public service taxes	25,522,982	-	-	5,711,162	31,234,144
Grants and contributions	209,535	-	-	361,172	570,707
Charges for services	1,057,350	96,289	-	94,994	1,248,633
Fines and forfeitures	425,888	-	-	61,381	487,269
Intergovernmental	26,814	2,777,888	-	478,182	3,282,884
Investment earnings	111,650	5,869	116,136	247,948	481,603
Miscellaneous	152,683	3,378	-	284,574	440,635
Total Revenues	\$ 28,083,992	\$ 2,883,424	\$ 116,136	\$ 9,958,909	\$ 41,042,461
Expenditures					
General Government					
Aldermen	\$ 238,215	\$ -	\$ -	\$ -	\$ 238,215
Mayor	204,600	-	-	-	204,600
City Treasurer	299,828	-	-	-	299,828
City Clerk	211,041	-	-	-	211,041
Director of Administration	113,102	-	-	-	113,102
Purchasing	75,721	-	-	-	75,721
Building maintenance	245,242	-	-	-	245,242
Comptroller	320,262	-	-	-	320,262
Legal department	241,439	-	-	-	241,439
Boards and commissions	29,130	-	-	-	29,130
Information technology	606,806	-	-	-	606,806
Public Safety					
Police Department	9,999,959	-	-	115,731	10,115,690
Fire Department	7,433,297	-	-	-	7,433,297
911 System	-	-	-	1,452,672	1,452,672
Public Works	1,401,637	3,057,798	248,838	-	4,708,273
Engineering Services	586,203	-	-	351,577	937,780
Health and Sanitation	229,769	-	-	-	229,769
Cemetery	235,167	-	-	-	235,167
Culture and Recreation	738,425	-	-	778,828	1,517,253
Community Development	761,802	-	-	1,062,900	1,824,702
Debt Service					
Principal retirement	62,073	-	-	2,440,755	2,502,828
Interest and charges	19,165	-	-	421,501	440,666
Capital outlay	268,465	19,456	457,998	3,922,858	4,668,777
Total Expenditures	\$ 24,321,348	\$ 3,077,254	\$ 706,836	\$ 10,546,822	\$ 38,652,260

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Statement of Revenues, Expenditures and Changes in Fund Balances (Concluded)
Governmental Funds
For the Year Ended April 30, 2020

	General Fund	Quincy Transit Lines	2019B GO Street Project Fund	Other Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,762,644	\$ (193,830)	\$ (590,700)	\$ (587,913)	\$ 2,390,201
Other Financing Sources (Uses)					
Cost share transfers, net	\$ 851,406	\$ (312,156)	\$ -	\$ (20,910)	\$ 518,340
Sale of assets	5,093	-	-	-	5,093
Operating transfers in	814,199	285,143	-	2,014,417	3,113,759
Operating transfers out	(4,816,338)	-	-	(2,041,366)	(6,857,704)
Debt proceeds	-	-	17,853,472	3,786,528	21,640,000
Premium on bond issuance	-	-	1,387,376	351,471	1,738,847
Payments on current refunding	-	-	-	(3,425,000)	(3,425,000)
Total Other Financing Sources (Uses)	\$ (3,145,640)	\$ (27,013)	\$ 19,240,848	\$ 665,140	\$ 16,733,335
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 617,004	\$ (220,843)	\$ 18,650,148	\$ 77,227	\$ 19,123,536
Fund Balances, May 1, 2019	10,809,567	401,263	-	11,890,163	23,100,993
Fund Balances, April 30, 2020	\$ 11,426,571	\$ 180,420	\$ 18,650,148	\$ 11,967,390	\$ 42,224,529

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended April 30, 2020

Net change in fund balances - total governmental funds	\$ 19,123,536
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the governmental-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation and disposals in the current period.	495,412
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(17,680,522)
Compensated absences do not require the use of current financial resources, as they are considered long-term liabilities. Therefore, the change in compensated absences liability is not included as an expenditure in governmental funds.	78,627
Internal service funds are used by management to charge costs of certain activities, such as insurance, to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(709,288)
Some expenses reported in the statement of net activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds including the change in pension and OPEB liabilities.	<u>(5,723,863)</u>
Change in net position of governmental activities	<u>\$ (4,416,098)</u>

City of Quincy, Illinois
Statement of Net Position
Proprietary Funds
April 30, 2020

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Other Enterprise Funds		
Assets						
Current Assets						
Cash and cash equivalents	\$ 6,484,125	\$ 2,805,677	\$ 930,311	\$ 727,601	\$ 10,947,714	\$ 5,123,785
Receivables, net	822,748	973,368	696,647	-	2,492,763	319,034
Inventories	240,551	-	-	-	240,551	44,626
Prepaid expenses	34,426	34,426	18,626	-	87,478	-
Total Current Assets	\$ 7,581,850	\$ 3,813,471	\$ 1,645,584	\$ 727,601	\$ 13,768,506	\$ 5,487,445
Noncurrent Assets						
Land	\$ 242,946	\$ 861,374	\$ 453,124	\$ 240,335	\$ 1,797,779	\$ 488,071
Systems	39,106,889	88,285,288	26,898,036	145,556	154,435,769	643,242
Building and equipment	4,736,092	14,204,932	5,048,690	1,153,246	25,142,960	2,210,394
Vehicles and equipment	4,498,236	3,952,465	2,076,113	29,384	10,556,198	5,078,203
Less: Accumulated depreciation	(24,051,024)	(72,799,502)	(15,087,032)	(827,869)	(112,765,427)	(5,162,466)
Total Noncurrent Assets	\$ 24,533,139	\$ 34,504,557	\$ 19,388,931	\$ 740,652	\$ 79,167,279	\$ 3,257,444
Total Assets	\$ 32,114,989	\$ 38,318,028	\$ 21,034,515	\$ 1,468,253	\$ 92,935,785	\$ 8,744,889
Deferred Outflows of Resources - Pension	\$ 1,355,811	\$ 516,972	\$ 284,384	\$ -	\$ 2,157,167	\$ 1,562,786
Deferred Outflows of Resources - OPEB	\$ 311,768	\$ 95,262	\$ 60,622	\$ -	\$ 467,652	\$ 311,768
Liabilities						
Current Liabilities						
Accounts payable	\$ 371,422	\$ 248,330	\$ 630,563	\$ 42,951	\$ 1,293,266	\$ 1,378,404
Accrued expenses	82,305	25,453	12,273	-	120,031	510,621
Customer deposits	187,884	-	-	-	187,884	-
Compensated absences	80,350	27,367	19,984	-	127,701	98,553
Total Current Liabilities	\$ 721,961	\$ 301,150	\$ 662,820	\$ 42,951	\$ 1,728,882	\$ 1,987,578
Noncurrent Liabilities						
Compensated absences	\$ 103,135	\$ 37,978	\$ 14,007	\$ -	\$ 155,120	\$ 96,640
Notes and loans payable	3,260,375	379,031	-	-	3,639,406	-
Net pension liability	87,812	33,576	18,532	-	139,920	101,516
Net OPEB liability	1,352,015	413,116	262,892	-	2,028,023	1,352,015
Total Noncurrent Liabilities	\$ 4,803,337	\$ 863,701	\$ 295,431	\$ -	\$ 5,962,469	\$ 1,550,171
Total Liabilities	\$ 5,525,298	\$ 1,164,851	\$ 958,251	\$ 42,951	\$ 7,691,351	\$ 3,537,749
Deferred Inflows of Resources - Pension	\$ 1,804,053	\$ 689,792	\$ 380,722	\$ -	\$ 2,874,567	\$ 2,085,595
Net Position						
Invested in capital assets, net of related debt	\$ 24,445,327	\$ 34,470,981	\$ 19,370,399	\$ 740,652	\$ 79,027,359	\$ 3,155,928
Unrestricted	2,007,890	2,604,638	670,149	684,650	5,967,327	1,840,171
Total Net Position	\$ 26,453,217	\$ 37,075,619	\$ 20,040,548	\$ 1,425,302	\$ 84,994,686	\$ 4,996,099

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Funds
For the Year Ended April 30, 2020

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Other Enterprise Funds		
Operating Revenues						
Charges for services	\$ 8,602,891	\$ 5,757,826	\$ 227,213	\$ 182,000	\$ 14,769,930	\$ 11,204,679
Miscellaneous	53,196	225,841	240,062	-	519,099	42,196
Total Operating Revenues	\$ 8,656,087	\$ 5,983,667	\$ 467,275	\$ 182,000	\$ 15,289,029	\$ 11,246,875
Operating Expenses						
Salaries and wages	\$ 1,774,962	\$ 626,884	\$ 455,121	\$ 400	\$ 2,857,367	\$ 1,904,081
Benefits	927,528	333,770	202,254	72	1,463,624	1,117,144
Purchased services	1,004,088	2,153,333	262,914	14,215	3,434,550	2,201,667
Supplies	1,530,381	645,646	144,475	12,941	2,333,443	1,097,483
Claims and judgments	-	-	-	-	-	8,082,440
Noncapitalized equipment	11,456	14,778	6,866	-	33,100	-
Other objects	288,063	270,657	77,373	3,971	640,064	1,639
Depreciation	1,165,459	2,340,291	803,882	44,412	4,354,044	230,378
Total Operating Expenses	\$ 6,701,937	\$ 6,385,359	\$ 1,952,885	\$ 76,011	\$ 15,116,192	\$ 14,634,832
Operating Income (Loss)	\$ 1,954,150	\$ (401,692)	\$ (1,485,610)	\$ 105,989	\$ 172,837	\$ (3,387,957)
Non-Operating Revenues (Expenses)						
Interest income	\$ 107,475	\$ 38,488	\$ 22,468	\$ 11,956	\$ 180,387	\$ 101,289
Grants and contributions	-	-	3,117,455	-	3,117,455	-
Interest expense	(24,834)	-	-	-	(24,834)	-
Total Non-operating Revenues (Expenses)	\$ 82,641	\$ 38,488	\$ 3,139,923	\$ 11,956	\$ 3,273,008	\$ 101,289
Income (Loss) Before Transfers and Contributions	\$ 2,036,791	\$ (363,204)	\$ 1,654,313	\$ 117,945	\$ 3,445,845	\$ (3,286,668)
Transfers in	-	461,757	849,450	122,982	1,434,189	2,876,900
Transfers out	(53,812)	(53,812)	-	(160,000)	(267,624)	(299,520)
Change in Net Position	\$ 1,982,979	\$ 44,741	\$ 2,503,763	\$ 80,927	\$ 4,612,410	\$ (709,288)
Net Position at beginning of year	24,470,238	37,030,878	17,536,785	1,344,375	80,382,276	5,705,387
Net Position at year end	\$ 26,453,217	\$ 37,075,619	\$ 20,040,548	\$ 1,425,302	\$ 84,994,686	\$ 4,996,099

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2020

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Other Enterprise Funds		
Cash Flows from Operating Activities:						
Receipts from customers	\$ 9,367,726	\$ 5,665,285	\$ (101,064)	\$ 218,580	\$ 15,150,527	\$ 5,394,779
Payments to suppliers	(2,920,027)	(2,956,456)	(203,520)	(25,807)	(6,105,810)	(4,334,675)
Payments to employees	(2,468,938)	(874,809)	(579,124)	(472)	(3,923,343)	(1,534,864)
Internal activity - payments to other funds	-	-	-	-	-	5,639,344
Claims paid	-	-	-	-	-	(7,315,312)
Other receipts (payments)	53,196	225,841	240,062	-	519,099	32,942
Net Cash Provided (Used) by Operating Activities	\$ 4,031,957	\$ 2,059,861	\$ (643,646)	\$ 192,301	\$ 5,640,473	\$ (2,117,786)
Cash Flows from NonCapital Financing Activities:						
Operating subsidies and transfers	\$ (53,812)	\$ 407,945	\$ 849,450	\$ (37,018)	\$ 1,166,565	\$ 2,577,380
Cash Flows from Capital and Related Financing Activities:						
Proceeds from sale of debt	\$ 2,197,738	\$ 379,031	\$ -	\$ -	\$ 2,576,769	\$ -
Purchases of capital assets	(4,446,643)	(2,270,635)	(3,339,261)	-	(10,056,539)	(363,351)
Disposal of capital assets	-	-	-	-	-	7,615
Principal paid on capital debt	(56,133)	-	-	-	(56,133)	-
Interest paid on capital debt	(24,834)	-	-	-	(24,834)	-
Other receipts (payments)	-	-	3,117,455	-	3,117,455	-
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (2,329,872)	\$ (1,891,604)	\$ (221,806)	\$ -	\$ (4,443,282)	\$ (355,736)
Cash Flows from Investing Activities:						
Interest received	\$ 107,475	\$ 38,488	\$ 22,468	\$ 11,956	\$ 180,387	\$ 101,289
Net Cash Provided (Used) by Investing Activities	\$ 107,475	\$ 38,488	\$ 22,468	\$ 11,956	\$ 180,387	\$ 101,289
Net Increase (Decrease) in Cash and Cash Investments	\$ 1,755,748	\$ 614,690	\$ 6,466	\$ 167,239	\$ 2,544,143	\$ 205,147
Cash and Cash Equivalents, May 1, 2019	4,728,377	2,190,987	923,845	560,362	8,403,571	4,918,638
Cash and Cash Equivalents, April 30, 2020	\$ 6,484,125	\$ 2,805,677	\$ 930,311	\$ 727,601	\$ 10,947,714	\$ 5,123,785

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Statement of Cash Flows (Concluded)
Proprietary Funds
For the Year Ended April 30, 2020

	<u>Business-type Activities Enterprise Funds</u>				<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Department</u>	<u>Sewer Department</u>	<u>Quincy Regional Airport</u>	<u>Other Enterprise Funds</u>		
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities						
Income (loss) from operations	\$ 1,954,150	\$ (401,692)	\$(1,485,610)	\$ 105,989	\$ 172,837	\$ (3,387,957)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:						
Amortization and depreciation	1,165,459	2,340,291	803,882	44,412	4,354,044	230,378
(Gain)/Loss on sale of fixed assets	-	-	-	-	-	(6,115)
(Increase) Decrease in:						
Accounts receivable	739,715	(92,541)	(328,277)	-	318,897	(172,056)
Inventories	(31,587)	-	-	-	(31,587)	(1,952)
Prepaid items	(14,764)	(4,933)	(1,035)	-	(20,732)	-
Net pension asset	-	-	-	-	-	-
Deferred outflows	699,776	112,348	51,529	-	863,653	81,789
Increase (Decrease) in:						
Accounts payable	(39,688)	132,891	289,143	41,900	424,246	800,173
Accrued expenses	33,710	8,591	3,761	-	46,062	87,716
Customer deposits	25,120	-	-	-	25,120	-
Compensated absences	(2,196)	1,857	2,180	-	1,841	10,376
Net pension liability	(1,781,923)	(535,423)	(293,779)	-	(2,611,125)	(1,430,466)
Net OPEB liability	612,442	153,266	122,973	-	888,681	512,500
Deferred inflows	671,743	345,206	191,587	-	1,208,536	1,157,828
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,031,957</u>	<u>\$ 2,059,861</u>	<u>\$ (643,646)</u>	<u>\$ 192,301</u>	<u>\$ 5,640,473</u>	<u>\$ (2,117,786)</u>

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2020

	Pension Trust Funds	Private Purpose Trusts
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,442,071	\$ 105,161
Investments	69,240,579	-
Receivables, net	5,065,704	-
Total Assets	\$ 76,748,354	\$ 105,161
Liabilities		
Current Liabilities		
Accounts payable	\$ -	\$ 532
Accrued expenses	65,262	-
Total Liabilities	\$ 65,262	\$ 532
Deferred Inflows of Resources		
Unearned property taxes	\$ 4,877,873	\$ -
Net Position		
Held in trust for pension benefits	\$ 71,805,219	\$ -
Restricted for future expenditures	-	104,629
Total Net Position	\$ 71,805,219	\$ 104,629

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended April 30, 2020

	Pension Trust Funds	Private Purpose Trusts
Additions		
Taxes:		
Property taxes	\$ 4,680,696	\$ -
Personal Property Replacement tax	887,990	-
Total taxes	<u>\$ 5,568,686</u>	<u>\$ -</u>
Contributions:		
Plan members	\$ 988,277	\$ -
Outside agencies	-	35,785
Transfers from City	1,309,705	-
Total contributions	<u>\$ 2,297,982</u>	<u>\$ 35,785</u>
Investment earnings:		
Net increase (decrease) in fair value	\$ (143,003)	\$ -
Realized gain (loss) on sale of investments	(1,623,504)	-
Interest	672,194	2,119
Dividends	1,289,240	-
Investment expense	(183,614)	-
Total investment earnings	<u>\$ 11,313</u>	<u>\$ 2,119</u>
Total Additions	<u>\$ 7,877,981</u>	<u>\$ 37,904</u>
Deductions		
Benefits	\$ 7,916,574	\$ -
Administrative expenses	65,450	-
Payments to others	-	38,700
Total Deductions	<u>\$ 7,982,024</u>	<u>\$ 38,700</u>
Change in net position	\$ (104,043)	\$ (796)
Net position, May 1, 2019	<u>71,909,262</u>	<u>105,425</u>
Net position, April 30, 2020	<u><u>\$ 71,805,219</u></u>	<u><u>\$ 104,629</u></u>

Notes to the
Financial Statements

1) Summary of Significant Accounting Policies

The City of Quincy, Illinois (City) was incorporated in 1840. The City is a home rule city under Illinois law and operates under the Council/Mayor form of government. The City provides a variety of general government services to residents including law enforcement, fire protection, public works, cemetery, airport services, public health and welfare, community development, waterworks and sanitation.

A. Financial Reporting Entity

The accounting and reporting policies of the City relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

The City's combined financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The City holds the corporate powers of the organization
- The City appoints a voting majority of the organization's board
- The City is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the City
- There is a fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City has determined that the 911 System, Quincy Public Library and Woodland Cemetery are component units of the City of Quincy, Illinois. Information for the Quincy Public Library and Woodland Cemetery has been discretely presented. The 911 System is a blended component unit. Complete financial statements for the Library and Cemetery may be obtained from the respective entities.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The focus is on both the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by fund type), and the component units. Both the government-wide and the fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities' columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information for enhanced analysis and comparability.

The government-wide Statement of Position reflects both the gross and net cost per functional category (public safety, culture and recreation, etc.) that are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, culture and recreation, etc.) or business-type activity.

1) Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The operating grants column includes operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants and contributions.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The fund statements are presented on a current financial resource or modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

The City's fiduciary funds are presented in the fund financial statements. Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the specific funds used by the City.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance". The measurement focus is on determination of changes in financial position, rather than on income determination. The following are the City's major governmental funds:

General Fund

The General Fund is the main operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvements that are not paid through other funds are paid from the General Fund.

Quincy Transit Lines Fund

The Quincy Transit Lines Fund is used to account for the activities of the City's public transit system. The majority of this fund's resources come from state and federal grants and allocations.

2019B GO Street Project Fund

The 2019B GO Street Project Fund accounts for the acquisition or construction of street projects financed with the 2019B GO Bond issuance.

1) **Summary of Significant Accounting Policies (Continued)**

B. Government-wide and Fund Financial Statements (Continued)

1. **Governmental Funds (Concluded)**

The other governmental funds of the City are considered non-major and are as follows:

Special Revenue Funds – used to account for the proceeds of specific revenue resources (other than assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. These funds include: State and Federal Grants, 911 System, Arts Commission, Motor Fuel Tax, Town Road Tax, Police Contributions, Fire Contributions, Franchise Fee “Green”, Bridge Lighting, Tourism Tax, and the City’s Revolving Loan funds. These loan funds include the Economic Development Revolving Loan Fund, which was established from an Urban Development Action Grant (UDAG); the Community Development Action Program (CDAP) Revolving Loan Fund; the Central Business District Loan Fund; the Neighborhood Housing Rehab Loan Fund; and the Small Business Emergency Loan Fund.

Capital Project Funds – used to account for the acquisition and construction of capital facilities other than those being financed by proprietary funds. The Capital Projects Funds use General Obligation or Certificates of Obligation Bonds proceeds, grants, or transfers from other funds. These funds include Capital Projects, Sanitation Connection, TIF #2, TIF #3, Sewer Equipment Replacement, QMEA Cap Reserve, and Fire Equipment/Improvement Fund.

Debt Service Funds – used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt primarily from taxes levied by the City. The fund balances of the Debt Service Funds are restricted to signify the amounts that are restricted exclusively for debt service expenditures.

2. **Proprietary Funds**

Enterprise Funds

Enterprise Funds are used to account for those operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, costs incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City’s major Enterprise Funds consist of the following funds:

Water Fund – used to account for the operation of the City’s water treatment facilities and services.

Sewer Fund – used to account for the operation of the City’s waste disposal activities.

Quincy Regional Airport Fund – used to account for the operation of the City’s airport.

The other enterprise funds of the City (Firefighters Regional Training Center, Quincy Regional Dock, and Garbage Fund) are considered non-major.

1) Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Concluded)

2. Proprietary Funds (Concluded)

Internal Service Funds

Internal Service Funds account for the financing of goods or services provided by such departments to other departments or agencies of the City on a cost-reimbursement basis. The City's Internal Service Funds include Self Insurance, Central Services, Central Garage, Health Insurance Fund and Unemployment Compensation Fund. These funds are included in the governmental activities for government-wide reporting purposes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The excess revenue or expenses for the funds are allocated to the appropriate functional activity.

3. Fiduciary Funds

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Fiduciary funds are not included in the government-wide financial statements. The Fiduciary Funds of the City are as follows:

Pension Trust Funds

The Pension Trust Funds are accounted for in the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The Pension Trust Funds account for the assets of the City's Police and Fire pension plans.

Police Pension Fund – used to account for the accumulation of resources needed to pay pension costs when due. Resources are contributions from police force members at rates fixed by state statutes and City contributions in the form of an annual property tax levy.

Fire Pension Fund – used to account for the accumulation of resources needed to pay pension costs when due. Resources are contributions from fire department members at rates fixed by state statutes and City contributions in the form of an annual property tax levy.

Private Purpose Trust Funds

Private Purpose Trust Funds are used to accumulate assets for other purposes. These funds consist of the Sister City Commission Fund, the Lincoln Bicentennial Commission, the Human Rights Commission, and the Animal Rescue Fund.

1) Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds' statements. Long-term assets and long-term liabilities are included in the government-wide statements. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of revenues. First, monies must be expended on the specific purpose or project before any amounts will be paid to the City. Therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. Second, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeitures, charges for sales and services (other than utilities), and miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available.

Property taxes are recognized as a receivable at the time they are levied, and the current taxes receivable represents an estimate of the 2018 levy. Property taxes are levied each year on all taxable real property in the City. The City passes a property tax levy ordinance, usually in the fourth calendar quarter of each year, for the fiscal year beginning on May 1 of such calendar year. The tax becomes a lien as of the following January 1, on the assessed value listed as of the day prior (December 31) for all real property located in the City. In the year following the levy, the County bills the property taxes in two installments, generally in May and August. The taxes become delinquent approximately 40 days after the dates billed. The County collects the taxes and remits them to the City. The City receives these remittances approximately one month after the collections' dates.

In the Government-wide Statement of Net Position and Statement of Activities, all proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the Statement of Net Position or on the Statement of Fiduciary Net position.

The Statement of Net Position, Statement of Activities, financial statements of the Proprietary Funds and Fiduciary Funds are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1) Summary of Significant Accounting Policies (Continued)

D. Cash and Cash Equivalents

Except where otherwise required, the City maintains all deposits in a bank account in the name of the City. These deposits are invested on a short-term basis with interest income being allocated to the funds based on their respective balances.

E. Investments

Investments are reported at fair value. Securities traded on the national or international exchange are valued at the last reported sales price at current exchange rates. Investments are reported in the Police and Fire Pension funds.

F. Statement of Cash Flows

For purposes of the Statement of Cash Flows for the proprietary fund type funds, all highly liquid investments (including restricted assets) with maturity of three months or less when purchased are considered to be cash equivalents.

G. Accounts Receivable

Accounts receivable result primarily from services provided to citizens and are accounted for in various funds. Water services are accounted for in the Water Fund and sewer and airport services are accounted for in the Sewer Fund and Quincy Regional Airport Fund. Accounts receivable are shown net of an allowance for uncollectible accounts.

H. Inventories

Inventories consist of consumable supplies and are valued at cost using the first in-first out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

I. Capital Assets

Capital assets including land, buildings, improvements, equipment assets and infrastructure are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater.

Assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

Systems and Improvements	20 – 100 years
Buildings	15 – 100 years
Machinery and Equipment	5 – 40 years
Office Equipment	5 – 10 years
Vehicles	5 – 15 years

The City's collections of works of art, library books, and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

1) Summary of Significant Accounting Policies (Continued)

J. Unearned Revenue

In the governmental funds, unearned revenues represent amounts due, which are measurable, but not available. In the statement of net position, unearned revenues represent the deferral of property tax receivables which are levied for a future period.

Unearned revenue represents grants and similar items received, however, the City has not met all eligibility requirements imposed by the provider.

K. Interfund Transactions

Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to the City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund. Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective fund's operating statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Non-current portions of long-term interfund loan receivables are reported as advances within the governmental funds and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused compensatory benefits. For proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

Sick leave and other benefits are accumulative as far as time available and are reimbursable to employees upon termination, in full or in part. The costs of these benefits are recognized when paid to active employees.

M. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position invested in capital assets, net of related debt, excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

1) Summary of Significant Accounting Policies (Continued)

N. Fund Balances

Fund balances are classified as follows:

Nonspendable- This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City had no nonspendable fund balances as of April 30, 2020.

Restricted- This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or law or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City had \$30,794,808 in restricted fund balances that consisted of various funds with the majority restricted for capital projects of \$22,610,359.

Committed- This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City had committed fund balances of \$1,795,677 as of April 30, 2020, for the City's pension funds.

Assigned- This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council through budgetary process. The City had assigned resources of \$154,431 as of April 30, 2020.

Unassigned- All amounts not included in other spendable classifications.

The City's policy is to use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise.

O. Bond Premium and Issuance Costs

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. In accordance with GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities*, bond premiums, as well as issuance costs, are shown as outflows of resources in the year the debt was issued. In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. On the government-wide and proprietary fund financial statements, unamortized bond premiums are shown on the Statement of Financial Position and amortized over the life of the bonds.

P. Properties Held for Resale

Properties acquired through the Community Development Program are recorded at the lower of cost or fair value. Therefore, costs incurred which are not recoverable upon resale and permanent declines in fair value are charged to expense/expenditures.

1) Summary of Significant Accounting Policies (Concluded)

Q. Use of Estimates

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

R. Deferred Outflows/Inflows of Resources

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

S. Pension Reporting

Financial reporting information pertaining to the City's participation in the Illinois Municipal Retirement Fund (IMRF), Firefighters' Pension Fund, and Police Pension Fund are prepared in accordance with GASB Statement No. 67, Financial Reporting for Pension Plans, GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment to GASB No. 27, as well as GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by IMRF, Firefighters' Pension and Police Pension Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2) Budgets and Budgetary Accounting

The fiscal year of the City of Quincy, Illinois has been established as the twelve-month period beginning on May 1. The Mayor submits a budget of estimated expenditures and revenues to the City Council. State law requires that a public hearing on the proposed budget be held at least 10 days prior to passage to obtain taxpayer comments. The budget is required to be legally adopted through passage of an ordinance prior to May 1.

The City Council is authorized to transfer budgeted amounts within departments. The budget is changed by line item transfers or supplemental appropriations. Formal budgetary integrations are employed as a management controls device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds.

The budget is prepared using the cash basis of accounting. Individual fund statements have been reconciled from the modified accrual basis of accounting to the cash basis of accounting for comparative purposes. Budgeted amounts are as originally adopted, or as amended by the City Council. Individual amendments were not material in relation to the original appropriations, which were adopted.

3) Deposits and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City follows a policy of required collateralization of all deposits in excess of federally insured amounts. At April 30, 2020, the carrying amount of the City's deposits (excluding component units) was \$57,651,574 and the respective bank balances totaled \$57,437,784. Included in the bank balances are Certificates of Deposit totaling \$15,055,000. The insured and collateral status of the bank balances, by category risk, was as follows:

	Primary Government
FDIC Insured	\$ 11,228,086
Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	14,166,886
Invested in Money Market Funds	32,042,812
Uncollateralized	-
	\$ 57,437,784

Investments

State statutes and City ordinances authorize the City's investments. The City is authorized to invest in U.S. Government obligations and its agencies or instrumentalities (excluding collateralized mortgage obligations, or CMO's; Real Estate Mortgage Investment Conduits, or REMIC's; or other principal or interest only obligations), obligations of any state or a political subdivision of any state (pension funds), money market funds registered under the Investment Company Act of 1940, repurchase agreements, insured or collateralized certificates of deposit and money market funds. Pension fund investments are authorized by state statute and include, in addition to the previously mentioned investments, marketable equity securities.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy generally limits the maturities of investments to no more than three years from the date of purchase. Reserves for capital improvement projects are limited to the expected use of the funds or a maximum of five years from the date of purchase. State statute places additional maturity limits on specific investment vehicles. Investments in short term obligations of corporations are limited to 180 days from the date of purchase and repurchase agreements are limited to periods of 330 days or less.

Credit Risk

State law limits investments in commercial paper and corporate bonds to the top three ratings issued by at least two standard rating services. The City limits pension fund investments in individual issues to a maximum of 10% of the pension fund's net assets.

Investments available for sale are recorded in the Firefighters' and Police Pension Funds. The investments are held by the Firefighters' and Police Pension Funds and are actively managed by Mercantile Trust Department and The Investor Group, respectively.

3) Deposits and Investments (Concluded)

Investments shown in the Fiduciary Funds – Pension Trusts are as follows:

	Amortized Cost	Fair Value
Investments Available for Sale:		
U.S. Government Agencies	\$ 17,082,356	\$ 18,227,004
Corporate bonds	7,838,177	8,255,720
Mutual Funds	24,153,251	25,171,363
Common and Preferred Stocks	15,112,292	17,586,492
	\$ 64,186,076	\$ 69,240,579
 Investment Maturities (in years):		
Maturing 2020-2049	\$ 24,920,533	\$ 26,482,724
	\$ 24,920,533	\$ 26,482,724
Equity Securities	39,265,543	42,757,855
	\$ 64,186,076	\$ 69,240,579

A reconciliation of cash, cash equivalents and investments, as shown in the financial statements, is as follows:

Cash on hand		\$ 1,925	
Deposits with financial institutions		57,649,649	
Investments		69,240,579	
Total Cash and Investments		\$ 126,892,153	
	Cash and Equivalents	Investments	Total
Government-wide Statement of Net Assets	\$ 55,104,342	\$ -	\$ 55,104,342
Statement of Fiduciary Net Assets	2,547,232	69,240,579	71,787,811
	\$ 57,651,574	\$ 69,240,579	\$ 126,892,153

4) Capital Assets

Depreciation expense was charged to the functions of the government as follows:

Governmental Activities	
General government	\$ 146,160
Public safety	553,502
Public works	3,228,270
Other governmental activities	461,479
Total Governmental activities	\$ 4,389,411
 Business-Type Activities	
Water	\$ 1,165,459
Sewer	2,340,291
Airport	803,882
Other enterprise	44,412
Total Business-type activities	\$ 4,354,044

4) Capital Assets (Concluded)

The following is a summary of Capital Asset transactions for the year ended April 30, 2020:

Governmental Activities

	Balance, April 30, 2019	Additions	Retirements	Balance, April 30, 2020
Buildings	\$ 15,691,352	\$ -	\$ -	\$ 15,691,352
Improvements	1,804,182	28,143	-	1,832,325
Infrastructure	136,396,049	2,149,854	-	138,545,903
Machinery and equipment	7,252,108	1,797,430	-	9,049,538
Vehicles	10,148,812	1,430,720	(1,072,343)	10,507,189
Furniture and intangibles	627,735	29,738	-	657,473
Total assets being depreciated	<u>\$ 171,920,238</u>	<u>\$ 5,435,885</u>	<u>\$ (1,072,343)</u>	<u>\$ 176,283,780</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (7,284,371)	\$ (381,019)	\$ -	\$ (7,665,390)
Improvements	(1,042,323)	(60,963)	-	(1,103,286)
Infrastructure	(106,544,717)	(2,962,694)	-	(109,507,411)
Machinery and equipment	(5,038,007)	(397,576)	-	(5,435,583)
Vehicles	(7,524,172)	(480,307)	1,056,510	(6,947,969)
Furniture and intangibles	(450,221)	(106,852)	-	(557,073)
Total accumulated depreciation	<u>\$ (127,883,811)</u>	<u>\$ (4,389,411)</u>	<u>\$ 1,056,510</u>	<u>\$ (131,216,712)</u>
Net total of capital assets being depreciated	\$ 44,036,427	\$ 1,046,474	\$ (15,833)	\$ 45,067,068
Land	2,760,072	-	-	2,760,072
Construction in Progress	6,704,748	2,121,183	(2,524,940)	6,300,991
Governmental Activities Capital Assets	<u><u>\$ 53,501,247</u></u>	<u><u>\$ 3,167,657</u></u>	<u><u>\$ (2,540,773)</u></u>	<u><u>\$ 54,128,131</u></u>

Business-Type Activities

	Balance, April 30, 2019	Additions	Retirements	Balance, April 30, 2020
Buildings	\$ 25,142,960	\$ -	\$ -	\$ 25,142,960
Systems	140,710,475	5,320,002	-	146,030,477
Machinery and equipment	5,622,729	1,121,516	-	6,744,245
Vehicles	3,529,520	282,434	-	3,811,954
Total assets being depreciated	<u>\$ 175,005,684</u>	<u>\$ 6,723,952</u>	<u>\$ -</u>	<u>\$ 181,729,636</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (13,370,344)	\$ (686,963)	\$ -	\$ (14,057,307)
Systems	(90,306,576)	(3,277,058)	-	(93,583,634)
Machinery and equipment	(2,197,159)	(198,921)	-	(2,396,080)
Vehicles	(2,537,305)	(191,102)	-	(2,728,407)
Total accumulated depreciation	<u>\$ (108,411,384)</u>	<u>\$ (4,354,044)</u>	<u>\$ -</u>	<u>\$ (112,765,428)</u>
Net total of capital assets being depreciated	\$ 66,594,300	\$ 2,369,908	\$ -	\$ 68,964,208
Land	1,797,779	-	-	1,797,779
Construction in Progress	5,072,704	7,516,221	(4,183,634)	8,405,291
Business-Type Activities Capital Assets	<u><u>\$ 73,464,783</u></u>	<u><u>\$ 9,886,129</u></u>	<u><u>\$ (4,183,634)</u></u>	<u><u>\$ 79,167,278</u></u>

5) Non-current Liabilities

For the Year Ended April 30, 2020, the changes in non-current liabilities are as follows:

Governmental Activities

	Balance April 30, 2019	(Retirements) Additions	Balance April 30, 2020
General Obligation Bonds	\$ 10,854,174	\$ 15,774,245	\$ 26,628,419
Accrued interest on bonds	130,069	279,091	409,160
Notes Payable - Bank	412,450	(95,898)	316,552
Compensated absences	2,946,392	(68,254)	2,878,138
Net pension liability	98,816,287	2,884,250	101,700,537
Unamortized bond premium	169,879	1,723,084	1,892,963
Net OPEB obligation	7,365,575	3,225,210	10,590,785
Landfill post-closure	2,173,000	(76,000)	2,097,000
	<u>\$ 122,867,826</u>	<u>\$ 23,645,728</u>	<u>\$ 146,513,554</u>

Business-Type Activities

	Balance April 30, 2019	(Retirements) Additions	Balance April 30, 2020
Compensated absences	\$ 280,980	\$ 1,841	\$ 282,821
Notes payable - EPA loan	1,118,770	2,520,636	3,639,406
Net OPEB obligation	1,139,342	888,681	2,028,023
Net pension liability	2,751,045	(2,611,125)	139,920
	<u>\$ 5,290,137</u>	<u>\$ 800,033</u>	<u>\$ 6,090,170</u>

General Obligation Bonds are direct obligations issued on a pledge on the general taxing power for the payment of the debt obligations of the City. General Obligation Bonds require the City to compute, at the time other taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The City is in compliance with this requirement.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. The City has determined that it has not earned interest on bond proceeds in excess of arbitrage amounts and, consequently, has not accrued an "arbitrage liability" to the federal government.

During the year ended April 30, 2016, the City issued bonds with a premium of \$60,151. During the year ended April 30, 2017, the City issued bonds with a premium of \$154,116. During the year ended April 30, 2020, the City issued two bonds with premiums of \$351,471 and \$1,387,376, respectively. These premiums are shown as current expenditures in the fund financial statements, however, they are shown as non-current liabilities on the government-wide statement of net position, net of accumulated amortization. These premiums are being amortized over the life of the bonds.

5) Non-current Liabilities (Continued)

General Obligation Bonds

At April 30, 2020, bonds payable consisted of the following individual issues:

\$3,425,000 General Obligation Refunding Bonds, Series 2019A, dated November 21, 2019, due in annual installments ranging from \$205,000 to \$515,000 through 2029, with interest at 4.00%, payable June 1 and December 1.	\$ 3,425,000
\$4,115,000 General Obligation Bonds, Series 2017, dated February 28, 2017, due in annual installments ranging from \$540,000 to \$640,000 through December 1, 2026, with interest at 3.0%, payable June 1 and December 1.	4,115,000
\$18,215,000 Local Government Program Revenue Bonds, Series 2019B, dated November 21, 2019, due in annual installments ranging from \$410,000 to \$2,015,000 through 2040, with interest from 3.0% to 4.0%, payable June 1 and December 1.	18,215,000
\$973,518 General Obligation (Limited Tax) Notes, Series 2014, dated December 31, 2014, due in monthly installments of \$12,459.41 each through December 31, 2021, with interest at 2.07%, payable monthly.	243,419
\$1,245,000 General Obligation Bonds, Series 2009B, dated September 21, 2009, due in annual installments ranging from \$185,000 to \$225,000 beginning 2017 through 2023, with interest from 3.0% to 4.0%, payable January 1 and July 1.	630,000
Total	<u>\$ 26,628,419</u>
Less: Current portion of bonds payable	<u>(1,110,825)</u>
Net Long-Term Bonds Payable	<u><u>\$ 25,517,594</u></u>

On November 21, 2019, the City issued \$3,425,000 in 2019A General Obligation Refunding Bonds to currently refund the Series 2009C Bonds. The net proceeds of \$4,085,819.67 (after payment of \$35,279 in issuance costs and a reoffering premium of \$351,471) were deposited with an escrow agent and disbursed to retire the 2009C Bonds and accrued interest. This refinancing is expected to produce an overall cash flow savings of \$173,851 over the nine years following the refunding and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$232,370. Interest is payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2020, at an interest rate of 4.00%. Principal is payable on December 1 of each year through 2028 with the first principal payment due on December 1, 2020. Principal and interest on the Bonds are payable from ad valorem taxes levied against all the taxable property in the City without limitation as to rate or amount.

On February 28, 2017, the City issued General Obligation Bonds in the amount of \$4,115,000 for the City's portion of the funds needed for the acquisition, construction and installation of the Adams County Detention and Law Enforcement Center for use by the City's police department. Interest is payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2017, with an interest rate of 3.00%. Principal is payable on December 1 of each year through 2026 with the first principal payment due on December 1, 2020. Principal and interest on the Bonds are payable from ad valorem taxes levied against all the taxable property in the City without limitation as to rate or amount.

5) Non-current Liabilities (Continued)

General Obligation Bonds (Continued)

On November 21, 2019, the City issued Local Government Program Revenue Bonds Series 2019B through the Western Illinois Economic Development Authority in the amount of \$18,215,000 to fund the City's road and roadwork-related infrastructure improvements. Interest is payable semi-annually on June 1 and December 1 of each year, commencing June 1, 2020, with an interest rate of 4.00% through December 1, 2036, then 3.00% through maturity. Principal payments are due annually on December 1 of each year through December 1, 2039 with the first principal payment due on December 1, 2027. Principal and interest on the Bonds are payable from ad valorem taxes levied against all the taxable property in the City without limitation as to rate or amount.

On December 31, 2014, the City issued General Obligation (Limited Tax) Notes in the amount of \$973,518 to purchase trucks to be used by Central Services for garbage and recycling collection.

On September 15, 2009, the City issued additional General Obligation Bonds in the amount of \$1,245,000 to finance extensions and improvements for the Oakley-Lindsay Center.

The City issued Series 2009C Taxable General Obligation Bonds, or Recovery Zone Economic Development Bonds, on November 20, 2009, in the amount of \$5,533,000. These bonds are also referred to as Build America Bonds. Under the American Recovery and Reinvestment Act of 2009 (ARRA), state and local governments were allowed to issue taxable governmental bonds with a federal subsidy for a portion of the borrowing costs equal to 45 percent of the total coupon interest payable to investors. The proceeds of these bonds are being used to fund the acquisition, construction and installation of Quincy Public Library facilities and improvements. During the year ended April 30, 2020, these bonds were refunded with the 2019A Series bonds discussed above.

In prior years, the City issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to insure payment of debt service on the refunded bonds. Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the unfunded debt from these earlier issues will not be actually retired until the call dates come due or until maturity if they are not callable issues. As of April 30, 2020, these prior refunded bonds had been retired, therefore, no money is being held in escrow on these refunding bonds.

Interest expense from these bonds totaling \$663,311 has been included as a direct function expense. No interest was required to be capitalized during the year ended April 30, 2020.

As a home-rule maturity, the City has no legal debt limit.

The annual aggregate maturities of General Obligation bonded debt for subsequent years are as follows:

Year Ending April 30	Principal	Interest	Total
2021	\$ 1,110,825	\$ 996,175	\$ 2,107,000
2022	1,182,594	939,194	2,121,788
2023	1,085,000	899,600	1,984,600
2024	950,000	861,900	1,811,900
2025	1,000,000	829,750	1,829,750
2026-2030	5,800,000	3,581,000	9,381,000
2031-2035	7,535,000	2,311,200	9,846,200
2036-2040	7,965,000	695,650	8,660,650
	<u>\$ 26,628,419</u>	<u>\$ 11,114,469</u>	<u>\$ 37,742,888</u>

5) Non-current Liabilities (Continued)

General Obligation Bonds (Concluded)

Accrued interest on bonds is comprised of the following:

	Next Interest Payment Due	Accrued Interest April 30, 2020
GOB 2009B	\$ 12,101	\$ 8,068
GOB 2017A	61,725	41,150
GOB 2019A	140,806	58,669
GOB 2019B	361,528	301,273
	\$ 576,160	\$ 409,160

Notes Payable – Bank

The City entered into a loan agreement with the Illinois Finance Authority for the Fire Truck Revolving Loan Program on April 7, 2009. This program allows the Authority to make no interest loans to fire departments for the purpose of purchasing fire trucks and related equipment. This loan calls for 20 annual payments of \$12,500 each beginning November 1, 2011 and ending November 1, 2029. The balance outstanding at April 30, 2020, was \$125,000.

On June 29, 2018, the City entered into a contract with KS StateBank for the financing of body cameras and related equipment for the Police Department. This contract calls for four annual payments of \$68,737.50 each beginning on June 29, 2019, with the last payment due on June 29, 2022, at no stated interest rate but an imputed interest rate of 5.466%. The total of this contract is \$274,950. The balance outstanding at April 30, 2020, was \$191,552.

The annual requirements to amortize the outstanding loans as of April 30, 2020, are as follows:

Governmental Activities			
Year Ending April 30	Principal	Interest	Total
2021	\$ 73,997	\$ 7,241	\$ 81,238
2022	76,321	4,916	81,237
2023	78,734	2,504	81,238
2024	12,500	-	12,500
2025	12,500	-	12,500
2026-2030	62,500	-	62,500
	\$ 316,552	\$ 14,661	\$ 331,213

On October 24, 2019, the City entered into a loan agreement with the Illinois Environmental Protection Agency for the Wastewater Project. The loan has a maximum amount of \$5,142,561 at an annual fixed rate of 1.80% with a 20-year term. Payments are due semiannually with the first payment due June 2, 2021 and the final payment due December 2, 2040. At April 30, 2020, the City had drawdowns totaling \$379,031 as the project is still underway. Once the project is complete, a final repayment schedule can be issued.

5) Non-current Liabilities (Concluded)

Notes Payable – Bank (Concluded)

On September 6, 2018, the City entered into a loan agreement with the Illinois Environmental Protection Agency for the Drinking Water Project. The loan has a maximum amount of \$3,420,688 at an annual fixed rate of 1.84% with a 20-year term. Payments are due semiannually with the first payment due April 15, 2020 and the final payment due October 15, 2039. At April 30, 2020, the City had drawdowns totaling \$3,316,508 as the project is still underway. Once the project is complete, a final repayment schedule can be issued.

Other Non-current Liabilities

Accumulated unpaid vacation pay, sick pay and compensatory time are accrued as the liability is incurred. The amount of the liability is determined by calculating each employee's accumulated number of vacation, sick leave and/or compensatory hours at their rate of pay on April 30, 2020.

A summary of the liability for compensated absences by function at April 30, 2020, follows:

	<u>Sick Leave</u>	<u>Vacation</u>	<u>Comp Time</u>	<u>Total</u>	<u>Current Portion</u>
Governmental activities:					
General government	\$ 53,829	\$ 72,020	\$ -	\$ 125,849	\$ 75,482
Public safety	1,052,582	707,785	617,804	2,378,171	1,476,342
Public works	145,971	127,846	33,284	307,101	164,125
Engineering services	20,711	26,530	-	47,241	27,303
Community development	9,215	10,561	-	19,776	11,291
	<u>\$ 1,282,308</u>	<u>\$ 944,742</u>	<u>\$ 651,088</u>	<u>\$ 2,878,138</u>	<u>\$ 1,754,543</u>
Business-type activities:					
Water	\$ 105,848	\$ 77,637	\$ -	\$ 183,485	\$ 80,350
Sewer	38,891	26,454	-	65,345	27,367
Airport	14,236	19,755	-	33,991	19,984
	<u>\$ 158,975</u>	<u>\$ 123,846</u>	<u>\$ -</u>	<u>\$ 282,821</u>	<u>\$ 127,701</u>
Total Compensated Absences	<u>\$ 1,441,283</u>	<u>\$ 1,068,588</u>	<u>\$ 651,088</u>	<u>\$ 3,160,959</u>	<u>\$ 1,882,244</u>

Other Non-current Liabilities (Concluded)

On May 13, 1996, a consent order judgment was entered against the City and other co-defendants in a lawsuit brought by the State of Illinois Environmental Protection Agency resulting from the City's Landfill #5. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years. \$2,097,000 has been accrued as a landfill post-closure liability at April 30, 2020, representing the estimated remaining current cost of all post-closure care. However, due to changes in technology, laws or regulations, these costs may change in the future.

In accordance with Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the City is required to account for a liability for postemployment benefits owed to retirees and beneficiaries. While the City does not pay for continued health insurance coverage, they do allow retirees and beneficiaries to remain on the City's health plan. This creates an implicit rate subsidy because typically the costs for medical insurance for retirees are higher than for active employees. The City is required to report a liability for this actuarially calculated burden. This is discussed later in the footnotes along with the pension liabilities.

6) Property Taxes

Property taxes are levied prior to December 31 on the equalized assessed value as of the prior January 1 for all real estate located within the City. Equalized assessed value is equal to one-third of the appraised fair value of the real estate, less applicable exemptions authorized by the City Council and/or the State of Illinois.

Taxes are payable in two installments on July 1 and September 1 of the year following the levy (July 1 and September 1, 2019 for the 2018 levy). An asset for property taxes receivable is recorded when an unenforceable legal claim arises. At that point, the City has an enforceable legal claim, even though actual payment is not required until a later date. Property taxes of \$1,768,218 in the Governmental activities and \$4,877,873 in the Pension Trust funds, levied for 2019, have been recorded as unearned income in deferred inflows because they are generally not available to pay liabilities of the current period. Such unearned revenues are budgeted and recognized in the year of collection. Current tax collections for the year ended April 30, 2020, were 100% of the 2018 tax levy.

7) Pension Plans

Illinois Municipal Retirement Fund (IMRF)

Plan Description

The City of Quincy's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases and death benefits to plan members and beneficiaries. The City'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 of this footnote. Details of all benefits are available from the 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. That report is available for download at www.imrf.org.

Benefits Provided

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 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

7) Pension Plans (Continued)

Illinois Municipal Retirement Fund (IMRF) (Continued)

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	314
Inactive employees entitled to but not yet receiving benefits	106
Active employees	<u>227</u>
Total	<u><u>647</u></u>

Contributions

As set by statute, the 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 City's annual required contribution rate for calendar year 2019 was 7.63 percent. For the fiscal year ended April 30, 2020, the City contributed \$839,008 to the plan. The City 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 the IMRF Board of Trustees, while the supplemental retirement benefit rate is set by statute.

Net Pension Liability

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

Actuarial assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	2.50%
Salary Increase	3.35% to 14.25%
Investment rate of return	7.25%
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.

7) Pension Plans (Continued)

Illinois Municipal Retirement Fund (IMRF) (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	37.00%	5.75%
International Equities	18.00%	6.50%
Fixed Income	28.00%	3.25%
Real Estate	9.00%	5.20%
Alternatives	7.00%	3.6-7.6%
Cash Equivalents	1.00%	1.85%

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. 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 the 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) 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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; and the resulting single discount rate is 7.25%.

Changes in the Net Position Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net Pension Liability</u> (a)-(b)
Balances at 4/30/2019	\$ 80,273,132	\$ 71,148,794	\$ 9,124,338
Changes for the year:			
Service cost	\$ 994,300	\$ -	
Interest	5,738,513	-	
Difference between expected and actual experience	(257,825)	-	
Contributions-employer	-	819,643	
Contributions-employee	-	445,685	
Net investment income	-	13,837,771	
Benefits payments, including refunds	(4,706,470)	(4,706,470)	
Assumption changes	-	-	
Other changes	-	258,698	
Net changes	<u>\$ 1,768,518</u>	<u>\$ 10,655,327</u>	<u>\$ (8,886,809)</u>
Balances at 4/30/2020	<u>\$ 82,041,650</u>	<u>\$ 81,804,121</u>	<u>\$ 237,529</u>

7) Pension Plans (Continued)

Illinois Municipal Retirement Fund (IMRF) (Concluded)

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

The following presents the Net Pension Liability of the City, calculated using the discount rate of 7.25%, as well as what the City's Net Pension Liability would be using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 92,061,903	\$ 82,041,650	\$ 75,061,277
Plan Fiduciary Net Position	81,804,121	81,804,121	81,804,121
Net Pension Liability/(Asset)	<u>\$ 10,257,782</u>	<u>\$ 237,529</u>	<u>\$ (6,742,844)</u>

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

For the year ended April 30, 2020, the City recognized pension expense of \$584,802. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	411,682	\$ 213,917
Changes in assumptions	838,079	334,922
Net difference between projected and actual earnings on pension plan investments	6,326,014	9,999,005
Contributions subsequent to measurement date *	337,566	-
Total	<u>\$ 7,913,341</u>	<u>\$ 10,547,844</u>

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending April 30, 2020.

The amount reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2020	\$ (303,609)
2021	(886,504)
2022	307,922
2023	(1,752,313)
2024	-
Thereafter	-
Total	<u>\$ (2,634,504)</u>

7) Pension Plans (Continued)

Police and Firefighter's Pension Funds

Plan Description

The City of Quincy contributes to two single-employer defined benefit pension plans: Police Pension Fund and Firefighter's Pension Fund. Each plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Chapter 40 of the Illinois State Statutes assigns the authority to establish and amend benefit provisions to the Illinois General Assembly. The Police Pension Fund is administered as prescribed by Article 3, Police Pension Fund – Municipalities 500,000 and Under of the Illinois Pension Code and the Firefighters' Pension Fund is administered as prescribed by Article 4, Firefighters' Pension Fund – Municipalities 500,000 and Under. Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the City of Quincy, 730 Maine Street, Quincy, Illinois, 62301, (217) 228-4517.

The most recent actuary for both the Police and Firefighter's Pension plans was completed as of May 1, 2019.

Benefits Provided

Police:

Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to thirty years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the originally granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3% of the amount of the pension payable at the time of the increase.

Employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest.

For Employees hired after January 1, 2011, the Normal Retirement age is attainment of age 55 and completion of 10 years of service; Early Retirement age is attainment of age 50, completion of 10 years of service and the Early Retirement Factor is 6% per year; the Employee's Accrued Benefit is based on the Employee's final 8-year average salary not to exceed \$106,800 (as indexed); Cost-of-living adjustments are simple increases (not compounded) of the lesser of 3% or 50% of CPI beginning the later of the anniversary date and age 60; Surviving Spouse's Benefits are 66 2/3% of the Employee's benefit at the time of death.

Firefighters:

Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The pension shall be increased 1/12 of 2.5% of such monthly salary for each additional month of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit from 15% of final salary for ten years of service to 45.6% for 19 years of service. Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 54% of final salary or the monthly retirement pension that the deceased firefighter was receiving at the time of death. Surviving children receive 12% of final salary. The maximum family survivor benefit is 75% of final salary. Employees disabled in the line of duty receive 65% of final salary.

7) Pension Plans (Continued)

Police and Firefighter’s Pension Funds (Continued)

The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the amount of the pension payable at the time of the increase.

Employees are required to contribute 9.455% of their base salary to the Firefighters’ Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest.

For employees hired after January 1, 2011, the annual retirement benefit is 2.5% of final average salary for each year of service up to 30 years, to a maximum of 75% of such salary, the Normal Retirement age is attainment of age 55 and completion of 10 years of service; Early Retirement age is attainment of age 50, completion of 10 years of service and the Early Retirement Factor is 6% per year; the Employee’s Accrued Benefit is based on the Employee’s final 8-year average salary not to exceed \$106,800 (as indexed); Cost-of-living adjustments are simple increases (not compounded) of the lesser of 3% or 50% of CPI beginning the later of the anniversary date and age 60; Surviving Spouse’s Benefits are 66 2/3% of the Employee’s benefit at the time of death.

Employees Covered by Benefit Terms:

At April 30, 2019, the following employees were covered by the benefit terms:

Police Pension Plan	
Inactive employees or beneficiaries currently receiving benefits	78
Inactive employees entitled to but not yet receiving benefits	5
Active employees	75
Total	158
Firefighters' Pension Plan	
Inactive employees or beneficiaries currently receiving benefits	87
Inactive employees entitled to but not yet receiving benefits	1
Active employees	60
Total	148

Contributions

Covered employees are currently required to contribute 9.91 percent of their regular salary to the Police Pension Plan and 9.455 percent to the Firefighters’ Pension Plan. The member rate is determined by State Statute. The City is required to contribute at an actuarially determined amount. The City’s contribution is funded by property taxes and must be equal to the sum of: (a) the normal cost of the pension fund for the year involved, plus (b) the amount sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by the end of fiscal year 2040. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

Net Pension Liability

The City’s net pension liability was measured as of April 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of May 1, 2019.

7) Pension Plans (Continued)

Police and Firefighter’s Pension Funds (Continued)

Actuarial Assumptions

The total pension liability in the May 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	May 1, 2019
Asset Valuation Method	5-year Smoothed Market Value
Inflation	2.50%
Salary Increase	3.50%
Investment rate of return	6.50%
Mortality	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described
Retirement	L&A 2020 Illinois Firefighters/Police Retirement Rates Capped at age
Disability	L&A 2020 Illinois Firefighters/Police Disability Rates
Termination	L&A 2020 Illinois Firefighters/Police Termination Rates
Marital Status	80% Married

Discount Rate

The discount rate used to measure the total pension liability is 6.50%. The projections of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current 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.

7) Pension Plans (Continued)

Police and Firefighter's Pension Funds (Continued)

Changes in the Net Position Liability

Police Pension Fund

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 4/30/2019	\$ 81,686,266	\$ 37,303,415	\$ 44,382,851
Changes for the year:			
Service Cost	\$ 1,342,640	\$ -	
Interest	5,184,825	-	
Difference between expected and actual experience	295,630	-	
Changes of assumptions	1,904,209	-	
Changes of benefit terms	388,367	-	
Contributions-employer	-	3,342,597	
Contributions-employee	-	536,207	
Contributions-other	-	33,975	
Net investment income	-	(43,669)	
Benefits payments, including refunds	(3,839,459)	(3,839,459)	
Administrative expense	-	(32,934)	
Other changes	-	(49,274)	
Net changes	<u>\$ 5,276,212</u>	<u>\$ (52,557)</u>	<u>\$ 5,328,769</u>
Balances at 4/30/2020	<u>\$ 86,962,478</u>	<u>\$ 37,250,858</u>	<u>\$ 49,711,620</u>

Firefighters' Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 4/30/2019	\$ 82,670,723	\$ 34,610,580	\$ 48,060,143
Changes for the year:			
Service Cost	\$ 1,334,071	\$ -	
Interest	5,241,091	-	
Difference between expected and actual experience	79,225	-	
Changes of assumptions	1,093,605	-	
Changes of benefit terms	100,162	-	
Contributions-employer	-	3,537,670	
Contributions-employee	-	418,094	
Contributions-other	-	377	
Net investment income	-	52,730	
Benefits payments, including refunds	(4,077,115)	(4,077,115)	
Administrative expense	-	(32,517)	
Other changes	-	44,542	
Net changes	<u>\$ 3,771,039</u>	<u>\$ (56,219)</u>	<u>\$ 3,827,258</u>
Balances at 4/30/2020	<u>\$ 86,441,762</u>	<u>\$ 34,554,361</u>	<u>\$ 51,887,401</u>

7) Pension Plans (Continued)

Police and Firefighter's Pension Funds (Continued)

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

The following presents the Net Pension Liability of the City, calculated using the discount rate of 6.50%, as well as what the City's Net Pension Liability would be using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate.

Police Pension Fund	1% Decrease 5.50%	Current Single Discount Rate Assumption 6.50%	1% Increase 7.50%
Net Pension Liability/(Asset)	\$ 63,470,531	\$ 49,711,620	\$ 38,730,408

Firefighters' Pension Plan	1% Decrease 5.50%	Current Single Discount Rate Assumption 6.50%	1% Increase 7.50%
Net Pension Liability/(Asset)	\$ 64,258,962	\$ 51,887,401	\$ 41,832,096

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

For the year ended April 30, 2020, the City recognized pension expense of \$6,063,120 for the Firefighters Plan and \$6,153,805 for Police. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

Police Pension Fund	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 749,352	\$ 1,976,168
Changes in assumptions	5,461,570	666,490
Net difference between projected and actual earnings on pension plan investments	2,284,746	320,404
Total	<u>\$ 8,495,668</u>	<u>\$ 2,963,062</u>

Firefighters' Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,122,882	\$ 12,286
Changes in assumptions	4,133,958	292,460
Net difference between projected and actual earnings on pension plan investments	1,753,575	956,017
Total	<u>\$ 7,010,415</u>	<u>\$ 1,260,763</u>

7) Pension Plans (Concluded)

Police and Firefighter's Pension Funds (Concluded)

The amount reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Police Pension Fund	
Year Ending April 30	Net Deferred Outflows of Resources
2021	\$ 1,410,312
2022	1,312,113
2023	1,153,832
2024	860,146
2025	366,206
Thereafter	429,997
Total	<u>\$ 5,532,606</u>

Firefighters' Pension Plan	
Year Ending April 30	Net Deferred Outflows of Resources
2021	\$ 1,465,479
2022	1,386,269
2023	1,551,648
2024	1,216,871
2025	129,385
Thereafter	-
Total	<u>\$ 5,749,652</u>

8) Health Insurance Plan for Retired Employees

The City of Quincy provides limited health care insurance coverage for its eligible retired employees. Retirees are provided the opportunity to remain on the City's health care plan with the retiree being responsible for the premium. While the City does not pay for continued health insurance coverage, this creates an implicit rate subsidy because typically the costs for medical insurance for retirees are higher than for active employees. The City also pays the premiums for eligible disabled pensioners. The City also pays the premiums for a \$5,000 life insurance policy for all retirees until death.

Employees Covered by Benefit Terms

At April 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	267
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>318</u>
Total	<u>585</u>

Contributions

Covered employees are not required to contribute to the Plan. The City is also not required to contribute to the Plan.

8) Health Insurance Plan for Retired Employees (Continued)

Net OPEB Liability

The OPEB liability was measured as of April 30, 2020, with an actuarial valuation date of May 1, 2019. The total OPEB liabilities are an unfunded obligation. The employer does not have a trust dedicated exclusively to the payment of OPEB benefits.

Actuarial Assumptions

The total OPEB liability in the May 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal		
Discount Rate	2.56%		
Salary Increase	2.75%		
Healthcare Trend Rates	<u>Year</u>	<u>Med - Pre-65</u>	<u>Med - Post-65</u>
	FY19-20	5.00%	3.00%
	FY20-21	6.00%	3.00%
	FY21-22	6.00%	3.00%
	FY22-23	5.50%	3.00%
	FY23-24	5.50%	3.00%
	FY24-25	5.00%	3.00%
	Ultimate	5.00%	3.00%
Retirement Age	Based on rates from IMRF Experience Study Report dated November 8, 2017 for IMRF Employees. 100% of the L&A Assumption Study Cap Age 65 for Firefighters 2020 and Police 2020.		
Mortality	Active, Retiree, and Spousal IMRF Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement rates. Active Police and Firefighter Mortality follows the Sex Distinct Raw Rates as developed in the Pub S-2010(A) study improved to 2017 using MP-2019 Improvement rates. Retiree Police Mortality follows the L&A Assumption study for Police 2020, experience weighted with the Sex Distinct Raw Rates as developed in the Pub S-2010(a) Study improved to 2017 using MP-2019 Improvement rates. Retiree Firefighter Mortality follows the L&A Assumption Study for Disabled Firefighters 2020, experience weighted with the Sex Distinct Raw Rates developed in the Pub S-2010 Study for Disabled		

Discount Rate

The discount rate used to measure the total OPEB liability is 3.79% at the beginning of the year and 2.56% at the end of the year. The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and municipal bond rate. Since the City does not have a trust dedicated exclusively to the payment of OPEB benefits then only the municipal bond rate is used in determining the total OPEB liability.

8) Health Insurance Plan for Retired Employees (Concluded)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	OPEB Plan Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 4/30/2019	\$ 8,504,917	\$ -	\$ 8,504,917
Changes for the year:			
Service cost	\$ 199,204	\$ -	
Interest	359,887	-	
Difference between expected and actual experience	595,972	-	
Contributions-employer	-	310,350	
Contributions-employee	-	-	
Net investment income	-	-	
Benefits payments, including refunds	(310,350)	(310,350)	
Assumption changes	2,719,321	-	
Other changes	549,857	-	
Net changes	\$ 4,113,891	\$ -	\$ 4,113,891
Balances at 4/30/2020	\$ 12,618,808	\$ -	\$ 12,618,808

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

The following presents the Net OPEB Liability of the City, calculated using the discount rate of 2.56%, as well as what the City's Net OPEB Liability would be using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	1.56%	2.56%	3.56%
Employer Net OPEB Liability	\$ 15,127,303	\$ 12,618,808	\$ 10,704,741

OPEB Expense

For the year ended April 30, 2020, the City recognized OPEB expense of \$844,534.

9) Individual Fund Disclosures

For the year ended April 30, 2020, no major funds, for which budgets were adopted, had an excess of expenditures over budgeted amounts.

10) Self Insurance Funds

The City has initiated a self-insured retention program (SIR) within the Internal Revenue Service Fund Type in order to satisfy potential claims. The City is self-insured with excess coverage in these areas: (a) Liabilities, Worker's Compensation and Property Damage (Self-Insurance Fund); (b) Health Insurance (Health Insurance Fund); and (c) State Unemployment Compensation (Unemployment Compensation Fund). A description and supplementary information for these funds are as follows:

Health Insurance

The City is self-insured for health insurance through a plan administered by Private Health Care Systems. Premiums are recorded as an expense in the paying fund and as income in the internal service fund. Premiums collected from employees are also recorded as income in the internal service fund. Expenditures for health care claims are treated as expenses in the internal service fund.

Unemployment Compensation

The City makes payments to the State of Illinois Unemployment Compensation Fund on a reimbursement basis in lieu of paying an unemployment tax. The Unemployment Compensation Fund was established to collect reimbursements from other funds based on the respective claims made.

Liabilities, Worker's Compensation and Property Damage

The City participates in the Municipal Insurance Cooperative Association (MICA) for excess coverage of liability and property damage claims. The City pays an annual premium to MICA, which includes its share of excess coverage premium costs, administrative fees and contributions to the joint loss fund from which each individual city's claims are paid. The City's annual premium for the year ended April 30, 2020, was \$2,096,509. Limits of liability are as follows:

Type of Coverage	Maintenance Deductible	Self Insured Retention	Excess Insurance Coverage Limits
Property Insurance	\$ 5,000	\$ 250,000	\$ 2,000,000
Third Party Liability	\$ 5,000	\$ 250,000	\$ 2,000,000
Worker's Compensation	N/A	\$ 650,000	\$ 2,000,000
Crime Coverage	\$ 5,000	\$ 50,000	\$ 1,000,000
Cyber	\$ 25,000	\$ -	\$ 1,000,000

11) Internal Balances

Interfund transfers during the year ended April 30, 2020, were as follows:

	Transfers In	Transfers Out
Governmental activities:		
General Fund	\$ 814,199	\$ 4,816,338
State and Federal Grants Fund	-	-
Quincy Transit Lines	285,143	-
Capital Projects Fund	-	317,925
Other governmental funds	2,014,417	1,723,441
	\$ 3,113,759	\$ 6,857,704
Water Department	\$ -	\$ 53,812
Sewer Department	461,757	53,812
Quincy Regional Airport	849,450	-
Regional Training Facility	11,200	-
Other enterprise funds	111,782	160,000
	\$ 1,434,189	\$ 267,624
Central Garage	\$ 149,100	\$ -
Central Services	2,727,800	149,520
Other internal service funds	-	150,000
	\$ 2,876,900	\$ 299,520
	\$ 7,424,848	\$ 7,424,848

Interfund receivables and payables at April 30, 2020, were as follows:

Due to	Due from		Total
	General Fund	Economic Development	
State and Federal Grants	\$ 3,980	\$ 35,000	\$ 38,980
Fire Equip/Improvement	157,700	-	157,700
Total	\$ 161,680	\$ 35,000	\$ 196,680

During the year ended April 30, 2018, the Fire Equipment/Improvement Fund borrowed from the General Fund for the purchase of Fire equipment. The balance at April 30, 2020 was \$157,700. During the year ended April 30, 2020, the City borrowed \$35,000 from the Economic Development Loan fund to fund grant projects. The City also borrows small amounts from the General Fund to assist with grant projects.

12) Deferred Compensation

Internal Revenue Code Section 457 Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plans are administered by AIG Valic and Nationwide Retirement Solutions, Inc. The plans, available to all full-time City employees, permit them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. City employees deferred \$531,072 into the plans for the year ended April 30, 2020.

13) Segment Information Disclosure

The City maintains six Enterprise Funds. The Water Department and Sewer Department provide water and wastewater treatment services, respectively, to residents of the City. The Municipal Airport fund provides for the operations and maintenance of the Quincy Municipal Airport and Baldwin Field. The Regional Training Facility Fund accounts for the operation of the City's firefighter training center. The Municipal Dock Fund accounts for the operation of the City's river dock. The City also will begin using its new Garbage Fund in the next fiscal year due to the new garbage program.

Key financial information as of and for the year ended April 30, 2020 for these funds is as follows:

	<u>Water Department</u>	<u>Sanitation Department</u>	<u>Quincy Regional Airport</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
Operating revenues	\$ 8,656,087	\$ 5,983,667	\$ 467,275	\$ 182,000	\$15,289,029
Operating expenses (excluding depreciation)	5,536,478	4,045,068	1,149,003	31,599	10,762,148
Depreciation	1,165,459	2,340,291	803,882	44,412	4,354,044
Operating income	\$ 1,954,150	\$ (401,692)	\$ (1,485,610)	\$ 105,989	\$ 172,837
Non-operating revenues/ (expenses)	82,641	38,488	3,139,923	11,956	3,273,008
Capital contributions	-	-	-	-	-
Operating transfers	(53,812)	407,945	849,450	(37,018)	1,166,565
Net income (loss)	<u>\$ 1,982,979</u>	<u>\$ 44,741</u>	<u>\$ 2,503,763</u>	<u>\$ 80,927</u>	<u>\$ 4,612,410</u>
Capital asset additions	\$ 4,446,643	\$ 2,270,635	\$ 3,339,261	\$ -	\$10,056,539
Net working capital	\$ 6,859,889	\$ 3,512,321	\$ 982,764	\$ 684,650	\$12,039,624
Total assets	\$32,114,989	\$38,318,028	\$21,034,515	\$ 1,468,253	\$92,935,785
Notes payable from operating revenues	\$ 3,260,375	\$ 379,031	\$ -	\$ -	\$ 3,639,406
Total equity	\$26,453,217	\$37,075,619	\$20,040,548	\$ 1,425,302	\$84,994,686

14) Economic Development Loans Receivable

The City, through the Community Development Commission, makes economic development loans to qualified businesses. The loans are financed through funds received from Community Development Block Grants (CDBG) and an Urban Development Action Grant (UDAG). The Commission monitors the provisions of the grant agreements and the revolving loan programs. A summary of loans outstanding at April 30, 2020, follows:

	<u>Loans Outstanding</u>
Revolving Loan Fund	\$ 120,000
CDBG Revolving Loan Fund	357,397
Business and Housing Loans	250,989
Small Business Emergency Loans	194,000
Total	<u>\$ 922,386</u>

The City has contracted with Two Rivers Regional Council of Public Officials to administer the Housing and Urban Development (HUD) Rental Rehabilitation Loan program. The ten-year loans are made to landlords for improvements to qualifying properties. At the end of each year, 10% of the loan is forgiven if all requirements of the program are being met. Due to the nature of the loans (no repayment if all requirements are met), the amount outstanding at April 30, 2020, is not recorded in these financial statements.

15) Leases (As Lessor)

The City receives rental income from various lease agreements. Following are the largest lease agreements, with the remaining agreements being immaterial to the financial statements:

On August 24, 2017, the City executed a lease with Sprint/Nextel to allow an antenna on the water tower. This lease calls for monthly payments of \$2,575 and expires August 23, 2027. For the year ended April 30, 2020, the City received \$31,613 in rental income.

On December 1, 2016, the City renewed a lease with Abbott Supply, LLC for the property located at 1016 Vermont. This lease expired on November 30, 2019. For the year ended April 30, 2020, the City received rental income in the amount of \$17,372.

On November 1, 2015, the City executed a lease with Great River Aviation for property at the airport. This lease calls for monthly payments of \$1,530 and expires October 31, 2035. For the year ended April 30, 2020, the City received \$19,195 in rental income.

On June 1, 2018, the City executed a lease with the General Services Administration of the USA for property at the airport. This lease calls for annual payments of \$18,790 in the first year and increases 3% annually for five years with an option for five more. For the year ended April 30, 2020, the City received \$19,260 in rental income.

On January 1, 2020, the City executed a lease with Hyannis Air Service, Inc. dba Cape Air Airlines for property at the airport. This lease calls for monthly payments of \$1,854 plus \$50 for baggage claim. This lease expires on November 30, 2021. For the year ended April 30, 2020, the City received \$7,616 in rental income.

The City also leases ground for communication services. This lease, dated October 14, 2002, had an original term of five years beginning no later than March 1, 2003 and renewing in four successive five-year periods thereafter. The City received \$15,732 in rental income from this property for the year ended April 30, 2020.

16) Leases (as Lessee)

The City entered into a lease agreement with the Ruth M. Waterkotte Revocable Trust for use of property used as a parking lot for the Amtrak Station. The lease is dated November 1, 2008 and ends October 31, 2014 with the option to renew for three successive renewals of five years each. The lease was renewed through October 31, 2023. The lease calls for monthly payments of \$585 each, adjusted for inflation, bringing the payment to \$675 for this renewal period. The future minimum rentals are as follows:

Year Ending April 30	Total
2021	\$ 8,100
2022	8,100
2023	8,100
2024	4,050
	\$ 28,350

17) Conduit Debt

From time-to-time, the City has issued industrial revenue bonds on behalf of private sector and nonprofit entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property and revenues of those entities, and are payable solely from the resources of those entities. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements.

18) Commitments and Contingencies

Effective April 20, 2015, the City entered into a Wastewater Operation and Maintenance Agreement with Severn Trent Environmental Services, Inc, now Inframark, for the management and operation of the City's wastewater facilities. This agreement has a period of five years commencing April 27, 2015, and continuing until April 27, 2020. This agreement was renewed for another five years through April 27, 2025. Under this agreement, Severn Trent Environmental Services will manage the wastewater facilities by treating the wastewater influent delivered to the Facilities; providing routine maintenance of the Facilities; repairing and replacing the Facilities' equipment; providing regular testing for operational and process control and compliance with the various parameters; preparing and promptly delivering all applicable and required filings to regulatory agencies; and monitoring the seven pump stations high level alarms and providing routine preventative maintenance and repairing and replacing to same; monitoring dry weather flow interceptors at the six Municipal CSOs and reporting to the City and the IEPA in accordance with the permit. The City retains ownership of the wastewater facilities and equipment and is responsible for the cost of repairing and replacing the facilities and equipment and any required capital improvements. Severn will invoice the City monthly for all costs according to the fee schedule and any reimbursable costs that are the City's responsibility plus an administrative fee of fifteen percent. The base fee for the initial five-year period is \$61,170 per month. The new base fee is \$66,078 per month. The following table depicts the future minimum fees under this agreement:

Year Ending April 30	Total
2021	\$ 792,936
2022	792,936
2023	792,936
2024	792,936
2025	792,936
	<u>\$ 3,964,680</u>

On July 10, 2016, the City entered into an agreement with the Western Illinois Veterinary Clinic LLC for animal control services. This agreement ended July 10, 2019, and was renewed through July 10, 2024. The renewed agreement calls for annual payments of \$138,700 payable in monthly installments beginning August 10, 2019. The City is also required to pay \$12 per day for extended impoundment services. The following table depicts the future minimum fees under this agreement:

Year Ending April 30	Total
2021	\$ 138,700
2022	138,700
2023	138,700
2024	34,675
	<u>\$ 450,775</u>

18) Commitments and Contingencies (Concluded)

On May 17, 2016, the City executed an intergovernmental agreement with Adams County for the use of space at the new jail to be constructed. This agreement calls for an upfront payment of \$4,000,000 for use for the buildout of the City's space. This was paid during the year ended April 30, 2018. The agreement also calls for a lump sum payment of \$200,000 once the building is finished to cover future maintenance costs associated with the City's space and common areas. After the \$200,000 is exhausted, the City will then share one half of the maintenance expenses with the County.

As in prior years, the City also has entered into various construction contracts that are in progress or have not yet begun at April 30, 2020. These projects include: an Aeration System Replacement project of \$5,492,067 that was 6.9% complete; a runway project at the airport of \$2,285,343 that was 88.0% complete; a clarifier replacement project of \$3,432,000 that was 80.8% complete; Hampshire Street 12th to 14th street and sewer project of \$845,983 that is 35.2% complete; Curved Creek Phase 2 project of \$826,229 that is 92.4% complete; and other street and sewer projects totaling \$958,692 that are in various stages of completion. There was also one utility project of \$239,561 that had not been started at April 30, 2020.

The City receives State and Federal grants for specific purposes that are subject to review and audit by the respective funding agencies. Such audit could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City Management, such disallowance, if any, will not be significant.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. As a result, the outbreak has caused uncertainty in the financial markets. Although some businesses are considered essential, many other businesses were closed to the public, certain other businesses transitioned to online-only causing a potential significant decrease in sales tax and other revenues, a major revenue source for the City. It is probable that this matter will negatively impact the City. However, the ultimate financial impact and duration cannot be estimated at this time.

19) Tax Abatements

The City of Quincy entered into an agreement with Cullinan – Quincy Mall, under a Memo of Understanding 2nd Amendment to Agreement dated January 9, 2017, to provide a rebate of sales tax in order to assist the developer to continue to grow the mall. The rebate is 75% of the 1% Municipal tax on all stores included in the mall lease and must be used for Cullinan to make improvements and grow the Quincy Mall. This agreement is in effect for 23 years from the date of occupancy. The amount abated for the year ended April 30, 2020, was \$256,946.

The City of Quincy also entered into a similar agreement with Orix – Prairie Crossing Shopping Center, under a Development and Sales Tax Rebate Agreement, dated December 22, 2003, to rebate 75% of 1% of the Municipal tax to Orix to continue to make improvements and grow retail stores in the Center. This agreement is in effect for 20 years from the 1st quarter ended following the Center's opening. The amount abated for the year ended April 30, 2020, was \$408,715.

19) Tax Abatements (Concluded)

The City of Quincy's boundaries include properties in the Quincy/Adams/Brown County Enterprise Zone. This Enterprise Zone was formed to promote economic growth, reduce unemployment and encourage expansion, rehabilitation and new construction of structures within the Enterprise Zone. Properties located within the Zone boundaries will receive 100% abatement of real estate taxes on the increased assessment amount only. The abatement will be available for ten years or until the Zone has expired. Eligibility for tax abatements is defined in the City of Quincy, Illinois' Ordinance 14-29. Eligible taxpayers must agree to maintain a minimum 90% employment at the project location. Failure to maintain this level may result in immediate termination and a prorated repayment of the abated property tax. Owners must also register with the Illinois Department of Revenue. Qualifying projects involve investment for rehabilitation, expansion or new construction on properties located within the new zone boundary and must be the size and magnitude requiring a building permit. For the year ended April 30, 2020, Adams County abated property taxes in the County which would have totaled \$93,789 of property tax revenue for the City of Quincy.

In conjunction with this Enterprise Zone, properties within the Zone also receive a 50% reduction on all building related permit fees normally charged. This fee reduction amounted to \$49,072 for the year ended April 30, 2020.

20) Subsequent Events

Subsequent events have been evaluated through October 14, 2020, which is the date the financial statements were available to be issued.

21) Recently Issued Pronouncements

As of April 30, 2020, the Governmental Accounting Standards Board (GASB) has issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

Statement No. 84, *Fiduciary Activities*, will be effective for the City beginning with its fiscal year beginning after December 15, 2019. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. The Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

Statement No. 87, *Leases*, will be effective for the City beginning with its fiscal year beginning after June 15, 2021. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which supercedes GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement will be effective for the City beginning with its fiscal year beginning after December 15, 2020.

Statement No. 91, *Conduit Debt Obligations*, which provides a single method of reporting conduit debt obligations by issues and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

21) Recently Issued Pronouncements (Concluded)

Management has not yet completed its evaluation of the impact, if any, of all of the provisions of these statements on its financial statements. The GASB 87 pronouncement may make a significant impact to the City's financial statements for the year ended April 30, 2022, however, an estimate of the impact is not yet available.

Required Supplementary Information

Budgetary comparison schedules are presented as Required Supplementary information (RSI) for the general fund and each major special revenue, capital projects, and debt service fund that has a legally adopted annual budget. The budgetary schedules present the final amended budget for the reporting period as well as actual inflows, outflows and balances stated on the government's budgetary (cash) basis. A separate column reports the variance between the final budget and actual amounts.

Schedules of Changes in the Net Pension Liability and Changes in Total OPEB Liability and Related Ratios and the Schedules of Employer Contributions and OPEB Contributions and notes for each of the City's defined benefit pension plans and OPEB present information used to illustrate the requirement to show information for a ten-year period. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

City of Quincy, Illinois
 Budgetary Comparison Schedule - General Fund
 For the Year Ended April 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, May 1, 2019	\$ 6,791,595	\$ 6,791,595	\$ 6,791,595	\$ -
Resources (inflows):				
Property taxes	95,912	95,912	96,070	158
Franchise taxes	454,724	519,824	490,171	(29,653)
Charges for services	988,700	1,149,350	1,114,646	(34,704)
Fines and forfeitures	341,500	341,500	425,888	84,388
Intergovernmental	24,815,994	25,395,239	26,056,855	661,616
Grants and contributions	97,660	97,660	227,892	130,232
Investment earnings	61,300	61,300	111,649	50,349
Miscellaneous	27,950	27,950	152,681	124,731
Sale of assets	1,500	3,379	5,093	1,714
Cost share transfers, net	740,840	740,840	851,406	110,566
Operating transfers in	1,388,959	1,397,434	814,199	(583,235)
Amounts Available for Appropriation	<u>\$ 35,806,634</u>	<u>\$ 36,621,983</u>	<u>\$ 37,138,145</u>	<u>\$ 516,162</u>
Charges to Appropriations (outflows)				
General Government				
Aldermen	\$ 249,216	\$ 249,216	\$ 239,157	\$ 10,059
Mayor	209,710	209,710	201,556	8,154
City Treasurer	244,123	302,778	295,974	6,804
City Clerk	207,632	209,742	207,714	2,028
Director of Administration	112,396	112,396	111,486	910
Purchasing	73,312	73,312	72,872	440
Building Maintenance	379,727	379,727	242,303	137,424
Comptroller	326,723	326,723	313,087	13,636
Legal Department	240,263	242,213	237,821	4,392
Boards and Commissions	59,070	59,070	28,892	30,178
Information Technology	603,547	603,547	603,446	101
Public Safety				
Police Department	10,237,698	10,221,105	10,117,075	104,030
Fire Department	7,584,271	7,565,593	7,386,458	179,135
Public Works	1,626,320	1,704,191	1,461,720	242,471
Engineering Services	578,306	598,508	575,158	23,350
Health and sanitation	304,837	233,635	160,130	73,505
Community development	903,512	903,147	761,802	141,345
Culture and recreation	748,925	738,425	738,425	-
Cemetery	235,167	235,167	235,167	-
Capital outlay	500,000	500,000	-	500,000
Nondepartmental				
Operating transfers out	4,831,652	5,235,222	4,816,338	418,884
Total Charges to Appropriations	<u>\$ 30,256,407</u>	<u>\$ 30,703,427</u>	<u>\$ 28,806,581</u>	<u>\$ 1,896,846</u>
Budgetary Balance, April 30, 2020	<u><u>\$ 5,550,227</u></u>	<u><u>\$ 5,918,556</u></u>	<u><u>\$ 8,331,564</u></u>	<u><u>\$ 2,413,008</u></u>

City of Quincy, Illinois
 Budgetary Comparison Schedule - Quincy Transit Lines Fund
 For the Year Ended April 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, May 1, 2019	\$ 443,173	\$ 443,173	\$ 443,173	\$ -
Resources (inflows):				
Charges for services	129,500	129,500	96,289	(33,211)
Grants and contributions	4,922,933	4,922,933	2,777,888	(2,145,045)
Miscellaneous	2,050	2,050	3,378	1,328
Investment earnings	1,200	1,200	5,869	4,669
Cost share transfers, net	(368,524)	(368,524)	(312,156)	56,368
Operating transfers in	285,143	285,143	285,143	-
Amounts Available for Appropriation	<u>\$ 5,415,475</u>	<u>\$ 5,415,475</u>	<u>\$ 3,299,584</u>	<u>\$ (2,115,891)</u>
Charges to Appropriations (outflows)				
Public Works	\$ 3,534,352	\$ 3,651,352	\$ 3,024,319	\$ 627,033
Capital outlay	1,388,450	1,271,450	19,456	1,251,994
Total Charges to Appropriations	<u>\$ 4,922,802</u>	<u>\$ 4,922,802</u>	<u>\$ 3,043,775</u>	<u>\$ 1,879,027</u>
Budgetary Balance, April 30, 2020	<u>\$ 492,673</u>	<u>\$ 492,673</u>	<u>\$ 255,809</u>	<u>\$ (236,864)</u>

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
 Budgetary Comparison Schedule - 2019B GO Street Project Fund
 For the Year Ended April 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, May 1, 2019	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Debt proceeds	-	19,001,995	19,001,995	-
Investment earnings	-	-	116,136	116,136
Amounts Available for Appropriation	<u>\$ -</u>	<u>\$ 19,001,995</u>	<u>\$ 19,118,131</u>	<u>\$ 116,136</u>
Charges to Appropriations (outflows)				
General government	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	19,001,995	457,998	18,543,997
Total Charges to Appropriations	<u>\$ -</u>	<u>\$ 19,001,995</u>	<u>\$ 457,998</u>	<u>\$ 18,543,997</u>
Budgetary Balance, April 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,660,133</u></u>	<u><u>\$ 18,660,133</u></u>

City of Quincy, Illinois
 Budgetary Comparison Schedule
 Budget - to - GAAP Reconciliation
 For the Year Ended April 30, 2020

	<u>General Fund</u>	<u>Quincy Transit Lines</u>	<u>2019B GO Street Project Fund</u>
Sources/Inflows of Resources			
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 37,138,145	\$ 3,299,584	\$ 19,118,131
Differences - Budget to GAAP:			
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(6,791,595)	(443,173)	-
Revenues in the statement of revenues, expenditures, and changes in fund balances are reported on the modified accrual basis of accounting. In the budgetary comparison schedule, revenues are reported when received.	(591,860)	-	-
Transfers from other funds and debt proceeds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	<u>(1,670,698)</u>	<u>27,013</u>	<u>(19,001,995)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 28,083,992</u>	<u>\$ 2,883,424</u>	<u>\$ 116,136</u>
Uses/Outflows of Resources			
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$ 28,806,581	\$ 3,043,775	\$ 457,998
Differences - Budget to GAAP:			
Expenditures in the statement of revenues, expenditures, and changes in fund balances are reported on the modified accrual basis of accounting. In the budgetary comparison schedule, expenses are reported when the liability is paid.	331,105	33,479	248,838
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	<u>(4,816,338)</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 24,321,348</u>	<u>\$ 3,077,254</u>	<u>\$ 706,836</u>

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Net Position - Component Units
April 30, 2020

	Quincy Public Library	Woodland Cemetery	Total Component Units
Assets			
Cash and cash investments	\$ 1,235,185	\$ 252,174	\$ 1,487,359
Investments	1,490,888	1,083,046	2,573,934
Receivables, net	732,054	-	732,054
Prepaid expenses	18,119	-	18,119
Capital assets, net	5,219,321	579,411	5,798,732
Total Assets	\$ 8,695,567	\$ 1,914,631	\$ 10,610,198
Deferred Outflows of Resources			
Pension obligation	\$ 856,848	\$ -	\$ 856,848
OPEB	\$ 19,327	\$ -	\$ 19,327
Liabilities			
Accounts payable	\$ 4,861	\$ 1,580	\$ 6,441
Accrued expenses	85,401	2,039	87,440
Net pension liability	331,457	-	331,457
Net OPEB liability	549,857	-	549,857
Unearned revenue	47,647	-	47,647
Total Liabilities	\$ 1,019,223	\$ 3,619	\$ 1,022,842
Deferred Inflows of Resources			
Unearned property taxes	\$ 732,054	\$ -	\$ 732,054
Pension obligation	1,141,655	-	1,141,655
Total Deferred Inflows of Resources	\$ 1,873,709	\$ -	\$ 1,873,709
Net Position			
Invested in capital assets, net of related debt	\$ 5,219,321	\$ 579,411	\$ 5,798,732
Restricted for:			
Other purposes	128,258	346,607	474,865
Unrestricted	1,331,231	984,994	2,316,225
Total Net Position	\$ 6,678,810	\$ 1,911,012	\$ 8,589,822

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Schedule of Changes in Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund
April 30, 2020

Total Pension Liability	2019	2018	2017	2016	2015
Service Cost	\$ 994,300	\$ 899,387	\$ 984,502	\$ 979,682	\$ 1,019,908
Interest on total pension liability	5,738,513	5,419,634	5,528,552	5,414,025	5,266,707
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(257,825)	975,382	(216,989)	(966,357)	(270,778)
Changes of assumptions	-	1,985,624	(2,120,438)	(162,926)	162,631
Benefit payments, including refunds	(4,706,470)	(4,304,814)	(4,180,583)	(4,003,358)	(3,698,939)
Net change in total pension liability	\$ 1,768,518	\$ 4,975,213	\$ (4,956)	\$ 1,261,066	\$ 2,479,529
Total pension liability-beginning	80,273,132	75,297,919	75,302,875	74,041,809	71,562,280
Total pension liability-ending (a)	<u>\$ 82,041,650</u>	<u>\$ 80,273,132</u>	<u>\$ 75,297,919</u>	<u>\$ 75,302,875</u>	<u>\$ 74,041,809</u>
Plan Fiduciary Net Position					
Contributions-employer	\$ 819,643	\$ 1,008,459	\$ 1,037,407	\$ 1,027,621	\$ 1,068,611
Contributions-employee	445,685	424,518	414,574	437,936	429,456
Net investment income	13,837,771	(4,515,014)	12,452,198	4,564,917	344,516
Benefit payments, including refunds	(4,706,470)	(4,304,814)	(4,180,583)	(4,003,358)	(3,698,939)
Other (Net Transfer)	258,698	1,151,568	(1,692,037)	148,620	(970,328)
Net change in plan fiduciary net position	\$ 10,655,327	\$ (6,235,283)	\$ 8,031,559	\$ 2,175,736	\$ (2,826,684)
Plan fiduciary net position-beginning	71,148,794	77,384,077	69,352,518	67,176,782	70,003,466
Plan fiduciary net position-ending (b)	<u>\$ 81,804,121</u>	<u>\$ 71,148,794</u>	<u>\$ 77,384,077</u>	<u>\$ 69,352,518</u>	<u>\$ 67,176,782</u>
Net pension liability/(asset)-ending (a) - (b)	\$ 237,529	\$ 9,124,338	\$ (2,086,158)	\$ 5,950,357	\$ 6,865,027
Plan fiduciary net position as a percentage of the total pension liability	99.71%	88.63%	102.77%	92.10%	90.73%
Covered valuation payroll	\$ 9,814,184	\$ 9,435,891	\$ 9,197,113	\$ 8,955,435	\$ 9,261,305
Net pension liability as a percentage of covered employee payroll	2.42%	96.70%	-22.68%	66.44%	74.13%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which the information is available.

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Schedule of Changes in the Net Pension Liability and Related Ratios
Firefighters' Pension Fund
April 30, 2020

Total Pension Liability	2020	2019	2018	2017	2016
Service Cost	\$ 1,334,071	\$ 1,170,860	\$ 1,222,758	\$ 1,226,820	\$ 1,188,521
Interest on total pension liability	5,241,091	4,754,728	4,760,510	4,779,596	4,379,573
Changes of benefit terms	100,162	-	-	-	-
Difference between expected and actual experience	79,225	1,621,119	51,770	(63,544)	(57,491)
Changes of assumptions	1,093,605	3,946,870	392,320	(2,632,120)	6,196,934
Benefit payments, including refunds	(4,077,115)	(3,945,016)	(3,662,533)	(3,524,482)	(3,403,608)
Net change in total pension liability	\$ 3,771,039	\$ 7,548,561	\$ 2,764,825	\$ (213,730)	\$ 8,303,929
Total pension liability-beginning	82,670,723	75,122,162	72,357,337	72,571,067	64,267,138
Total pension liability-ending (a)	<u>\$ 86,441,762</u>	<u>\$ 82,670,723</u>	<u>\$ 75,122,162</u>	<u>\$ 72,357,337</u>	<u>\$ 72,571,067</u>
 Plan Fiduciary Net Position					
Contributions-employer	\$ 3,537,670	\$ 3,274,394	\$ 3,116,182	\$ 2,763,408	\$ 2,569,640
Contributions-employee	418,094	409,823	406,119	390,594	379,247
Contributions-other	377	-	-	-	-
Net investment income	52,730	2,573,461	3,145,858	2,853,220	139,881
Benefit payments, including refunds	(4,077,115)	(3,945,016)	(3,662,533)	(3,524,482)	(3,403,608)
Pension plan administrative expense	(32,517)	(221,447)	(24,062)	(21,492)	(25,479)
Prior period audit adjustment	44,542	-	-	-	-
Net change in plan fiduciary net position	\$ (56,219)	\$ 2,091,215	\$ 2,981,564	\$ 2,461,248	\$ (340,319)
Plan fiduciary net position-beginning	34,610,580	32,519,365	29,537,801	27,076,553	27,416,872
Plan fiduciary net position-ending (b)	<u>\$ 34,554,361</u>	<u>\$ 34,610,580</u>	<u>\$ 32,519,365</u>	<u>\$ 29,537,801</u>	<u>\$ 27,076,553</u>
Net pension liability/(asset)-ending (a) - (b)	\$ 51,887,401	\$ 48,060,143	\$ 42,602,797	\$ 42,819,536	\$ 45,494,514
Plan fiduciary net position as a percentage of the total pension liability	39.97%	41.87%	43.29%	40.82%	37.31%
Covered valuation payroll	\$ 4,412,626	\$ 4,372,755	\$ 4,235,114	\$ 4,169,611	\$ 3,964,235
Net pension liability as a percentage of covered employee payroll	1175.88%	1099.08%	1005.94%	1026.94%	1147.62%

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Schedule of Changes in the Net Pension Liability and Related Ratios
Police Pension Fund
April 30, 2020

Total Pension Liability	2020	2019	2018	2017	2016
Service Cost	\$ 1,342,640	\$ 1,288,843	\$ 1,272,089	\$ 1,258,629	\$ 1,180,130
Interest on total pension liability	5,184,825	4,993,587	4,923,227	4,918,449	4,519,078
Changes of benefit terms	388,367	-	-	-	-
Difference between expected and actual experience	295,630	(2,693,881)	899,300	(166,571)	257,044
Changes of assumptions	1,904,209	3,191,802	483,232	(2,443,798)	5,600,452
Benefit payments, including refunds	<u>(3,839,459)</u>	<u>(3,837,014)</u>	<u>(3,543,220)</u>	<u>(3,448,643)</u>	<u>(3,049,461)</u>
Net change in total pension liability	\$ 5,276,212	\$ 2,943,337	\$ 4,034,628	\$ 118,066	\$ 8,507,243
Total pension liability-beginning	81,686,266	78,742,929	74,708,301	74,590,235	66,082,992
Total pension liability-ending (a)	<u>\$ 86,962,478</u>	<u>\$ 81,686,266</u>	<u>\$ 78,742,929</u>	<u>\$ 74,708,301</u>	<u>\$ 74,590,235</u>
Plan Fiduciary Net Position					
Contributions-employer	\$ 3,342,597	\$ 2,860,093	\$ 2,822,719	\$ 2,404,913	\$ 2,126,886
Contributions-employee	536,207	523,133	543,001	501,824	534,438
Contributions-other	33,975	35,961	-	-	-
Net investment income	(43,669)	1,807,207	2,761,046	2,670,162	(1,479,316)
Benefit payments, including refunds	(3,839,459)	(3,837,014)	(3,543,220)	(3,448,643)	(3,049,461)
Pension plan administrative expense	(32,934)	(41,448)	(32,539)	(57,427)	(32,030)
Prior period audit adjustment	<u>(49,274)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	\$ (52,557)	\$ 1,347,932	\$ 2,551,007	\$ 2,070,829	\$ (1,899,483)
Plan fiduciary net position-beginning	37,303,415	35,955,483	33,404,476	31,333,647	33,233,130
Plan fiduciary net position-ending (b)	<u>\$ 37,250,858</u>	<u>\$ 37,303,415</u>	<u>\$ 35,955,483</u>	<u>\$ 33,404,476</u>	<u>\$ 31,333,647</u>
Net pension liability/(asset)-ending (a) - (b)	<u>\$ 49,711,620</u>	<u>\$ 44,382,851</u>	<u>\$ 42,787,446</u>	<u>\$ 41,303,825</u>	<u>\$ 43,256,588</u>
Plan fiduciary net position as a percentage of the total pension liability	42.84%	45.67%	45.66%	44.71%	42.01%
Covered valuation payroll	\$ 5,410,774	\$ 5,324,697	\$ 5,157,092	\$ 5,051,138	\$ 4,719,221
Net pension liability as a percentage of covered employee payroll	918.75%	833.53%	829.68%	817.71%	916.60%

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Schedule of Employer Contributions
Illinois Municipal Retirement Fund
April 30, 2020

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 1,062,272	\$ 1,068,611	\$ (6,339)	\$ 9,261,305	11.54%
2016	1,017,337	1,027,621	(10,284)	8,955,435	11.47%
2017	1,037,407	1,037,407	-	9,197,113	11.28%
2018	1,008,459	1,008,459	-	9,435,891	10.69%
2019	748,822	819,643	(70,821)	9,814,184	8.35%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which the information is available.

City of Quincy, Illinois
 Schedule of Employer Contributions
 Firefighters' Pension Fund
 April 30, 2020

Year Ending April 30,	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 2,853,470	\$ 2,569,116	\$ 284,354	\$ 3,964,235	64.81%
2017	2,630,385	2,762,880	(132,495)	4,169,611	66.26%
2018	3,116,182	3,115,238	944	4,235,114	73.56%
2019	3,084,472	3,274,394	(189,922)	4,372,755	74.88%
2020	3,388,575	3,537,670	(149,095)	4,412,626	80.17%

Valuation Date May 1, 2019

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal

Amortization Method Level Percentage of Payroll (Closed)

Remaining Amortization Period 23 years

Asset Valuation Method 5-year Smoothed Market Value

Price Inflation 2.50%

Payroll Increases 3.50%

Investment Rate of Return 6.50%

Mortality RP-2014 Mortality Table (BCHA) projected to 2018 using Improvement Scale MP-2017.

Retirement Rates Illinois Department of Insurance Actuarial Experience Study dated October 5, 2017.

Termination Rates Illinois Department of Insurance Actuarial Experience Study dated October 5, 2017.

Disability Rates Illinois Department of Insurance Actuarial Experience Study dated October 5, 2017.

City of Quincy, Illinois
 Schedule of Employer Contributions
 Police Pension Fund
 April 30, 2020

Year Ending April 30,	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 2,305,938	\$ 2,126,886	\$ 179,052	\$ 4,719,221	45.07%
2017	2,293,934	2,404,913	(110,979)	5,051,138	47.61%
2018	2,822,719	2,822,719	-	5,157,092	54.73%
2019	2,842,997	2,860,093	(17,096)	5,324,697	53.71%
2020	3,238,862	3,342,597	(103,735)	5,410,774	61.78%

Valuation Date May 1, 2019

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll (Closed)
Remaining Amortization Period	23 years
Asset Valuation Method	5-year Smoothed Market Value
Price Inflation	2.50%
Payroll Increases	3.50%
Investment Rate of Return	6.50%
Mortality	RP-2014 Mortality Table (BCHA) projected to 2018 using Improvement Scale MP-2017.
Retirement Rates	Illinois Department of Insurance Actuarial Experience Study dated October 5, 2017.
Termination Rates	Illinois Department of Insurance Actuarial Experience Study dated October 5, 2017.
Disability Rates	Illinois Department of Insurance Actuarial Experience Study dated October 5, 2017.

City of Quincy, Illinois
Schedule of Changes in Total OPEB Liability
April 30, 2020

Total OPEB Liability	2020	2019	2018
Service Cost	\$ 199,204	\$ 165,103	\$ 166,349
Interest	359,887	302,467	310,171
Changes of benefit terms	595,972	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	2,719,321	203,151	-
Benefit payments, including refunds	(310,350)	(308,524)	(293,484)
Other changes	549,857	-	-
Net change in total OPEB liability	\$ 4,113,891	\$ 362,197	\$ 183,036
Total OPEB liability-beginning	8,504,917	8,142,720	7,959,684
Total OPEB liability-ending (a)	<u>\$ 12,618,808</u>	<u>\$ 8,504,917</u>	<u>\$ 8,142,720</u>
 Plan Fiduciary Net Position			
Contributions-employer	\$ 310,350	\$ 343,394	\$ 293,484
Contributions-employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds	(310,350)	(343,394)	(293,484)
Administrative Expense	-	-	-
Net change in OPEB plan net position	\$ -	\$ -	\$ -
OPEB Plan net position-beginning	-	-	-
OPEB Plan net position-ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability/(asset)-ending (a) - (b)	\$ 12,618,808	\$ 8,504,917	\$ 8,142,720
OPEB Plan net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	N/A	\$ 19,611,953	\$ 18,778,257
Net OPEB liability as a percentage of covered employee payroll	N/A	43.37%	43.36%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, information is presented for those years for which the information is available.

City of Quincy, Illinois
 Schedule of OPEB Contributions
 April 30, 2020

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
2020	N/A	\$ -	N/A	N/A	N/A
2019	N/A	\$ -	N/A	\$ 19,611,953	0.00%
2018	N/A	\$ -	N/A	\$ 18,778,257	0.00%

Notes to Schedule:

There is no ADC or employer contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB liabilities. However, the City did make contributions from other City resources in the current year in the amount of \$310,350.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which the information is available.

Valuation Date May 1, 2019

Methods and Assumptions Used to Determine Contribution Rates:

Discount Rate Used for the Total OPEB Liability	Beginning of Year	3.79%
	End of Year	2.56%
Long-Term Expected Reate of Return on Plan Assets		N/A
Total Payroll Increases		2.75%

Mortality Rates

Active, Retiree, and Spousal IMRF Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement rates. Active Police and Firefighter Mortality follows the Sex Distinct Raw Rates as developed in the Pub S-2010(A) study improved to 2017 using MP-2019 Improvement rates. Retiree Police Mortality follows the L&A Assumption sutdy for Police 2020, experience weighted with the Sex Distinct Raw Rates as developed in the Pub S-2010(a) Study improved to 2017 using MP-2019 Improvement rates. Retiree Firefighter Mortality follows the L&A Assumption Study for Disabled Firefighters 2020, experience weighted with the Sex Distinct Raw Rates developed in the Pub S-2010 Study for Disabled Participants improved to 2017 using MP-2019 Improvement rates.

Termination Rates

IMRF Employees based on rates from IMRF Experience Study Report dated November 8, 2017 100% of the L&A Assumption Study for Police and Firefighters 2020. Sample Rates as Follows:

Age	Police Rate	Firefighters Rate
25	0.080	0.070
30	0.034	0.041
35	0.028	0.024
40	0.022	0.012
45	0.016	0.004
50	0.005	0.000

Retirement Rates

IMRF Employees based on rates from IMRF Experience Study Report dated November 8, 2017 100% of the L&A Assumption Study Cap Age 65 for Police and Firefighters 2020. Sample Rates as Follows:

Age	Police Rate	Firefighters Rate
50	0.110	0.070
51	0.116	0.070
52	0.121	0.070
53	0.127	0.070
54	0.134	0.070
55	0.140	0.172

Disability Rates

IMRF Employees based on rates from IMRF Experience Study Report dated November 8, 2017 100% of the L&A Assumption Study for Police and Firefighters 2020. Sample Rates as

Age	Police Rate	Firefighters Rate
25	0.0000	0.0007
30	0.0006	0.0009
35	0.0018	0.0027
40	0.0038	0.0054
45	0.0053	0.0075
50	0.0048	0.0097

Other Supplementary Information

The Supplementary information which follows are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Quincy, Illinois.

City of Quincy, Illinois
Combining Balance Sheet
Non-Major Governmental Funds
April 30, 2020

	Special Revenue Funds								
	State and Federal Grants Fund	911 System	Arts Commission	Motor Fuel Tax	Town Road Tax	Police Contributions	Fire Contributions	Franchise Fee "Green"	Economic Development Loan
Assets									
Cash and cash equivalents	\$ 34,794	\$1,473,975	\$ 10,970	\$1,815,228	\$ 100,895	\$ 256,157	\$ 19,499	\$ 124,673	\$ 647,973
Restricted cash	-	-	-	-	-	-	-	-	-
Receivables, net	43,022	55,827	-	-	-	-	-	29,758	-
Due from other funds	-	-	-	-	-	-	-	-	35,000
Due from other governments	-	79,335	-	72,180	-	-	-	-	-
Total Assets	\$ 77,816	\$1,609,137	\$ 10,970	\$1,887,408	\$ 100,895	\$ 256,157	\$ 19,499	\$ 154,431	\$ 682,973
Liabilities and Fund Balances									
Accounts payable	\$ -	\$ 6,031	\$ -	\$ 7,759	\$ -	\$ 24,579	\$ -	\$ -	\$ 1,040
Accrued expenses	-	57,792	-	-	-	-	-	-	-
Due to other funds	38,980	-	-	-	-	-	-	-	-
Total Liabilities	\$ 38,980	\$ 63,823	\$ -	\$ 7,759	\$ -	\$ 24,579	\$ -	\$ -	\$ 1,040
Fund Balances									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	-	-	-	-	-	-	-	-	681,933
Capital projects	-	-	-	-	-	-	-	-	-
911 System	-	1,545,314	-	-	-	-	-	-	-
Motor fuel tax projects	-	-	-	1,879,649	-	-	-	-	-
Public safety projects	-	-	-	-	-	231,578	19,499	-	-
Other projects	38,836	-	10,970	-	100,895	-	-	-	-
Assigned for:									
Green projects	-	-	-	-	-	-	-	154,431	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	\$ 38,836	\$1,545,314	\$ 10,970	\$1,879,649	\$ 100,895	\$ 231,578	\$ 19,499	\$ 154,431	\$ 681,933
Total Liabilities and Fund Balances	\$ 77,816	\$1,609,137	\$ 10,970	\$1,887,408	\$ 100,895	\$ 256,157	\$ 19,499	\$ 154,431	\$ 682,973

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
April 30, 2020

	Special Revenue Funds						Capital Project Funds		
	CDAP Loan	CBD Loan	Neighborhood Rehab Loan	Small Business Emergency	Bridge Lighting	Tourism Tax	Total Special Revenue Funds	Capital Projects	Sanitation Connection
Assets									
Cash and cash equivalents	\$ 668,137	\$ 1,055,816	\$ 205,921	\$ 383,536	\$ 66,433	\$ 111,918	\$ 6,975,925	\$ 1,945,234	\$ -
Restricted cash	-	-	-	-	-	-	-	-	-
Receivables, net	-	-	-	-	-	59,509	188,116	-	-
Due from other funds	-	-	-	-	-	-	35,000	-	-
Due from other governments	-	-	-	-	-	-	151,515	343,630	-
Total Assets	\$ 668,137	\$ 1,055,816	\$ 205,921	\$ 383,536	\$ 66,433	\$ 171,427	\$ 7,350,556	\$ 2,288,864	\$ -
Liabilities and Fund Balances									
Accounts payable	\$ -	\$ -	\$ -	\$ 76,800	\$ 131	\$ -	\$ 116,340	\$ 52,861	\$ -
Accrued expenses	-	-	-	-	-	-	57,792	-	-
Due to other funds	-	-	-	-	-	-	38,980	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ 76,800	\$ 131	\$ -	\$ 213,112	\$ 52,861	\$ -
Fund Balances									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	668,137	1,055,816	205,921	306,736	-	-	2,918,543	-	-
Capital projects	-	-	-	-	-	-	-	2,236,003	-
911 System	-	-	-	-	-	-	1,545,314	-	-
Motor fuel tax projects	-	-	-	-	-	-	1,879,649	-	-
Public safety projects	-	-	-	-	-	-	251,077	-	-
Other projects	-	-	-	-	66,302	171,427	388,430	-	-
Assigned for:									
Green projects	-	-	-	-	-	-	154,431	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	\$ 668,137	\$ 1,055,816	\$ 205,921	\$ 306,736	\$ 66,302	\$ 171,427	\$ 7,137,444	\$ 2,236,003	\$ -
Total Liabilities and Fund Balances	\$ 668,137	\$ 1,055,816	\$ 205,921	\$ 383,536	\$ 66,433	\$ 171,427	\$ 7,350,556	\$ 2,288,864	\$ -

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
April 30, 2020

	Capital Project Funds					Debt Service Funds		
	TIF #2	TIF #3	Sewer Equipment	QMEA Cap Reserve	Fire Equip Improvement	Total Capital Projects Funds	2017 GO Bond	2013B HVAC Bond
Assets								
Cash and cash equivalents	\$ 1,521,876	\$ 167,858	\$ -	\$ 140,180	\$ 7,689	\$ 3,782,837	\$ -	\$ -
Restricted cash	-	-	-	-	-	-	208,911	1,118
Receivables, net	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	40,770	-	-	-	-	384,400	-	-
Total Assets	\$ 1,562,646	\$ 167,858	\$ -	\$ 140,180	\$ 7,689	\$ 4,167,237	\$ 208,911	\$ 1,118
Liabilities and Fund Balances								
Accounts payable	\$ 146,476	\$ -	\$ -	\$ -	\$ -	\$ 199,337	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	157,700	157,700	-	-
Total Liabilities	\$ 146,476	\$ -	\$ -	\$ -	\$ 157,700	\$ 357,037	\$ -	\$ -
Fund Balances								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,911	\$ 1,118
Economic development loans	-	-	-	-	-	-	-	-
Capital projects	1,416,170	167,858	-	140,180	-	3,960,211	-	-
911 System	-	-	-	-	-	-	-	-
Motor fuel tax projects	-	-	-	-	-	-	-	-
Public safety projects	-	-	-	-	-	-	-	-
Other projects	-	-	-	-	-	-	-	-
Assigned for:								
Green projects	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(150,011)	(150,011)	-	-
Total Fund Balances	\$ 1,416,170	\$ 167,858	\$ -	\$ 140,180	\$ (150,011)	\$ 3,810,200	\$ 208,911	\$ 1,118
Total Liabilities and Fund Balances	\$ 1,562,646	\$ 167,858	\$ -	\$ 140,180	\$ 7,689	\$ 4,167,237	\$ 208,911	\$ 1,118

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Balance Sheet (Concluded)
Non-Major Governmental Funds
April 30, 2020

	Debt Service Funds						Total Debt Service Funds	Total Non-Major Governmental Funds
	2010 GO Bond	2015 GO Bond	2009 OLC G/O Bond	2019A Library GO Bond	2019B GO Bond	2014 GO Note		
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ 93,550	\$ -	\$ -	\$ -	\$ 93,550	\$ 10,852,312
Restricted cash	76,167	114,844	-	161,127	363,830	199	926,196	926,196
Receivables, net	-	-	-	-	-	-	-	188,116
Due from other funds	-	-	-	-	-	-	-	35,000
Due from other governments	-	-	-	-	-	-	-	535,915
Total Assets	<u>\$ 76,167</u>	<u>\$ 114,844</u>	<u>\$ 93,550</u>	<u>\$ 161,127</u>	<u>\$ 363,830</u>	<u>\$ 199</u>	<u>\$ 1,019,746</u>	<u>\$ 12,537,539</u>
Liabilities and Fund Balances								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,677
Accrued expenses	-	-	-	-	-	-	-	57,792
Due to other funds	-	-	-	-	-	-	-	196,680
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 570,149</u>
Fund Balances								
Restricted for:								
Debt service	\$ 76,167	\$ 114,844	\$ 93,550	\$ 161,127	\$ 363,830	\$ 199	\$ 1,019,746	\$ 1,019,746
Economic development loans	-	-	-	-	-	-	-	2,918,543
Capital projects	-	-	-	-	-	-	-	3,960,211
911 System	-	-	-	-	-	-	-	1,545,314
Motor fuel tax projects	-	-	-	-	-	-	-	1,879,649
Public safety projects	-	-	-	-	-	-	-	251,077
Other projects	-	-	-	-	-	-	-	388,430
Assigned for:								
Green projects	-	-	-	-	-	-	-	154,431
Unassigned	-	-	-	-	-	-	-	(150,011)
Total Fund Balances	<u>\$ 76,167</u>	<u>\$ 114,844</u>	<u>\$ 93,550</u>	<u>\$ 161,127</u>	<u>\$ 363,830</u>	<u>\$ 199</u>	<u>\$ 1,019,746</u>	<u>\$ 11,967,390</u>
Total Liabilities and Fund Balances	<u>\$ 76,167</u>	<u>\$ 114,844</u>	<u>\$ 93,550</u>	<u>\$ 161,127</u>	<u>\$ 363,830</u>	<u>\$ 199</u>	<u>\$ 1,019,746</u>	<u>\$ 12,537,539</u>

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended April 30, 2020

	Special Revenue Funds								
	State and Federal Grants	911 System	Arts Commission	Motor Fuel Tax	Town Road Tax	Police Contributions	Fire Contributions	Franchise Fee "Green"	Economic Development Loan
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,552	\$ -	\$ -	\$ -	\$ -
Public service taxes	-	984,554	-	1,451,093	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-	-	452,550	-
Grants and contributions	133,759	-	1,750	-	-	51,246	54,641	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	61,381	-	-	-
Intergovernmental	-	478,182	-	-	-	-	-	-	-
Investment earnings	828	27,444	-	25,941	2,003	4,661	521	3,456	19,104
Miscellaneous	-	72	-	-	-	21,000	-	-	15,000
Total Revenues	\$ 134,587	\$1,490,252	\$ 1,750	\$ 1,477,034	\$ 6,555	\$ 138,288	\$ 55,162	\$ 456,006	\$ 34,104
Expenditures									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,731	\$ -	\$ -	\$ -
911 system	-	1,452,672	-	-	-	-	-	-	-
Engineering services	-	-	-	351,577	-	-	-	-	-
Culture and recreation	-	-	2,350	-	-	-	-	-	-
Community development	128,356	-	-	-	-	-	-	-	79,040
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	467,529	-	622,303	-	32,119	69,384	-	-
Total Expenditures	\$ 128,356	\$1,920,201	\$ 2,350	\$ 973,880	\$ -	\$ 147,850	\$ 69,384	\$ -	\$ 79,040
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,231	\$ (429,949)	\$ (600)	\$ 503,154	\$ 6,555	\$ (9,562)	\$ (14,222)	\$ 456,006	\$ (44,936)
Other Financing Sources (Uses)									
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	739,800	11,570	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	(451,959)	(260,000)
Debt proceeds	-	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-	-
Payments on current refunding	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ 739,800	\$ 11,570	\$ -	\$ -	\$ -	\$ -	\$ (451,959)	\$ (260,000)
Net Change in Fund Balances	\$ 6,231	\$ 309,851	\$ 10,970	\$ 503,154	\$ 6,555	\$ (9,562)	\$ (14,222)	\$ 4,047	\$ (304,936)
Fund Balances, May 1, 2019	32,605	1,235,463	-	1,376,495	94,340	241,140	33,721	150,384	986,869
Fund Balances, April 30, 2020	\$ 38,836	\$1,545,314	\$ 10,970	\$ 1,879,649	\$ 100,895	\$ 231,578	\$ 19,499	\$ 154,431	\$ 681,933

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended April 30, 2020

	Special Revenue Funds						Capital Projects Funds		
	CDAP Loan	CBD Loan	Neighborhood Rehab Loan	Small Business Emergency	Bridge Lighting	Tourism Tax	Total Special Revenue Funds	Capital Projects	Sanitation Connection
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,552	\$ -	\$ -
Public service taxes	-	-	-	-	-	986,304	3,421,951	2,289,211	-
Franchise taxes	-	-	-	-	-	-	452,550	-	-
Grants and contributions	-	-	-	-	-	-	241,396	22,401	-
Charges for services	-	-	-	-	-	-	-	-	3,750
Fines and forfeitures	-	-	-	-	-	-	61,381	-	-
Intergovernmental	-	-	-	-	-	-	478,182	-	-
Investment earnings	16,044	28,958	4,839	736	1,354	3,042	138,931	52,605	4,408
Miscellaneous	91,537	100,102	2,879	-	-	-	230,590	-	-
Total Revenues	\$ 107,581	\$ 129,060	\$ 7,718	\$ 736	\$ 1,354	\$ 989,346	\$ 5,029,533	\$ 2,364,217	\$ 8,158
Expenditures									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,731	\$ -	\$ -
911 system	-	-	-	-	-	-	1,452,672	-	-
Engineering services	-	-	-	-	-	-	351,577	-	-
Culture and recreation	-	-	-	-	1,631	774,847	778,828	-	-
Community development	-	30,000	-	194,000	-	-	431,396	254,514	-
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	1,191,335	2,572,953	-
Total Expenditures	\$ -	\$ 30,000	\$ -	\$ 194,000	\$ 1,631	\$ 774,847	\$ 4,321,539	\$ 2,827,467	\$ -
Excess (Deficiency) of Revenues Over Expenditures	\$ 107,581	\$ 99,060	\$ 7,718	\$ (193,264)	\$ (277)	\$ 214,499	\$ 707,994	\$ (463,250)	\$ 8,158
Other Financing Sources (Uses)									
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (20,910)	\$ (20,910)	\$ -	\$ -
Operating transfers in	-	-	-	500,000	-	-	1,251,370	-	-
Operating transfers out	(275,000)	(25,000)	-	-	-	(249,725)	(1,261,684)	(317,925)	(356,947)
Debt proceeds	-	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-	-
Payments on current refunding	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ (275,000)	\$ (25,000)	\$ -	\$ 500,000	\$ -	\$ (270,635)	\$ (31,224)	\$ (317,925)	\$ (356,947)
Net Change in Fund Balances	\$ (167,419)	\$ 74,060	\$ 7,718	\$ 306,736	\$ (277)	\$ (56,136)	\$ 676,770	\$ (781,175)	\$ (348,789)
Fund Balances, May 1, 2019	835,556	981,756	198,203	-	66,579	227,563	6,460,674	3,017,178	348,789
Fund Balances, April 30, 2020	\$ 668,137	\$ 1,055,816	\$ 205,921	\$ 306,736	\$ 66,302	\$ 171,427	\$ 7,137,444	\$ 2,236,003	\$ -

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended April 30, 2020

	Capital Projects Funds					Debt Service Funds		
	TIF #2	TIF #3	Sewer Equipment	QMEA Cap Reserve	Fire Equip Improvement	Total Capital Projects Funds	2017 GO Bond	2013B HVAC Bond
Revenues								
Property taxes	\$ 463,425	\$ 75,627	\$ -	\$ -	\$ -	\$ 539,052	\$ -	\$ -
Public service taxes	-	-	-	-	-	2,289,211	-	-
Franchise taxes	-	-	-	-	-	-	-	-
Grants and contributions	94,675	2,700	-	-	-	119,776	-	-
Charges for services	-	-	-	-	91,244	94,994	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Investment earnings	33,028	3,050	1,298	2,688	747	97,824	1,435	48
Miscellaneous	3,987	-	-	-	-	3,987	-	902
Total Revenues	\$ 595,115	\$ 81,377	\$ 1,298	\$ 2,688	\$ 91,991	\$ 3,144,844	\$ 1,435	\$ 950
Expenditures								
Public Safety								
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 system	-	-	-	-	-	-	-	-
Engineering services	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	367,422	9,568	-	-	-	631,504	-	-
Debt Service								
Principal retirement	-	-	-	-	-	-	-	137,908
Interest and charges	-	-	-	-	-	-	123,950	1,586
Capital Outlay	158,570	-	-	-	-	2,731,523	-	-
Total Expenditures	\$ 525,992	\$ 9,568	\$ -	\$ -	\$ -	\$ 3,363,027	\$ 123,950	\$ 139,494
Excess (Deficiency) of Revenues Over Expenditures	\$ 69,123	\$ 71,809	\$ 1,298	\$ 2,688	\$ 91,991	\$ (218,183)	\$ (122,515)	\$ (138,544)
Other Financing Sources (Uses)								
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	20,000	-	20,000	123,450	139,493
Operating transfers out	-	-	(104,810)	-	-	(779,682)	-	-
Debt proceeds	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-
Payments on current refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ (104,810)	\$ 20,000	\$ -	\$ (759,682)	\$ 123,450	\$ 139,493
Net Change in Fund Balances	\$ 69,123	\$ 71,809	\$ (103,512)	\$ 22,688	\$ 91,991	\$ (977,865)	\$ 935	\$ 949
Fund Balances, May 1, 2019	1,347,047	96,049	103,512	117,492	(242,002)	4,788,065	207,976	169
Fund Balances, April 30, 2020	\$ 1,416,170	\$ 167,858	\$ -	\$ 140,180	\$ (150,011)	\$ 3,810,200	\$ 208,911	\$ 1,118

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Concluded)
Non-Major Governmental Funds
For the Year Ended April 30, 2020

	Debt Service Funds						Total Debt Service Funds	Total Non-Major Governmental Funds
	2010 GO Bond	2015 GO Bond	2009 OLC G/O Bond	2019A Library GO Bond	2019B GO Bond	2014 GO Note		
Revenues								
Property taxes	\$ 51,733	\$ 1,255,909	\$ -	\$ 415,700	\$ -	\$ -	\$ 1,723,342	\$ 2,266,946
Public service taxes	-	-	-	-	-	-	-	5,711,162
Franchise taxes	-	-	-	-	-	-	-	452,550
Grants and contributions	-	-	-	-	-	-	-	361,172
Charges for services	-	-	-	-	-	-	-	94,994
Fines and forfeitures	-	-	-	-	-	-	-	61,381
Intergovernmental	-	-	-	-	-	-	-	478,182
Investment earnings	654	2,469	2,489	1,788	2,302	8	11,193	247,948
Miscellaneous	-	-	-	49,095	-	-	49,997	284,574
Total Revenues	\$ 52,387	\$ 1,258,378	\$ 2,489	\$ 466,583	\$ 2,302	\$ 8	\$ 1,784,532	\$ 9,958,909
Expenditures								
Public Safety								
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,731
911 system	-	-	-	-	-	-	-	1,452,672
Engineering services	-	-	-	-	-	-	-	351,577
Culture and recreation	-	-	-	-	-	-	-	778,828
Community development	-	-	-	-	-	-	-	1,062,900
Debt Service								
Principal retirement	50,000	1,330,000	210,000	570,000	-	142,847	2,440,755	2,440,755
Interest and charges	1,400	13,800	32,053	242,039	-	6,673	421,501	421,501
Capital Outlay	-	-	-	-	-	-	-	3,922,858
Total Expenditures	\$ 51,400	\$ 1,343,800	\$ 242,053	\$ 812,039	\$ -	\$ 149,520	\$ 2,862,256	\$ 10,546,822
Excess (Deficiency) of Revenues Over Expenditures	\$ 987	\$ (85,422)	\$ (239,564)	\$ (345,456)	\$ 2,302	\$ (149,512)	\$ (1,077,724)	\$ (587,913)
Other Financing Sources (Uses)								
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (20,910)
Operating transfers in	-	107,624	222,960	-	-	149,520	743,047	2,014,417
Operating transfers out	-	-	-	-	-	-	-	(2,041,366)
Debt proceeds	-	-	-	3,425,000	361,528	-	3,786,528	3,786,528
Premium on bond issuance	-	-	-	351,471	-	-	351,471	351,471
Payments on current refunding	-	-	-	-	-	-	-	(3,425,000)
Total Other Financing Sources (Uses)	\$ -	\$ 107,624	\$ 222,960	\$ 3,776,471	\$ 361,528	\$ 149,520	\$ 4,881,046	\$ 665,140
Net Change in Fund Balances	\$ 987	\$ 22,202	\$ (16,604)	\$ 3,431,015	\$ 363,830	\$ 8	\$ 3,803,322	\$ 77,227
Fund Balances, May 1, 2019	75,180	92,642	110,154	155,112	-	191	641,424	11,890,163
Fund Balances, April 30, 2020	\$ 76,167	\$ 114,844	\$ 93,550	\$ 3,586,127	\$ 363,830	\$ 199	\$ 4,444,746	\$ 11,967,390

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Net Position
Non-Major Proprietary Funds
April 30, 2020

	Enterprise Funds			Total Non-Major Proprietary Funds
	Quincy Municipal Dock	Garbage Fund	Regional Firefighters Training Center	
Assets				
Current Assets				
Cash and cash equivalents	\$ 580,214	\$ 111,782	\$ 35,605	\$ 727,601
Receivables, net	-	-	-	-
Total Current Assets	\$ 580,214	\$ 111,782	\$ 35,605	\$ 727,601
Noncurrent Assets				
Capital assets:				
Land	\$ 19,945	\$ -	\$ 220,390	\$ 240,335
Systems	145,556	-	-	145,556
Buildings and improvements	241,282	-	911,964	1,153,246
Vehicles and equipment	-	-	29,384	29,384
Less: Accumulated depreciation	(356,285)	-	(471,584)	(827,869)
Total Noncurrent Assets	\$ 50,498	\$ -	\$ 690,154	\$ 740,652
Total Assets	\$ 630,712	\$ 111,782	\$ 725,759	\$ 1,468,253
Liabilities				
Current Liabilities				
Accounts payable	\$ 3,690	\$ -	\$ 39,261	\$ 42,951
Total Liabilities	\$ 3,690	\$ -	\$ 39,261	\$ 42,951
Net Position				
Invested in capital assets, net of debt	\$ 50,498	\$ -	\$ -	\$ 50,498
Unrestricted	576,524	111,782	686,498	1,374,804
Total Net Position	\$ 627,022	\$ 111,782	\$ 686,498	\$ 1,425,302

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Proprietary Funds
For the Year Ended April 30, 2020

	Enterprise Funds			Total Non-Major Proprietary Funds
	Quincy Municipal Dock	Garbage Fund	Regional Firefighters Training Center	
Operating Revenues				
Charges for services	\$ 176,461	\$ -	\$ 5,539	\$ 182,000
Total Revenues	<u>\$ 176,461</u>	<u>\$ -</u>	<u>\$ 5,539</u>	<u>\$ 182,000</u>
Operating Expenses				
Salaries and wages	\$ -	\$ -	\$ 400	\$ 400
Benefits	-	-	72	72
Purchased services	5,177	-	9,038	14,215
Supplies	2,003	-	10,938	12,941
Other objects	1,452	-	2,519	3,971
Depreciation expense	10,371	-	34,041	44,412
Total Operating Expenses	<u>\$ 19,003</u>	<u>\$ -</u>	<u>\$ 57,008</u>	<u>\$ 76,011</u>
Operating Income	<u>\$ 157,458</u>	<u>\$ -</u>	<u>\$ (51,469)</u>	<u>\$ 105,989</u>
Nonoperating Revenues (Expenses)				
Interest revenue	\$ 11,828	\$ -	\$ 128	\$ 11,956
Operating transfers in	-	111,782	11,200	122,982
Operating transfers out	(160,000)	-	-	(160,000)
Total Nonoperating Revenues (Expenses)	<u>\$ (148,172)</u>	<u>\$ 111,782</u>	<u>\$ 11,328</u>	<u>\$ (25,062)</u>
Change in Net Position	\$ 9,286	\$ 111,782	\$ (40,141)	\$ 80,927
Net Position, May 1, 2019	617,736	-	726,639	1,344,375
Net Position, April 30, 2020	<u><u>\$ 627,022</u></u>	<u><u>\$ 111,782</u></u>	<u><u>\$ 686,498</u></u>	<u><u>\$ 1,425,302</u></u>

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Cash Flows
Non-Major Proprietary Funds
For the Year Ended April 30, 2020

	Enterprise Funds			Total Non-Major Proprietary Funds
	Quincy Municipal Dock	Garbage Fund	Regional Firefighters Training Center	
Cash Flows from Operating Activities				
Receipts from customers	\$ 176,461	\$ -	\$ 42,119	\$ 218,580
Payments to suppliers	(5,028)	-	(20,779)	(25,807)
Payments to employees	-	-	(472)	(472)
Net Cash Provided by Operations	<u>\$ 171,433</u>	<u>\$ -</u>	<u>\$ 20,868</u>	<u>\$ 192,301</u>
Cash Flows from Noncapital Financing Activities				
Operating subsidies and transfers	\$ (160,000)	\$ 111,782	\$ 11,200	\$ (37,018)
Cash Flows from Investing Activities				
Interest received	\$ 11,828	\$ -	\$ 128	\$ 11,956
Net Cash Provided by Investing Activities	<u>\$ 11,828</u>	<u>\$ -</u>	<u>\$ 128</u>	<u>\$ 11,956</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 23,261	\$ 111,782	\$ 32,196	\$ 167,239
Cash and Cash Equivalents, May 1, 2019	556,953	-	3,409	560,362
Cash and Cash Equivalents, April 30, 2020	<u>\$ 580,214</u>	<u>\$ 111,782</u>	<u>\$ 35,605</u>	<u>\$ 727,601</u>
Operating Income	\$ 157,458	\$ -	\$ (51,469)	\$ 105,989
Adjustments to reconcile Operating Income:				
Amortization and depreciation	10,371	-	34,041	44,412
(Increase) Decrease in:				
Accounts receivable	-	-	-	-
Increase (Decrease) in:				
Accounts payable	3,604	-	38,296	41,900
Accrued expenses	-	-	-	-
Accrued compensated absences	-	-	-	-
Cash flows from operating activities	<u>\$ 171,433</u>	<u>\$ -</u>	<u>\$ 20,868</u>	<u>\$ 192,301</u>

City of Quincy, Illinois
Combining Statement of Net Position - Governmental-Type Activities
Internal Service Funds
April 30, 2020

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Assets						
Current Assets						
Cash and cash equivalents	\$ 2,112,050	\$ 188,888	\$ 131,758	\$ 2,099,280	\$ 591,809	\$ 5,123,785
Investments	-	-	-	-	-	-
Receivables, net	55	310,756	-	254	7,969	319,034
Inventories	44,626	-	-	-	-	44,626
Total Current Assets	\$ 2,156,731	\$ 499,644	\$ 131,758	\$ 2,099,534	\$ 599,778	\$ 5,487,445
Noncurrent Assets						
Capital assets:						
Land	\$ -	\$ 488,071	\$ -	\$ -	\$ -	\$ 488,071
Systems	-	643,242	-	-	-	643,242
Buildings and improvements	-	2,210,394	-	-	-	2,210,394
Vehicles and equipment	3,658,271	1,412,463	-	7,469	-	5,078,203
Less: Accumulated depreciation	(2,811,817)	(2,343,180)	-	(7,469)	-	(5,162,466)
Total Noncurrent Assets	\$ 846,454	\$ 2,410,990	\$ -	\$ -	\$ -	\$ 3,257,444
Total Assets	\$ 3,003,185	\$ 2,910,634	\$ 131,758	\$ 2,099,534	\$ 599,778	\$ 8,744,889
Deferred Outflows of Resources - Pension	\$ 378,128	\$ 1,052,403	\$ -	\$ 132,255	\$ -	\$ 1,562,786
Deferred Outflows of Resources - OPEB	\$ 69,282	\$ 225,166	\$ -	\$ 17,320	\$ -	\$ 311,768
Liabilities						
Current Liabilities						
Accounts payable	\$ 138,624	\$ 22,295	\$ -	\$ 17,169	\$ 1,200,316	\$ 1,378,404
Accrued expenses	17,285	52,403	-	8,815	432,118	510,621
Compensated absences	20,475	71,991	-	6,087	-	98,553
Total Current Liabilities	\$ 176,384	\$ 146,689	\$ -	\$ 32,071	\$ 1,632,434	\$ 1,987,578
Noncurrent Liabilities						
Compensated absences	\$ 16,337	\$ 75,471	\$ -	\$ 4,832	\$ -	\$ 96,640
Net pension liability	24,651	68,235	-	8,630	-	101,516
Net OPEB liability	300,448	976,455	-	75,112	-	1,352,015
Total Noncurrent Liabilities	\$ 341,436	\$ 1,120,161	\$ -	\$ 88,574	\$ -	\$ 1,550,171
Total Liabilities	\$ 517,820	\$ 1,266,850	\$ -	\$ 120,645	\$ 1,632,434	\$ 3,537,749
Deferred Inflows of Resources - Pension	\$ 506,450	\$ 1,401,843	\$ -	\$ 177,302	\$ -	\$ 2,085,595
Net Position						
Invested in capital assets, net of debt	\$ 846,454	\$ 2,410,990	\$ -	\$ -	\$ -	3,257,444
Unrestricted	1,579,871	(891,480)	131,758	1,951,162	(1,032,656)	1,738,655
Total Net Position	\$ 2,426,325	\$ 1,519,510	\$ 131,758	\$ 1,951,162	\$ (1,032,656)	\$ 4,996,099

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Revenues, Expenses and Changes in Net Position - Governmental-Type Activities
Internal Service Funds
For the Year Ended April 30, 2020

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Operating Revenues						
Charges for services	\$ 1,933,057	\$ 1,788,550	\$ 34,313	\$ 2,008,664	\$ 5,440,095	\$ 11,204,679
Miscellaneous	16,366	25,546	-	199	85	42,196
Total Revenues	\$ 1,949,423	\$ 1,814,096	\$ 34,313	\$ 2,008,863	\$ 5,440,180	\$ 11,246,875
Operating Expenses						
Salaries and wages	\$ 418,771	\$ 1,345,720	\$ -	\$ 139,590	\$ -	\$ 1,904,081
Benefits	248,178	755,541	-	113,425	-	1,117,144
Purchased services	275,724	1,877,102	-	48,841	-	2,201,667
Supplies	853,276	217,578	-	26,629	-	1,097,483
Claims	-	-	7,452	2,186,781	5,888,207	8,082,440
Other	4,831	(5,391)	-	2,199	-	1,639
Depreciation expense	64,030	166,348	-	-	-	230,378
Total Operating Expenses	\$ 1,864,810	\$ 4,356,898	\$ 7,452	\$ 2,517,465	\$ 5,888,207	\$ 14,634,832
Operating Income	\$ 84,613	\$ (2,542,802)	\$ 26,861	\$ (508,602)	\$ (448,027)	\$ (3,387,957)
Nonoperating Revenues (Expenses)						
Interest and investment revenue	\$ 40,974	\$ 98	\$ 3,934	\$ 47,037	\$ 9,246	\$ 101,289
Operating transfers in	149,100	2,727,800	-	-	-	2,876,900
Operating transfers out	-	(149,520)	(75,000)	(75,000)	-	(299,520)
Total Nonoperating Revenues (Expenses)	\$ 190,074	\$ 2,578,378	\$ (71,066)	\$ (27,963)	\$ 9,246	\$ 2,678,669
Change in Net Position	\$ 274,687	\$ 35,576	\$ (44,205)	\$ (536,565)	\$ (438,781)	\$ (709,288)
Net Position, May 1, 2019	2,151,638	1,483,934	175,963	2,487,727	(593,875)	5,705,387
Net Position, April 30, 2020	\$ 2,426,325	\$ 1,519,510	\$ 131,758	\$ 1,951,162	\$ (1,032,656)	\$ 4,996,099

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Cash Flows - Governmental-Type Activities
Internal Service Funds
For the Year Ended April 30, 2020

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Cash Flows from Operating Activities						
Receipts from customers	\$ 1,934,619	\$ 1,602,289	\$ -	\$ -	\$ 1,857,871	\$ 5,394,779
Payments to suppliers	(1,255,536)	(2,905,306)	-	(173,833)	-	(4,334,675)
Payments to employees	(329,083)	(1,085,577)	-	(120,204)	-	(1,534,864)
Internal activity-payments from other funds	-	-	34,313	2,008,645	3,596,386	5,639,344
Claims paid	-	-	(7,452)	(2,186,781)	(5,121,079)	(7,315,312)
Other receipts (payments)	11,535	23,322	-	(2,000)	85	32,942
Net Cash Provided by Operations	\$ 361,535	\$ (2,365,272)	\$ 26,861	\$ (474,173)	\$ 333,263	\$ (2,117,786)
Cash Flows from Noncapital Financing Activities						
Operating subsidies and transfers	\$ 149,100	\$ 2,578,280	\$ (75,000)	\$ (75,000)	\$ -	\$ 2,577,380
Cash Flows from Capital and Related Financing Activities						
Purchases of capital assets	\$ (331,419)	\$ (31,932)	\$ -	\$ -	\$ -	\$ (363,351)
Disposal of capital assets	-	7,615	-	-	-	7,615
Net Cash (Used) by Capital and Related Financing Activities	\$ (331,419)	\$ (24,317)	\$ -	\$ -	\$ -	\$ (355,736)
Cash Flows from Investing Activities						
Interest received	\$ 40,974	\$ 98	\$ 3,934	\$ 47,037	\$ 9,246	\$ 101,289
Net Cash Provided by Investing Activities	\$ 40,974	\$ 98	\$ 3,934	\$ 47,037	\$ 9,246	\$ 101,289
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 220,190	\$ 188,789	\$ (44,205)	\$ (502,136)	\$ 342,509	\$ 205,147
Cash and Cash Equivalents, May 1, 2019	1,891,860	99	175,963	2,601,416	249,300	4,918,638
Cash and Cash Equivalents, April 30, 2020	\$ 2,112,050	\$ 188,888	\$ 131,758	\$ 2,099,280	\$ 591,809	\$ 5,123,785

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Cash Flows - Governmental-Type Activities (Concluded)
Internal Service Funds
For the Year Ended April 30, 2020

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Reconciliation of operating income to net cash flows from operating activities						
Operating Income	\$ 84,613	\$ (2,542,802)	\$ 26,861	\$ (508,602)	\$ (448,027)	\$ (3,387,957)
Adjustments to reconcile Operating Income:						
Amortization and depreciation	64,030	166,348	-	-	-	230,378
(Increase) Decrease in:						
Accounts receivable	62	(186,261)	-	(19)	14,162	(172,056)
Inventories	(1,952)	-	-	-	-	(1,952)
Net pension asset	-	-	-	-	-	-
Deferred outflows	21,012	17,582	-	43,195	-	81,789
Increase (Decrease) in:						
Accounts payable	123,594	(55,085)	-	15,062	716,602	800,173
Accrued expenses	7,959	24,503	-	4,728	50,526	87,716
Accrued compensated absences	111	14,999	-	(4,734)	-	10,376
Net pension liability	(343,465)	(943,121)	-	(143,880)	-	(1,430,466)
Net OPEB liability	120,552	356,813	-	35,135	-	512,500
Deferred inflows	283,519	789,367	-	84,942	-	1,157,828
Cash flows from operating activities	<u>\$ 361,535</u>	<u>\$ (2,365,272)</u>	<u>\$ 26,861</u>	<u>\$ (474,173)</u>	<u>\$ 333,263</u>	<u>\$ (2,117,786)</u>

City of Quincy, Illinois
Combining Statement of Fiduciary Net Position - Pension Funds
April 30, 2020

	Police Retirement Plan	Firefighter Retirement Plan	Total Retirement Plans
Assets			
Current Assets			
Cash and cash equivalents	\$ 2,024,242	\$ 417,829	\$ 2,442,071
Investments	35,159,115	34,081,464	69,240,579
Receivables, net	2,447,685	2,618,019	5,065,704
Total Assets	\$ 39,631,042	\$ 37,117,312	\$ 76,748,354
Liabilities			
Current Liabilities			
Accrued expenses	\$ 33,405	\$ 31,857	\$ 65,262
Total Liabilities	\$ 33,405	\$ 31,857	\$ 65,262
Deferred Inflows of Resources			
Unearned property taxes	\$ 2,346,779	\$ 2,531,094	\$ 4,877,873
Net Position			
Held in trust for pension benefits	\$ 37,250,858	\$ 34,554,361	\$ 71,805,219
Total Net Position	\$ 37,250,858	\$ 34,554,361	\$ 71,805,219

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Changes in Fiduciary Net Position - Pension Funds
For the Year Ended April 30, 2020

	Police Retirement Plan	Firefighter Retirement Plan	Total Retirement Plans
Additions			
Taxes:			
Property taxes	\$ 2,334,163	\$ 2,346,533	\$ 4,680,696
Personal Property Replacement tax	363,943	524,047	887,990
Total taxes	<u>\$ 2,698,106</u>	<u>\$ 2,870,580</u>	<u>\$ 5,568,686</u>
Contributions:			
Plan members	\$ 570,183	\$ 418,094	\$ 988,277
Other	644,491	665,214	1,309,705
	<u>\$ 1,214,674</u>	<u>\$ 1,083,308</u>	<u>\$ 2,297,982</u>
Investment earnings:			
Net increase (decrease) in fair value	\$ (1,167,515)	\$ 1,024,512	\$ (143,003)
Realized gain (loss) on sale of investments	37,027	(1,660,531)	(1,623,504)
Interest	368,320	303,874	672,194
Dividends	774,375	514,865	1,289,240
Less: Investment expense	(55,877)	(127,737)	(183,614)
Total investment earnings	<u>\$ (43,670)</u>	<u>\$ 54,983</u>	<u>\$ 11,313</u>
Total Additions	<u>\$ 3,869,110</u>	<u>\$ 4,008,871</u>	<u>\$ 7,877,981</u>
Deductions			
Benefits	\$ 3,839,459	\$ 4,077,115	\$ 7,916,574
Administrative expenses	32,933	32,517	65,450
Total Deductions	<u>\$ 3,872,392</u>	<u>\$ 4,109,632</u>	<u>\$ 7,982,024</u>
Change in net position	\$ (3,282)	\$ (100,761)	\$ (104,043)
Net position, May 1, 2019	37,254,140	34,655,122	71,909,262
Net position, April 30, 2020	<u><u>\$ 37,250,858</u></u>	<u><u>\$ 34,554,361</u></u>	<u><u>\$ 71,805,219</u></u>

City of Quincy, Illinois
Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds
April 30, 2020

	Sister City Commission	Lincoln Bicentennial Commission	Human Rights Commission	Animal Rescue Fund	Total Private Purpose
Assets					
Current Assets					
Cash and equivalents	\$ 60,712	\$ 4,484	\$ 372	\$ 39,593	\$ 105,161
Total Assets	\$ 60,712	\$ 4,484	\$ 372	\$ 39,593	\$ 105,161
Liabilities					
Current Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 532	\$ 532
Total Liabilities	\$ -	\$ -	\$ -	\$ 532	\$ 532
Net Position					
Restricted for future expenditures	\$ 60,712	\$ 4,484	\$ 372	\$ 39,061	\$ 104,629
Total Net Position	\$ 60,712	\$ 4,484	\$ 372	\$ 39,061	\$ 104,629

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds
For the Year Ended April 30, 2020

	Sister City Commission	Lincoln Bicentennial Commission	Human Rights Commission	Animal Rescue Fund	Total Private Purpose
Additions					
Contributions:					
Outside agencies	\$ 32,905	\$ 2,880	\$ -	\$ -	\$ 35,785
Transfers from general fund	-	-	-	-	-
	<u>\$ 32,905</u>	<u>\$ 2,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,785</u>
Investment earnings:					
Interest	\$ 1,057	\$ 124	\$ 11	\$ 927	\$ 2,119
Total investment earnings	<u>\$ 1,057</u>	<u>\$ 124</u>	<u>\$ 11</u>	<u>\$ 927</u>	<u>\$ 2,119</u>
Total Additions	<u>\$ 33,962</u>	<u>\$ 3,004</u>	<u>\$ 11</u>	<u>\$ 927</u>	<u>\$ 37,904</u>
Deductions					
Payments to others	\$ 20,127	\$ 7,384	\$ 200	\$ 10,989	\$ 38,700
Total Deductions	<u>\$ 20,127</u>	<u>\$ 7,384</u>	<u>\$ 200</u>	<u>\$ 10,989</u>	<u>\$ 38,700</u>
Change in net position	\$ 13,835	\$ (4,380)	\$ (189)	\$ (10,062)	\$ (796)
Net position, May 1, 2019	<u>46,877</u>	<u>8,864</u>	<u>561</u>	<u>49,123</u>	<u>105,425</u>
Net position, April 30, 2020	<u><u>\$ 60,712</u></u>	<u><u>\$ 4,484</u></u>	<u><u>\$ 372</u></u>	<u><u>\$ 39,061</u></u>	<u><u>\$ 104,629</u></u>

The accompanying notes are an integral part of these financial statements.

Statistical Section

Statistical information contained herein relates to the physical, economic, social and political characteristics of the City. It is designed to provide a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes and supporting schedules presented in the financial section.

City of Quincy, Illinois
Schedule of Long-term Debt Service Requirements
April 30, 2020

Year Ending April 30	Local Government Program Revenue Bonds Series 2019B		General Obligation Refunding Bonds Series 2019A		General Obligation Bonds Series 2017	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ -	\$ 704,028	\$ 205,000	\$ 140,806	\$ 540,000	\$ 123,450
2022	-	685,000	305,000	128,800	555,000	107,250
2023	-	685,000	330,000	116,600	570,000	90,600
2024	-	685,000	365,000	103,400	585,000	73,500
2025	-	685,000	395,000	88,800	605,000	55,950
2026	-	685,000	435,000	73,000	620,000	37,800
2027	-	685,000	470,000	55,600	640,000	19,200
2028	630,000	685,000	515,000	36,800	-	-
2029	805,000	659,800	405,000	16,200	-	-
2030	1,280,000	627,600	-	-	-	-
2031	1,350,000	576,400	-	-	-	-
2032	1,425,000	522,400	-	-	-	-
2033	1,505,000	465,400	-	-	-	-
2034	1,585,000	405,200	-	-	-	-
2035	1,670,000	341,800	-	-	-	-
2036	1,755,000	275,000	-	-	-	-
2037	1,850,000	204,800	-	-	-	-
2038	1,935,000	130,800	-	-	-	-
2039	2,015,000	72,750	-	-	-	-
2040	410,000	12,300	-	-	-	-
	<u>\$ 18,215,000</u>	<u>\$ 9,793,278</u>	<u>\$ 3,425,000</u>	<u>\$ 760,006</u>	<u>\$ 4,115,000</u>	<u>\$ 507,750</u>

Year Ending April 30	General Obligation Bonds Series 2009B		General Obligation (Limited Tax) Notes Series 2014		Total General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 220,000	\$ 24,203	\$ 145,825	\$ 3,688	\$ 1,110,825	\$ 996,175
2022	225,000	16,063	97,594	2,081	1,182,594	939,194
2023	185,000	7,400	-	-	1,085,000	899,600
2024	-	-	-	-	950,000	861,900
2025	-	-	-	-	1,000,000	829,750
2026	-	-	-	-	1,055,000	795,800
2027	-	-	-	-	1,110,000	759,800
2028	-	-	-	-	1,145,000	721,800
2029	-	-	-	-	1,210,000	676,000
2030	-	-	-	-	1,280,000	627,600
2031	-	-	-	-	1,350,000	576,400
2032	-	-	-	-	1,425,000	522,400
2033	-	-	-	-	1,505,000	465,400
2034	-	-	-	-	1,585,000	405,200
2035	-	-	-	-	1,670,000	341,800
2036	-	-	-	-	1,755,000	275,000
2037	-	-	-	-	1,850,000	204,800
2038	-	-	-	-	1,935,000	130,800
2039	-	-	-	-	2,015,000	72,750
2040	-	-	-	-	410,000	12,300
	<u>\$ 630,000</u>	<u>\$ 47,666</u>	<u>\$ 243,419</u>	<u>\$ 5,769</u>	<u>\$ 26,628,419</u>	<u>\$ 11,114,469</u>

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Principal Taxpayers in the City
April 30, 2020

The largest taxpayers in the City based upon the Equalized Assessed Valuations

Taxpayer	2009 EAV (Approximate)	% of City's EAV
QP&S Properties, Inc.	\$ 8,268,190	1.52%
Quincy-Cullinan LLC	6,612,730	1.22%
Blessing Hospital	4,569,170	0.84%
Wis-Pak of Quincy, Inc.	3,891,540	0.72%
Orix Sansone Quincy Venture	3,570,310	0.66%
Charles & Kathie Marx, Tr	3,429,430	0.63%
Wal-Mart Real Estate Business Tr	2,995,140	0.55%
Mercantile Bank	2,806,300	0.52%
Sam's West, Inc.	2,655,540	0.49%
Lowe's Home Centers, Inc.	2,315,680	0.43%
Total of Top 10 EAV's	<u>\$ 41,114,030</u>	<u>7.56%</u>
Total for City of Quincy	<u>\$ 543,649,348</u>	

Source: Adams County, Illinois, Clerk's Office

Taxpayer	2019 EAV (Approximate)	% of City's EAV
QP&S Properties, Inc	\$ 7,130,860	1.04%
Quincy Cullinan, LLC	6,178,330	0.90%
Blessing Hospital	4,933,770	0.72%
Blessing Corporate Services, Inc	4,649,220	0.68%
Walmart	3,344,610	0.49%
Koontz Properties, LLC	3,090,720	0.45%
Menard, Inc	2,942,800	0.43%
Walmart	2,900,760	0.42%
Charles & Kathie Marx, Tr	2,729,780	0.40%
Wis-Pak of Quincy, Inc.	2,399,990	0.35%
Total of Top 10 EAV's	<u>\$ 40,300,840</u>	<u>5.88%</u>
Total for City of Quincy	<u>\$ 684,930,932</u>	

Source: Adams County, Illinois, Clerk's Office

City of Quincy, Illinois
Revenue Base, Revenue Rates and Property Tax Levies
April 30, 2020

Revenue Base:

Computation of Equalized Assessed Valuation

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential	\$ 386,241,601	\$ 397,693,834	\$ 401,318,370	\$ 402,529,470	\$ 411,709,982	\$ 423,430,897	\$ 437,978,443	\$ 451,696,693	\$ 460,431,914	\$ 477,864,486
Farm	365,380	373,840	378,270	382,850	390,920	473,770	490,350	509,640	520,200	604,330
Commercial	157,040,192	152,961,509	150,707,812	154,028,492	171,079,789	169,633,134	176,188,106	181,057,571	182,920,044	190,837,301
Industrial	14,506,004	12,487,934	12,362,694	11,932,094	12,020,704	12,169,094	12,891,814	13,238,134	13,425,104	13,879,134
Railroads	834,400	974,773	1,034,259	1,114,449	1,128,324	1,131,428	1,276,184	1,414,672	1,514,750	1,745,681
Total (Incl. TIF)	<u>\$ 558,987,577</u>	<u>\$ 564,491,890</u>	<u>\$ 565,801,405</u>	<u>\$ 569,987,355</u>	<u>\$ 596,329,719</u>	<u>\$ 606,838,323</u>	<u>\$ 628,824,897</u>	<u>\$ 647,916,710</u>	<u>\$ 658,812,012</u>	<u>\$ 684,930,932</u>

Source: Adams County, Illinois, Clerk's Office

Revenue Rates:

Tax Rate Trends

Purpose	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Corporate	-	-	-	-	-	-	-	-	-	-
Fire Pension	0.36990	0.34708	0.33511	0.34214	0.32564	0.33675	0.32085	0.34516	0.35644	0.36954
Police Pension	0.28697	0.24536	0.24693	0.26093	0.27390	0.30148	0.29928	0.30395	0.35456	0.34263
Library	0.12718	0.14063	0.12939	0.12844	0.12276	0.12064	0.11642	0.11299	0.11112	0.10688
GOCP Bonds	0.22808	0.26963	0.28216	0.28500	0.27540	0.23836	0.29182	0.26640	0.26150	0.25816
Total	<u>1.01213</u>	<u>1.00270</u>	<u>0.99359</u>	<u>1.01651</u>	<u>0.99770</u>	<u>0.99723</u>	<u>1.02837</u>	<u>1.02850</u>	<u>1.08362</u>	<u>1.07721</u>

Source: Adams County, Illinois, Clerk's Office

Property Tax Levy:

Tax Extensions

Levy Year	Assessed Valuation	Tax Extension (Excl. TIF)
2010	558,987,577	5,657,681
2011	564,491,890	5,660,160
2012	565,801,405	5,621,746
2013	569,987,355	5,793,978
2014	596,329,719	5,949,582
2015	606,838,323	6,051,574
2016	628,824,897	6,466,647
2017	647,916,710	6,663,823
2018	658,812,012	7,139,019
2019	684,930,932	7,378,145

Source: Adams County, Illinois, Clerk's Office

The accompanying notes are an integral part of these financial statements.

City of Quincy, Illinois
Debt Capacity and Debt Ratios
April 30, 2020

Debt Capacity:
Direct General Obligation Debt

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Obligation	\$ 26,019,131	\$ 24,821,818	\$ 18,187,529	\$ 17,854,529	\$ 16,341,733	\$ 15,683,358	\$ 12,783,552	\$ 15,142,122	\$ 13,120,429	\$ 10,854,174	\$ 26,628,419
Notes Payable - Bank	2,207,185	1,971,876	1,741,764	605,599	439,122	279,983	178,928	162,500	150,000	412,450	316,552
Total	\$ 28,226,316	\$ 26,793,694	\$ 19,929,293	\$ 18,460,128	\$ 16,780,855	\$ 15,963,341	\$ 12,962,480	\$ 15,304,622	\$ 13,270,429	\$ 11,266,624	\$ 26,944,971

Source: Comprehensive Annual Financial Report

Debt Ratios:
Direct Debt

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Est. Full Value of Taxable Property	\$ 1,630,948,044	\$ 1,676,962,731	\$ 1,693,475,670	\$ 1,697,404,215	\$ 1,709,962,065	\$ 1,788,989,157	\$ 1,820,514,969	\$ 1,886,474,691	\$ 1,943,750,130	\$ 1,976,436,036	\$ 2,054,792,796
Equalized Assessed Valuation (incl. TIF)	\$ 543,649,348	\$ 558,987,577	\$ 564,491,890	\$ 565,801,405	\$ 569,987,355	\$ 596,329,719	\$ 606,838,323	\$ 628,824,897	\$ 647,916,710	\$ 658,812,012	\$ 684,930,932
Population, Census	40,366	40,633	40,633	40,633	40,633	40,633	40,633	40,633	40,633	40,633	40,633

Source: Adams County, Illinois, Clerk's Office

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Per Capita	\$ 699.26	\$ 659.41	\$ 490.47	\$ 454.31	\$ 412.99	\$ 392.87	\$ 319.01	\$ 376.65	\$ 326.59	\$ 277.28	\$ 663.13
Percent of Estimated Full Value	1.73%	1.60%	1.18%	1.09%	0.98%	0.89%	0.71%	0.81%	0.68%	0.57%	1.31%
Percent of Equalized Assessed Value	5.19%	4.79%	3.53%	3.26%	2.94%	2.68%	2.14%	2.43%	2.05%	1.71%	3.93%

The City has no debt limit.

City of Quincy, Illinois
Number of Employees and Level of Service
April 30, 2020

Number of Employees

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Full-time	333	332	327	315	297	311	308	310	310
Part-time	49	45	42	40	19	55	59	60	59
Total	382	377	369	355	316	366	367	370	369

Level of Service

Employee Count by Function

Full-time Employees Only

	2012	2013	2015	2015	2016	2017	2018	2019	2020
Police sworn	75	74	75	71	70	74	73	74	73
Fire sworn	64	63	63	60	58	60	60	60	60
911 (all)	20	20	22	20	19	20	20	20	20
Transit (Union only)	20	20	21	20	15	15	15	14	16
822 Union only (Water, Sewer, Airport, Central Services)	82	82	79	77	76	79	78	79	78
Administration (no legal)	72	73	67	67	59	63	62	63	63
Total	333	332	327	315	297	311	308	310	310

City of Quincy, Illinois
Employment Rates for Quincy and Adams County
April 30, 2020

Demographics

Employment Rates for City of Quincy

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Labor Force	22,338	22,064	21,654	21,403	19,446	19,406	19,251	19,161	19,528	19,252
Employed	20,543	20,491	20,214	19,902	18,332	18,366	18,279	18,391	18,742	18,558
Unemployed	1,795	1,573	1,440	1,501	1,114	1,040	972	770	786	694
Rate	8.0%	7.1%	6.7%	7.0%	5.7%	5.4%	5.0%	4.0%	4.0%	3.6%

Source: Illinois Department of Employment Security

Employment Rates for Adams County

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Labor Force	38,371	37,424	36,751	36,179	32,629	32,588	32,390	32,237	32,893	32,358
Employed	35,525	34,939	34,469	33,841	30,872	30,947	30,832	31,008	31,616	31,249
Unemployed	2,846	2,485	2,282	2,338	1,757	1,641	1,558	1,229	1,277	1,109
Rate	7.4%	6.6%	6.2%	6.5%	5.4%	5.0%	4.8%	3.8%	3.9%	3.4%

Source: Illinois Department of Employment Security

Compliance Section

The accompanying information is 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* (Uniform Guidance), and is not a required part of the basic financial statements.

**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***

The Honorable Mayor and
City Council
City of Quincy, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Quincy, Illinois, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise City of Quincy, Illinois' basic financial statements and have issued our report thereon dated October 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Quincy, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Quincy, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Quincy, Illinois' 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.

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 City of Quincy, Illinois' financial statements are free from 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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* (Concluded)**

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

October 14, 2020
Quincy, Illinois

**Independent Auditor's Report on Compliance for Each
Major Program and on Internal Control over Compliance
Required by the Uniform Guidance**

The Honorable Mayor and
City Council
City of Quincy, Illinois

Report on Compliance for Each Major Federal Program

We have audited City of Quincy, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Quincy, Illinois' major federal programs for the year ended April 30, 2020. City of Quincy, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 each of City of Quincy, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). 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 City of Quincy, Illinois' 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 each major federal program. However, our audit does not provide a legal determination of City of Quincy, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, City of Quincy, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2020.

**Independent Auditor's Report on Compliance for Each
Major Program and on Internal Control over Compliance
Required by the Uniform Guidance (Concluded)**

Report on Internal Control Over Compliance

Management of City of Quincy, Illinois, 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 City of Quincy, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 City of Quincy, Illinois' internal control over compliance.

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

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

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.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

October 14, 2020
Quincy, Illinois

City of Quincy, Illinois
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended April 30, 2020

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Number	Expenditures
U.S. Department of Agriculture			
Illinois Law Enforcement Training Standards Board Law Enforcement Agreements	10.704	2095-15478	\$ 99,500
Total U.S. Department of Agriculture			<u>\$ 99,500</u>
U.S. Department of the Interior			
Illinois Department of Natural Resources Historic Preservation Fund Grants-in-Aid	15.904	CLG18-COQ1	\$ 5,654
Total U.S. Department of Interior			<u>\$ 5,654</u>
U.S. Department of Justice			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0161	\$ 15,797
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0094	8,004
<i>Total JAG Program Cluster</i>			<u>\$ 23,801</u>
Bulletproof Vest Partnership Program	16.607	2019BUBX14071561	\$ 2,237
Total U.S. Department of Justice			<u>\$ 26,038</u>
U.S. Department of Transportation			
Illinois Department of Transportation			
Airport Improvement Program	20.106	UIN-4615-000	\$ 26,094
Airport Improvement Program	20.106	UIN-4754-000	352,312
Airport Improvement Program	20.106	UIN-4679-000	2,574,554
			M <u>\$ 2,952,960</u>
Formula Grants for Rural Areas	20.509	OP-20-32-FED	\$ 600,253
Highway Planning and Construction	20.205	ZEQI(207)	\$ 94,675
Highway Planning and Construction	20.205	Emerg Flood Rep	225,392
			<u>\$ 320,067</u>
State and Community Highway Safety	20.600	OP-20-0047	\$ 6,812
State and Community Highway Safety	20.600	OP-19-0034	27,034
			<u>\$ 33,846</u>
Total U.S. Department of Transportation			<u>\$ 3,907,126</u>
U.S. Department of Homeland Security			
Assistance to Firefighters Grant	97.044	EMW-2017-FO-03728	\$ 53,091
Illinois Law Enforcement Alarm System Homeland Security Grant Program	97.067	18ILEASSRT	\$ 13,171
Total U.S. Department of Homeland Security			<u>\$ 66,262</u>
Total Federal Expenditures			<u><u>\$ 4,104,580</u></u>

M - Denotes Major Program

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Quincy, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the 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, or used in the preparation of, the basic financial statements

2. Subrecipients

The City of Quincy, Illinois did not receive federal awards on behalf of others.

3. Non-Monetary Federal Awards

Non-monetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of the commodities received and disbursed. During the year ended April 30, 2020, the City did not receive any non-monetary assistance.

4. Insurance

As of and for the year ended April 30, 2020, the City had no federal insurance in effect.

5. Federal Loans or Loan Guarantees

As of and for the year ended April 30, 2020, the City had no federal loans or loan guarantees.

6. Indirect Cost Rate

For the year ended April 30, 2020, the City has elected to use the 10% de minimis indirect cost rate.

1. Summary of Auditor's Results

- A. The auditor's report on the financial statements of the City of Quincy, Illinois was unmodified.
- B. No significant deficiencies or material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements.
- C. No instances of noncompliance with laws and regulations are reported in accordance with *Government Auditing Standards*.
- D. No significant deficiencies or material weaknesses were disclosed during the audit of internal control over major federal award programs of the City of Quincy, Illinois.
- E. The auditor's report on compliance for the major federal award programs for the City of Quincy, Illinois expresses an unmodified opinion on all major federal programs.
- F. No audit findings relative to the major federal award programs for the City of Quincy, Illinois were noted.
- G. The programs tested as major programs included the following programs:
 - Airport Improvement Program (CFDA #20.106)
- H. The threshold for distinguishing Types A and B programs was \$750,000.
- I. The City of Quincy, Illinois qualified as a low-risk auditee.

2. Findings – Financial Statement Audit

No significant deficiencies were noted or reported during the course of the audit of the financial statements for the year ended April 30, 2020.

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

There were no findings or questioned costs associated with major federal award programs required to be reported under the Uniform Guidance for the year ended April 30, 2020.

There were no prior findings or questioned costs to report.