

City of Quincy, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2021

	<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 - 63
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
Budgetary Comparison Schedules – Major Governmental Funds	
General Fund	64
Quincy Transit Lines Fund	65
2019B GO Street Project Fund	66
Budget - to - GAAP Reconciliation	67
Combining Statement of Net Position – Component Units	68
Schedule of Changes in the Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund	69
Firefighters’ Pension Fund	70
Police Pension Fund	71

REQUIRED SUPPLEMENTARY INFORMATION (Concluded)

Schedule of Employer Contributions & Notes

Illinois Municipal Retirement Fund	72 - 73
Firefighters' Pension	74 - 75
Police Pension	76 - 77

Schedule of Changes in Total OPEB Liability	78
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Schedule of Employer Contributions & Notes - OPEB	79 - 80
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OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Non-Major Governmental Funds	81 - 84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	85 - 88
Combining Statement of Net Position – Non-Major Proprietary Funds	89
Combining Statement of Revenues, Expenses and Changes in Net Position – Non-Major Proprietary Funds	90
Combining Statement of Cash Flows – Non-Major Proprietary Funds	91
Combining Statement of Net Position – Governmental-Type Activities – Internal Service Funds	92
Combining Statement of Revenues, Expenses and Changes in Net Position – Governmental-Type Activities – Internal Service Funds	93
Combining Statement of Cash Flows – Governmental-Type Activities – Internal Service Funds	94 - 95
Combining Statement of Fiduciary Net Position – Pension Funds	96
Combining Statement of Changes in Fiduciary Net Position – Pension Funds	97
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	98
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	99

STATISTICAL SECTION

Schedule of Long-Term Debt Service Requirements	100
Principal Taxpayers in the City	101
Revenue Base, Revenue Rates, and Property Tax Levies	102
Debt Capacity and Debt Ratios	103
Number of Employees and Level of Service	104
Employment Rates for City of Quincy and Adams County	105

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>	106 - 107
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	108 - 109
Schedule of Expenditures of Federal Awards	110
Notes to Schedule of Expenditures of Federal Awards	111
Schedule of Findings and Questioned Costs	112 - 113
Status of Prior Year Findings and Questioned Costs	114
Corrective Action Plan	115

City of Quincy, Illinois

A Home Rule City

Council/Mayor Form of Government

(As of April 30, 2021)

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

Laura Oakman

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
Director of IT	Corey Dean (Interim)
Human Resources	Vacant

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, 2021, 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, 2021, 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 64 through 80 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 also 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 22, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Quincy, Illinois' 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 22, 2021
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, 2021, by \$61.5 million (net position).
- The City of Quincy's total net position increased by \$10.3 million for the year ended April 30, 2021. The increase in net position can be attributed to the governmental activities' increase of \$7.4 million and the increase in business-type activities of \$2.9 million.
- As of April 30, 2021, the City of Quincy's governmental funds reported combined ending fund balances of \$42.6 million, an increase of \$0.4 million in comparison with the prior fiscal year.
- The City's general fund balance increase by \$5.6 million from the prior year to a balance of \$17.0 million.
- On a budgetary basis, the general fund balance increased by \$3.1 million. The budgetary fund balance is 36.7% of the charges to appropriations for the fiscal year ended April 30, 2021.

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 along with the garbage and recycle programs and Quincy Regional Airport. 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 \$61.5 million as of April 30, 2021. Analyzing the net position and net income of governmental and business-type activities separately, the business type activities' net position is \$87.9 million and the governmental activities' net position is a deficit of \$26.4 million.

By far the largest portion of the City's net position (\$121.5 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, 2021
(Unaudited)

Table 1
Summary of Net Position
at April 30, 2021 and 2020
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 55.6	\$ 52.2	\$ 25.0	\$ 13.8	\$ 80.6	\$ 66.0
Capital assets - net of depreciation	60.1	54.1	87.9	79.2	148.0	133.3
Total Assets	\$ 115.7	\$ 106.3	\$ 112.9	\$ 93.0	\$ 228.6	\$ 199.3
Deferred Outflows of Resources	\$ 20.8	\$ 23.7	\$ 2.1	\$ 2.6	\$ 22.9	\$ 26.3
Current liabilities	\$ 5.4	\$ 6.6	\$ 3.7	\$ 1.7	\$ 9.1	\$ 8.3
Long-term liabilities and debt	132.6	143.5	19.3	6.0	151.9	149.5
Total Liabilities	\$ 138.0	\$ 150.1	\$ 23.0	\$ 7.7	\$ 161.0	\$ 157.8
Deferred Inflows of Resources	\$ 24.9	\$ 13.7	\$ 4.1	\$ 2.9	\$ 29.0	\$ 16.6
Net position:						
Invested in capital assets, net of related debt	\$ 51.7	\$ 49.5	\$ 69.8	\$ 79.0	\$ 121.5	\$ 128.5
Restricted	12.6	13.1	-	-	12.6	13.1
Unrestricted (deficit)	(90.7)	(96.4)	18.1	6.0	(72.6)	(90.4)
Total Net Position	\$ (26.4)	\$ (33.8)	\$ 87.9	\$ 85.0	\$ 61.5	\$ 51.2

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 FY2021 was an increase of \$10.3 million compared to the increase of \$300 thousand in FY2020. The City's total revenues increased in 2021 by \$5.2 million to \$68.5 million. Of this amount, the Governmental revenues increased by \$5.4 million while Business-type revenues decreased by \$200 thousand.

The cost of all City programs decreased by \$4.8 million with the Business-type costs increasing by \$2.1 million and the Governmental costs decreasing by \$6.9 million. In Governmental Activities' expenses, Public Safety expenses decreased by \$3.4 million due to the changes in the Net Pension liability of the Police and Fire pension liabilities. General Government decreased by \$3.8 million due to changes in the Net Pension Liability for the IMRF liabilities. Public Works/Engineering and the other remaining functions remained steady when compared to the prior year.

City of Quincy, Illinois
Management's Discussion and Analysis
For the Fiscal Year Ended April 30, 2021
(Unaudited)

The Business-type net position increase of \$2.9 million is due to the \$1.8 million increase in the water department and \$1.0 million increase in the sewer department along with a slight decrease in the airport fund and other nonmajor business-type funds. Operating revenues in the water department and sewer department showed a slight decrease of \$200 thousand each from the prior year. Operating expenses in the water department increased by \$400 thousand from the prior year while the sewer department and airport both decreased by \$200 thousand each from the prior year. Nonmajor business-type funds activity increased in both revenues and expenses due to adding the garbage and recycle funds in the current 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	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 3.7	\$ 5.4	\$ 16.1	\$ 14.8	\$ 19.8	\$ 20.2
Operating grants and contributions	6.0	3.6	-	-	6.0	3.6
Capital grants and contributions	1.7	0.2	1.9	3.1	3.6	3.3
General Revenues:						
Property taxes	2.5	2.4	-	-	2.5	2.4
Other taxes	35.8	32.3	-	-	35.8	32.3
Other	0.4	0.8	0.4	0.7	0.8	1.5
Total revenues	\$ 50.1	\$ 44.7	\$ 18.4	\$ 18.6	\$ 68.5	\$ 63.3
Expenses:						
General government	\$ 1.1	\$ 4.9	\$ -	\$ -	\$ 1.1	\$ 4.9
Public safety	22.7	26.1	-	-	22.7	26.1
Public works and engineering	12.6	12.5	-	-	12.6	12.5
Water, Sewer, Airport, Barge Dock	-	-	17.2	15.1	17.2	15.1
Health, Culture, Community Dev	3.7	3.7	-	-	3.7	3.7
Interest on long-term debt	0.9	0.7	-	-	0.9	0.7
Total expenses	\$ 41.0	\$ 47.9	\$ 17.2	\$ 15.1	\$ 58.2	\$ 63.0
Increase (decrease) in net position before transfers and special items	\$ 9.1	\$ (3.2)	\$ 1.2	\$ 3.5	\$ 10.3	\$ 0.3
Transfers	(1.7)	(1.2)	1.7	1.2	-	-
Increase (decrease) in net position	\$ 7.4	\$ (4.4)	\$ 2.9	\$ 4.7	\$ 10.3	\$ 0.3
Net Position at beginning of year	(33.8)	(29.4)	85.0	80.3	51.2	50.9
Net Position at end of year	\$ (26.4)	\$ (33.8)	\$ 87.9	\$ 85.0	\$ 61.5	\$ 51.2

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)

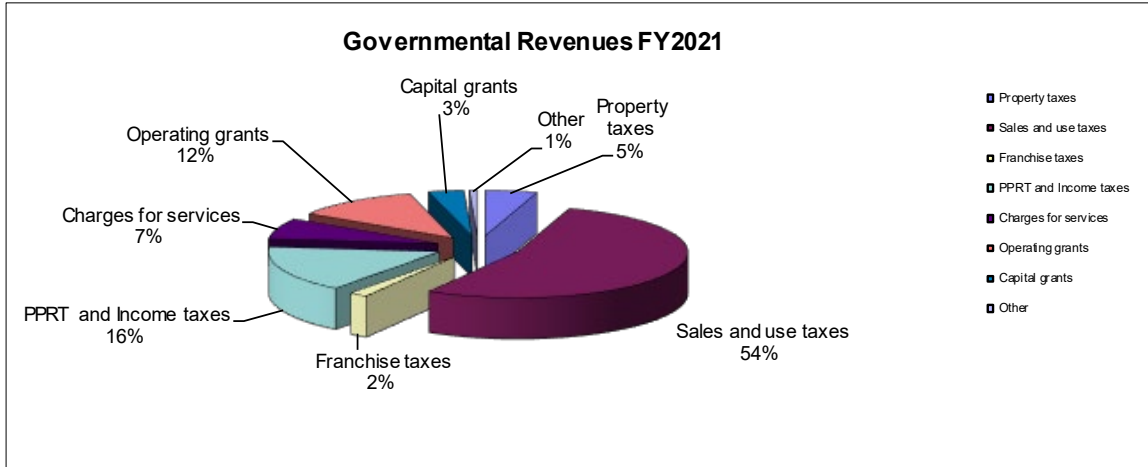
Salaries & Benefits: In fiscal year 2021 city wide salaries & wages increased from \$21.3 million to \$22.07 million, a \$770,000 increase, or 3.61%. Health insurance contribution rates were flat; while the workers compensation/general liability insurance contribution rates decreased overall by about 7%. The IMRF employer rate for the 2020 calendar year was 10.98%, higher than the previous calendar 2019 rate of 7.63%. Police and Fire pension fund payments were significantly higher in FYE 2021 due to additional contribution of excess fund balance. The City's FYE 2021 pension contributions of \$8.7 million were \$1.8 million more than previous year contributions of \$ 6.9 million.

Property Tax Revenues: The EAV for the 2020 tax year (collected in FY 2021) grew by 1.79%. The property tax rate remained relatively flat at a certified rate of 1.07783. The tax levy is able to remain flat due to the use of committed funds from video gaming towards pension liability.

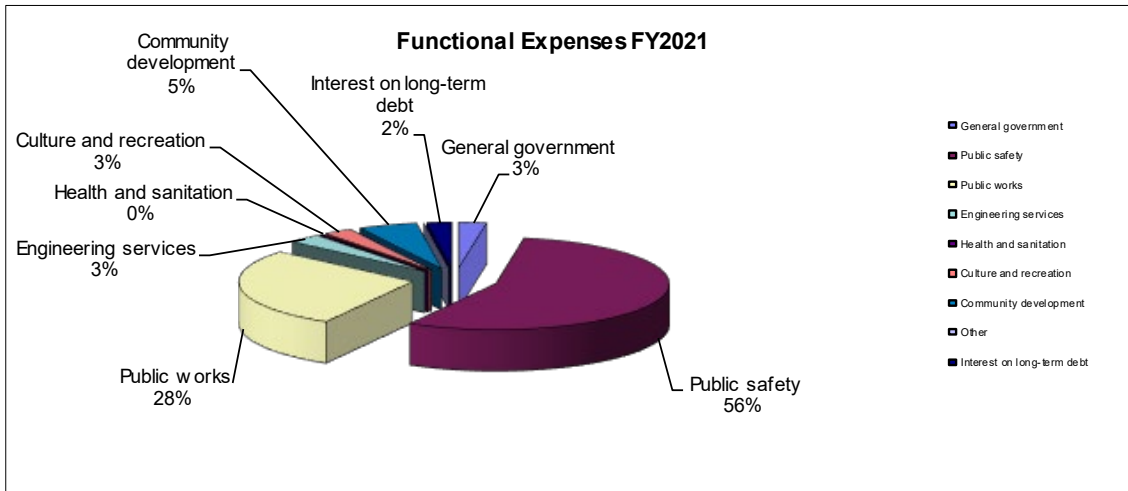
Revenues: The City relies heavily on sales tax dollars to meet obligations. Sales Tax alone (municipal sales tax and home rule) make up 49% of the City's Operating revenues. FY 2021 municipal sales tax revenues of \$10.6 million were ahead of budget by \$164,000 (1.57%) and over \$500,000 ahead of FY 2020. Home rule purchase tax revenues of \$9.2 million were \$539,000 over budget, 6.21% and only \$15,000 behind FY 2020. The City has expected the pandemic effects to linger into FYE 2021; however, the federal stimulus propelled local and state shared revenues. Additionally, the State legislation for Leveling the Playing Field for Illinois Retailers likely had dramatic impact on tax revenues as well. The City has two existing agreements which obligate a portion of the municipal sales tax collected to be rebated to retail developers. State Income Tax is collected by the state with a portion allocated to local governments on a per-capita basis. FYE 2021 Income Tax revenues of \$4.7 million were \$575,000, or 17% over budget. This was over \$250,000 higher than the previous year income tax receipts. The Personal Property Replacement Tax was behind last year by \$223,000, down 5.71% but exceed budget by \$nearly \$500,000, 15.66%.

Overall, General Fund revenues performed well and exceeded General Fund revenues by over \$2 million leaving a very positive net cash position.

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

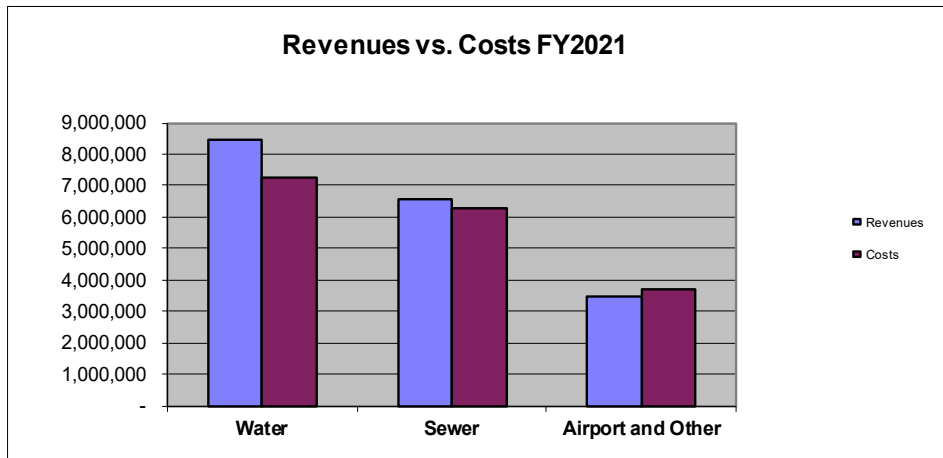


The following graph depicts the different expense categories and the percentage of resources provided for each category:



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 FY2021, the governmental funds of the City reported a combined fund balance of \$42.6 million. This is an increase of just 0.98%, or \$400 thousand from last year's combined fund balance of \$42.2 million. Of this fund balance, \$14.9 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 \$13.3 million.

The ending balance includes an increase in fund balance of \$5.6 million in the City's General Fund, the chief operating fund of the City. The General fund balance at April 30, 2021, is \$17.0 million with \$15.0 as unassigned. The Police Department and Fire Department make up the majority of the expenditures in the General Fund of 37.1% and 30.1%, 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 a decrease in fund balance of \$5.3 million as the proceeds of the bond issued in the prior year is spent down. The balance in this fund at April 30, 2021, is \$13.3 million.

For FY2021, the enterprise funds showed net position of \$87.9 million, an increase of \$2.9 million from the prior year. The components of this change were discussed earlier.

General Fund Budgeting Highlights

For FY2021, actual expenditures on a budgetary basis were \$31.2 million compared to the final budget amount of \$32.8 million. The \$1.6 million variance was due to spending less than budgeted in various areas, especially police and fire, public works, and operating transfers out. The largest variances were in operating transfers out of \$600 thousand and public works of \$400 thousand with budgeted expenditures being more than actual.

The City's actual amounts available for appropriation on a budgetary basis were \$34.3 million as compared to the budget amount of \$32.1 million. This resulted in a variance of \$2.2 million, mainly in intergovernmental revenue and operating transfers in.

Capital Assets

At the end of FY2021, the City had \$148.1 million invested in its funds for capital assets. This amount represents an increase of \$14.8 million or 11.1%. 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 City's street projects.

Table 3
Capital Assets
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Non-Depreciable Assets						
Land	\$ 2.8	\$ 2.8	\$ 1.8	\$ 1.8	\$ 4.6	\$ 4.6
Construction in Progress	7.7	6.3	15.6	8.5	23.3	14.8
Depreciable Assets						
Vehicles	9.5	10.5	5.7	3.8	15.2	14.3
Buildings and improvements	21.6	17.5	176.5	171.2	198.1	188.7
Equipment and furniture	9.3	9.7	6.8	6.7	16.1	16.4
Infrastructure	142.9	138.5	-	-	142.9	138.5
Accumulated depreciation	(133.6)	(131.2)	(118.5)	(112.8)	(252.1)	(244.0)
	<u>\$ 60.2</u>	<u>\$ 54.1</u>	<u>\$ 87.9</u>	<u>\$ 79.2</u>	<u>\$ 148.1</u>	<u>\$ 133.3</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 \$25,517,586 in long-term bond obligations comprised of the following issues:

Table 4
Outstanding Debt

	Issued	Outstanding
GOB 2020B	\$ 18,215,000	\$ 18,215,000
GORB 2017A	4,115,000	3,575,000
GORN 2014	973,518	97,586
GORB 2020A	3,425,000	3,220,000
GOB 2009B	1,245,000	410,000
Total	<u>\$ 27,973,518</u>	<u>\$ 25,517,586</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, 2021, 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 FYE 2022 budget is expected to show growth given our strong retail sales tax base. There is still uncertainty about long term effects of the pandemic and the sustainability of federal benefits and the economy. The city continues to manage budget growth. Salary and benefit costs represent a significant portion of the General Fund budget and four labor contracts expire at the end of FYE 2021. Pension costs continue to grow by about 8% per year. The cost of health care continues to rise with premiums increases of 20% effective May 1, 2021. The City is committed to finding 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 2022 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, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 38,256,753	\$ 20,601,567	\$ 58,858,320	\$ 1,568,437
Restricted cash	585,385	-	585,385	-
Investments	-	-	-	3,222,945
Receivables, net	11,067,869	2,011,191	13,079,060	736,052
Due to/from other funds	238,700	(238,700)	-	-
Inventories	31,638	195,787	227,425	-
Prepaid items	200,000	79,256	279,256	21,933
Net pension asset	5,224,872	2,370,690	7,595,562	448,796
Capital assets, net	60,140,040	87,929,241	148,069,281	5,660,205
Total Assets	\$ 115,745,257	\$ 112,949,032	\$ 228,694,289	\$ 11,658,368
Deferred Outflows of Resources				
Pension obligations - IMRF	\$ 3,289,164	\$ 1,588,705	\$ 4,877,869	\$ 488,582
Pension obligations - pension trust funds	15,078,628	-	15,078,628	-
OPEB	2,386,020	475,763	2,861,783	19,327
Total Deferred Outflows of Resources	\$ 20,753,812	\$ 2,064,468	\$ 22,818,280	\$ 507,909
Liabilities				
Accounts payable	\$ 1,732,849	\$ 2,072,959	\$ 3,805,808	\$ 5,939
Accrued expenses	621,680	61,931	683,611	78,083
Unearned revenue	-	114,929	114,929	49,528
Non-current liabilities:				
Accrued interest	380,188	-	380,188	-
Net pension liability - IMRF	-	-	-	-
Net pension liability - pension trust funds	91,454,347	-	91,454,347	-
Net OPEB liability	11,285,836	2,250,348	13,536,184	549,857
Unamortized bond premium	1,851,702	-	1,851,702	-
Due within one year	3,035,621	1,438,711	4,474,332	-
Due in more than one year	27,636,697	17,022,087	44,658,784	-
Total Liabilities	\$ 137,998,920	\$ 22,960,965	\$ 160,959,885	\$ 683,407
Deferred Inflows of Resources				
Unearned property taxes	\$ 1,784,393	\$ -	\$ 1,784,393	\$ 732,052
Pension obligations - IMRF	8,587,387	4,116,930	12,704,317	1,265,476
Pension obligations - Pension Trust Funds	14,497,572	-	14,497,572	-
Total Deferred Inflows of Resources	\$ 24,869,352	\$ 4,116,930	\$ 28,986,282	\$ 1,997,528
Net Position				
Invested in capital assets, net of related debt	\$ 51,674,985	\$ 69,794,046	\$ 121,469,031	\$ 5,660,205
Restricted for:				
Debt service	277,838	-	277,838	-
Capital projects	2,975,176	-	2,975,176	-
Economic development loans	3,723,827	-	3,723,827	-
Motor fuel tax projects	2,957,293	-	2,957,293	-
911 system	2,035,036	-	2,035,036	-
Other purposes	655,644	-	655,644	523,424
Unrestricted	(90,669,002)	18,141,559	(72,527,443)	3,301,713
Total Net Position	\$ (26,369,203)	\$ 87,935,605	\$ 61,566,402	\$ 9,485,342

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, 2021

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	\$ 1,057,432	\$ 1,014,453	\$ 1,431,554	\$ -	\$ 1,388,575	\$ -	\$ 1,388,575	\$ -
Public safety	22,618,294	840,800	920,560	111,873	(20,745,061)	-	(20,745,061)	-
Public works	11,348,187	1,500,907	2,936,282	1,566,937	(5,344,061)	-	(5,344,061)	-
Engineering services	1,268,174	-	-	-	(1,268,174)	-	(1,268,174)	-
Health and sanitation	99,182	-	-	-	(99,182)	-	(99,182)	-
Culture and recreation	1,086,729	-	-	-	(1,086,729)	-	(1,086,729)	-
Community development	2,232,257	302,339	672,845	-	(1,257,073)	-	(1,257,073)	-
Interest on long-term debt	934,432	-	-	-	(934,432)	-	(934,432)	-
Total Governmental Activities	\$ 40,644,687	\$ 3,658,499	\$ 5,961,241	\$ 1,678,810	\$ (29,346,137)	\$ -	\$ (29,346,137)	\$ -
Business-type Activities:								
Water	\$ 7,232,263	\$ 8,403,392	\$ 34,255	\$ -	\$ -	\$ 1,205,384	\$ 1,205,384	\$ -
Sewer	6,302,591	5,778,219	-	775,473	-	251,101	251,101	-
Airport	1,731,482	127,676	-	1,140,464	-	(463,342)	(463,342)	-
Other	1,939,847	1,834,746	-	-	-	(105,101)	(105,101)	-
Total Business-type Activities	\$ 17,206,183	\$ 16,144,033	\$ 34,255	\$ 1,915,937	\$ -	\$ 888,042	\$ 888,042	\$ -
Total Primary Government	\$ 57,850,870	\$ 19,802,532	\$ 5,995,496	\$ 3,594,747	\$ (29,346,137)	\$ 888,042	\$ (28,458,095)	\$ -
Component Units								
Woodland Cemetery	\$ 260,175	\$ 25,450	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ (234,675)
Quincy Public Library	2,290,799	326,677	363,248	-	-	-	-	(1,600,874)
Total Component Units	\$ 2,550,974	\$ 352,127	\$ 363,298	\$ -	\$ -	\$ -	\$ -	\$ (1,835,549)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					\$ 704,000	\$ -	\$ 704,000	\$ 730,441
Property taxes, levied for debt service					1,764,325	-	1,764,325	-
Personal property replacement tax					3,210,407	-	3,210,407	403,867
Sales and public service taxes					26,855,414	-	26,855,414	-
Income taxes					4,932,128	-	4,932,128	-
Franchise taxes					866,403	-	866,403	-
Payment from City of Quincy					(244,412)	-	(244,412)	894,288
Investment earnings (loss)					236,257	125,084	361,341	688,837
Miscellaneous					142,207	266,844	409,051	13,636
Transfers					(1,660,949)	1,660,949	-	-
Total General Revenues and Transfers					\$ 36,805,780	\$ 2,052,877	\$ 38,858,657	\$ 2,731,069
Change in Net Position					\$ 7,459,643	\$ 2,940,919	\$ 10,400,562	\$ 895,520
Net Position at beginning of year					(33,828,846)	84,994,686	51,165,840	8,589,822
Net Position at end of year					\$ (26,369,203)	\$ 87,935,605	\$ 61,566,402	\$ 9,485,342

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

City of Quincy, Illinois

Balance Sheet
 Governmental Funds
 April 30, 2021

	General Fund	Quincy Transit Lines	2019B GO Street Project Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 9,372,195	\$ 350,930	\$ 13,916,445	\$ 11,532,681	\$ 35,172,251
Restricted cash	-	-	-	585,385	585,385
Receivables, net	187,840	5,215	-	297,642	490,697
Prepaid expenses	200,000	-	-	-	200,000
Due from other funds	2,006,880	-	-	178,818	2,185,698
Due from other governments	5,888,250	1,326,238	-	537,150	7,751,638
Total Assets	\$ 17,655,165	\$ 1,682,383	\$ 13,916,445	\$ 13,131,676	\$ 46,385,669
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 175,197	\$ 2,613	\$ 614,540	\$ 520,793	\$ 1,313,143
Accrued expenses	440,606	30,637	-	16,398	487,641
Due to other funds	-	1,696,500	-	250,498	1,946,998
Total Liabilities	\$ 615,803	\$ 1,729,750	\$ 614,540	\$ 787,689	\$ 3,747,782
Fund Balances					
Nonspendable	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
Restricted for:					
Debt service	-	-	-	658,026	658,026
Economic development loans	-	-	-	2,691,152	2,691,152
Capital projects	-	-	13,301,905	2,797,390	16,099,295
911 System	-	-	-	2,035,036	2,035,036
Motor fuel tax projects	-	-	-	2,957,293	2,957,293
Public safety projects	-	-	-	246,433	246,433
Other projects	-	-	-	409,211	409,211
Committed for:					
Pension funds	1,830,824	-	-	-	1,830,824
Economic growth	-	-	-	429,478	429,478
Assigned for:					
Green projects	-	-	-	170,128	170,128
Unassigned	15,008,538	(47,367)	-	(50,160)	14,911,011
Total Fund Balances	\$ 17,039,362	\$ (47,367)	\$ 13,301,905	\$ 12,343,987	\$ 42,637,887
Total Liabilities and Fund Balances	\$ 17,655,165	\$ 1,682,383	\$ 13,916,445	\$ 13,131,676	\$ 46,385,669

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

City of Quincy, IllinoisReconciliation of the Governmental Funds' Balance Sheet to Statement of Net Position
April 30, 2021

Total governmental fund balances	\$ 42,637,887
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.	59,436,554
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	3,124,606
Capital assets	703,486
Net pension asset	428,468
Deferred outflows	372,507
Current liabilities	(580,735)
Long-term liabilities	(433,876)
Deferred inflows	(744,074)
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.	2,817,068
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.	(90,917,041)
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.	(8,577,164)
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>(34,636,889)</u>
Net position of governmental activities	<u>\$ (26,369,203)</u>

City of Quincy, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended April 30, 2021

	General Fund	Quincy Transit Lines	2019B GO Street Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 98,880	\$ -	\$ -	\$ 2,369,445	\$ 2,468,325
Franchise taxes	390,037	-	-	476,366	866,403
Public service taxes	30,183,234	-	-	4,814,715	34,997,949
Grants and contributions	1,674,853	2,991,638	-	2,481,832	7,148,323
Charges for services	951,387	169,081	-	99,708	1,220,176
Fines and forfeitures	326,033	-	-	46,517	372,550
Intergovernmental	33,649	-	-	458,079	491,728
Investment earnings	52,559	949	61,650	91,187	206,345
Miscellaneous	69,357	4,904	-	403,087	477,348
Total Revenues	\$ 33,779,989	\$ 3,166,572	\$ 61,650	\$ 11,240,936	\$ 48,249,147
Expenditures					
General Government					
Aldermen	\$ 236,385	\$ -	\$ -	\$ -	\$ 236,385
Mayor	198,312	-	-	-	198,312
City Treasurer	304,495	-	-	-	304,495
City Clerk	207,014	-	-	-	207,014
Director of Administration	114,504	-	-	-	114,504
Purchasing	82,976	-	-	-	82,976
Building maintenance	269,111	-	-	-	269,111
Comptroller	337,924	-	-	-	337,924
Legal department	250,585	-	-	-	250,585
Boards and commissions	35,108	-	-	-	35,108
Information technology	608,799	-	-	-	608,799
Public Safety					
Police Department	10,783,414	-	-	103,385	10,886,799
Fire Department	8,753,462	-	-	1,696	8,755,158
911 System	-	-	-	1,608,064	1,608,064
Public Works	3,978,391	2,958,587	-	-	6,936,978
Engineering Services	638,594	-	-	438,993	1,077,587
Health and Sanitation	175,438	-	-	-	175,438
Cemetery	244,412	-	-	-	244,412
Culture and Recreation	649,876	-	-	407,957	1,057,833
Community Development	707,842	-	-	1,856,832	2,564,674
Debt Service					
Principal retirement	73,997	-	-	1,110,832	1,184,829
Interest and charges	7,241	-	-	997,424	1,004,665
Capital outlay	389,169	241,000	5,409,893	4,430,765	10,470,827
Total Expenditures	\$ 29,047,049	\$ 3,199,587	\$ 5,409,893	\$ 10,955,948	\$ 48,612,477

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, 2021

	General Fund	Quincy Transit Lines	2019B GO Street Project Fund	Other Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,732,940	\$ (33,015)	\$ (5,348,243)	\$ 284,988	\$ (363,330)
Other Financing Sources (Uses)					
Cost share transfers, net	\$ 982,855	\$ (279,915)	\$ -	\$ (27,217)	\$ 675,723
Sale of assets	13,398	-	-	-	13,398
Operating transfers in	1,535,435	85,143	-	1,357,257	2,977,835
Operating transfers out	(1,651,837)	-	-	(1,238,431)	(2,890,268)
Total Other Financing Sources (Uses)	\$ 879,851	\$ (194,772)	\$ -	\$ 91,609	\$ 776,688
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 5,612,791	\$ (227,787)	\$ (5,348,243)	\$ 376,597	\$ 413,358
Fund Balances, May 1, 2020	11,426,571	180,420	18,650,148	11,967,390	42,224,529
Fund Balances, April 30, 2021	<u>\$ 17,039,362</u>	<u>\$ (47,367)</u>	<u>\$ 13,301,905</u>	<u>\$ 12,343,987</u>	<u>\$ 42,637,887</u>

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, 2021

Net change in fund balances - total governmental funds	\$	413,358
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.		8,565,868
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.		1,255,062
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.		(156,520)
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.		(2,125,717)
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>(492,408)</u>
Change in net position of governmental activities	\$	<u>7,459,643</u>

City of Quincy, Illinois

Statement of Net Position

Proprietary Funds

April 30, 2021

	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	\$ 7,979,503	\$ 9,206,811	\$ 2,754,028	\$ 661,225	\$ 20,601,567	\$ 3,084,502
Receivables, net	854,445	461,822	542,198	152,726	2,011,191	8,466
Inventories	195,787	-	-	-	195,787	31,638
Prepaid expenses	38,090	38,090	3,076	-	79,256	-
Total Current Assets	<u>\$ 9,067,825</u>	<u>\$ 9,706,723</u>	<u>\$ 3,299,302</u>	<u>\$ 813,951</u>	<u>\$ 22,887,801</u>	<u>\$ 3,124,606</u>
Noncurrent Assets						
Land	\$ 242,946	\$ 861,374	\$ 453,124	\$ 240,335	\$ 1,797,779	\$ -
Systems	42,939,487	96,535,161	27,289,208	145,556	166,909,412	-
Building and equipment	4,736,092	14,204,932	5,048,690	1,153,246	25,142,960	-
Vehicles and equipment	4,716,820	4,000,491	2,111,845	1,729,416	12,558,572	3,362,992
Less: Accumulated depreciation	(25,403,796)	(75,174,329)	(15,980,420)	(1,920,937)	(118,479,482)	(2,659,506)
Net pension asset	1,463,374	365,798	222,143	319,375	2,370,690	428,468
Total Noncurrent Assets	<u>\$ 28,694,923</u>	<u>\$ 40,793,427</u>	<u>\$ 19,144,590</u>	<u>\$ 1,666,991</u>	<u>\$ 90,299,931</u>	<u>\$ 1,131,954</u>
Total Assets	<u>\$ 37,762,748</u>	<u>\$ 50,500,150</u>	<u>\$ 22,443,892</u>	<u>\$ 2,480,942</u>	<u>\$ 113,187,732</u>	<u>\$ 4,256,560</u>
Deferred Outflows of Resources - Pension	<u>\$ 976,943</u>	<u>\$ 245,015</u>	<u>\$ 149,236</u>	<u>\$ 217,511</u>	<u>\$ 1,588,705</u>	<u>\$ 286,005</u>
Deferred Outflows of Resources - OPEB	<u>\$ 273,924</u>	<u>\$ 64,877</u>	<u>\$ 43,251</u>	<u>\$ 93,711</u>	<u>\$ 475,763</u>	<u>\$ 86,502</u>
Liabilities						
Current Liabilities						
Accounts payable	\$ 654,169	\$ 1,012,015	\$ 384,410	\$ 22,365	\$ 2,072,959	\$ 419,706
Accrued expenses	36,322	9,973	5,582	10,054	61,931	134,039
Due to other funds	-	-	238,700	-	238,700	-
Customer deposits	114,929	-	-	-	114,929	-
Compensated absences	91,308	21,545	20,055	15,007	147,915	26,990
Bonds, notes and loans payable	397,870	754,187	138,739	-	1,290,796	-
Total Current Liabilities	<u>\$ 1,294,598</u>	<u>\$ 1,797,720</u>	<u>\$ 787,486</u>	<u>\$ 47,426</u>	<u>\$ 3,927,230</u>	<u>\$ 580,735</u>
Noncurrent Liabilities						
Compensated absences	\$ 114,691	\$ 27,407	\$ 15,228	\$ 20,362	\$ 177,688	\$ 24,722
Notes and loans payable	5,550,322	9,969,462	1,324,615	-	16,844,399	-
Net OPEB liability	1,295,655	306,866	204,577	443,250	2,250,348	409,154
Total Noncurrent Liabilities	<u>\$ 6,960,668</u>	<u>\$ 10,303,735</u>	<u>\$ 1,544,420</u>	<u>\$ 463,612</u>	<u>\$ 19,272,435</u>	<u>\$ 433,876</u>
Total Liabilities	<u>\$ 8,255,266</u>	<u>\$ 12,101,455</u>	<u>\$ 2,331,906</u>	<u>\$ 511,038</u>	<u>\$ 23,199,665</u>	<u>\$ 1,014,611</u>
Deferred Inflows of Resources - Pension	<u>\$ 2,541,290</u>	<u>\$ 635,243</u>	<u>\$ 385,773</u>	<u>\$ 554,624</u>	<u>\$ 4,116,930</u>	<u>\$ 744,074</u>
Net Position						
Invested in capital assets, net of related debt	\$ 21,283,357	\$ 29,703,980	\$ 17,459,093	\$ 1,347,616	\$ 69,794,046	\$ 703,486
Unrestricted	6,933,702	8,369,364	2,459,607	378,886	18,141,559	2,166,896
Total Net Position	<u>\$ 28,217,059</u>	<u>\$ 38,073,344</u>	<u>\$ 19,918,700</u>	<u>\$ 1,726,502</u>	<u>\$ 87,935,605</u>	<u>\$ 2,870,382</u>

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, 2021

	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	\$ 8,403,392	\$ 5,778,219	\$ 127,676	\$ 1,834,746	\$ 16,144,033	\$ 10,638,375
Miscellaneous	40,814	-	217,498	6,746	265,058	29,069
Total Operating Revenues	\$ 8,444,206	\$ 5,778,219	\$ 345,174	\$ 1,841,492	\$ 16,409,091	\$ 10,667,444
Operating Expenses						
Salaries and wages	\$ 1,909,014	\$ 515,312	\$ 325,027	\$ 557,731	\$ 3,307,084	\$ 608,551
Benefits	374,713	16,597	4,706	459,931	855,947	167,883
Purchased services	1,376,791	2,166,106	234,920	781,231	4,559,048	326,439
Supplies	1,692,510	539,188	148,597	40,393	2,420,688	732,701
Claims and judgments	-	-	-	-	-	8,082,225
Noncapitalized equipment	16,599	209,680	16,573	-	242,852	-
Other objects	383,481	340,309	103,968	63,427	891,185	8,106
Depreciation	1,352,772	2,386,847	893,389	37,134	4,670,142	64,137
Total Operating Expenses	\$ 7,105,880	\$ 6,174,039	\$ 1,727,180	\$ 1,939,847	\$ 16,946,946	\$ 9,990,042
Operating Income (Loss)	\$ 1,338,326	\$ (395,820)	\$ (1,382,006)	\$ (98,355)	\$ (537,855)	\$ 677,402
Non-Operating Revenues (Expenses)						
Interest income	\$ 58,521	\$ 54,019	\$ 7,779	\$ 4,765	\$ 125,084	\$ 29,912
Grants and contributions	34,255	775,473	1,140,464	-	1,950,192	-
Sale of assets	1,960	(174)	-	-	1,786	-
Interest expense	(126,383)	(128,552)	(4,302)	-	(259,237)	-
Total Non-operating Revenues (Expenses)	\$ (31,647)	\$ 700,766	\$ 1,143,941	\$ 4,765	\$ 1,817,825	\$ 29,912
Income (Loss) Before Transfers and Contributions	\$ 1,306,679	\$ 304,946	\$ (238,065)	\$ (93,590)	\$ 1,279,970	\$ 707,314
Transfers in	457,163	701,917	116,217	832,421	2,107,718	280,749
Transfers out	-	(9,138)	-	(437,631)	(446,769)	(3,113,780)
Change in Net Position	\$ 1,763,842	\$ 997,725	\$ (121,848)	\$ 301,200	\$ 2,940,919	\$ (2,125,717)
Net Position at beginning of year	26,453,217	37,075,619	20,040,548	1,425,302	84,994,686	4,996,099
Net Position at year end	\$ 28,217,059	\$ 38,073,344	\$ 19,918,700	\$ 1,726,502	\$ 87,935,605	\$ 2,870,382

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, 2021

	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	\$ 8,298,740	\$ 6,289,765	\$ 282,125	\$ 1,688,766	\$ 16,559,396	\$ 5,118,533
Payments to suppliers	(3,145,534)	(2,495,262)	(734,661)	(905,637)	(7,281,094)	(1,355,608)
Payments to employees	(2,760,793)	(821,613)	(476,552)	(604,962)	(4,663,920)	(2,130,450)
Internal activity - payments to other funds	-	-	-	-	-	5,831,471
Claims paid	-	-	-	-	-	(9,209,833)
Other receipts (payments)	40,814	-	217,498	-	258,312	20,963
Net Cash Provided (Used) by Operating Activities	\$ 2,433,227	\$ 2,972,890	\$ (711,590)	\$ 178,167	\$ 4,872,694	\$ (1,724,924)
Cash Flows from NonCapital Financing Activities						
Operating subsidies and transfers	\$ 457,163	\$ 692,779	\$ 354,917	\$ 394,790	\$ 1,899,649	\$ (2,833,031)
Cash Flows from Capital and Related Financing Activities						
Proceeds from sale of debt	\$ 3,004,180	\$ 11,579,361	\$ 1,500,000	\$ -	\$ 16,083,541	\$ -
Purchases of capital assets	(4,051,182)	(8,336,855)	(426,905)	(644,098)	(13,459,040)	-
Disposal of capital assets	1,960	26,762	-	-	28,722	2,488,760
Principal paid on capital debt	(316,363)	(1,234,743)	(36,646)	-	(1,587,752)	-
Interest paid on capital debt	(126,383)	(128,552)	(4,302)	-	(259,237)	-
Other receipts (payments)	34,255	775,473	1,140,464	-	1,950,192	-
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (1,453,533)	\$ 2,681,446	\$ 2,172,611	\$ (644,098)	\$ 2,756,426	\$ 2,488,760
Cash Flows from Investing Activities						
Interest received	\$ 58,521	\$ 54,019	\$ 7,779	\$ 4,765	\$ 125,084	\$ 29,912
Net Cash Provided (Used) by Investing Activities	\$ 58,521	\$ 54,019	\$ 7,779	\$ 4,765	\$ 125,084	\$ 29,912
Net Increase (Decrease) in Cash and Cash Investments	\$ 1,495,378	\$ 6,401,134	\$ 1,823,717	\$ (66,376)	\$ 9,653,853	\$ (2,039,283)
Cash and Cash Equivalents, May 1, 2020	6,484,125	2,805,677	930,311	727,601	10,947,714	5,123,785
Cash and Cash Equivalents, April 30, 2021	\$ 7,979,503	\$ 9,206,811	\$ 2,754,028	\$ 661,225	\$ 20,601,567	\$ 3,084,502

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, 2021

	<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	\$ 1,338,326	\$ (395,820)	\$(1,382,006)	\$ (98,355)	\$ (537,855)	\$ 677,402
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:						
Amortization and depreciation	1,352,772	2,386,847	893,389	37,134	4,670,142	64,137
(Gain)/Loss on sale of fixed assets	-	-	-	-	-	1,061
(Increase) Decrease in:						
Accounts receivable	(31,697)	511,546	154,449	(152,726)	481,572	310,568
Inventories	44,764	-	-	-	44,764	12,988
Prepaid items	(3,664)	(3,664)	15,550	-	8,222	-
Net pension asset	(1,463,374)	(365,798)	(222,143)	(319,375)	(2,370,690)	(428,468)
Deferred outflows	416,712	302,342	152,519	(311,222)	560,351	1,502,047
Increase (Decrease) in:						
Accounts payable	282,747	763,685	(246,153)	(20,586)	779,693	(958,698)
Accrued expenses	(45,983)	(15,480)	(6,691)	10,054	(58,100)	(376,582)
Customer deposits	(72,955)	-	-	-	(72,955)	-
Compensated absences	22,514	(16,393)	1,292	35,369	42,782	(143,481)
Net pension liability	(87,812)	(33,576)	(18,532)	-	(139,920)	(101,516)
Net OPEB liability	(56,360)	(106,250)	(58,315)	443,250	222,325	(942,861)
Deferred inflows	737,237	(54,549)	5,051	554,624	1,242,363	(1,341,521)
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,433,227</u>	<u>\$ 2,972,890</u>	<u>\$ (711,590)</u>	<u>\$ 178,167</u>	<u>\$ 4,872,694</u>	<u>\$ (1,724,924)</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, 2021

	Pension Trust Funds	Private Purpose Trusts
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,023,291	\$ 106,931
Investments	90,001,346	-
Receivables, net	5,149,716	-
Total Assets	\$ 98,174,353	\$ 106,931
Liabilities		
Current Liabilities		
Accounts payable	\$ -	\$ 105
Accrued expenses	66,488	-
Total Liabilities	\$ 66,488	\$ 105
Deferred Inflows of Resources		
Unearned property taxes	\$ 4,958,080	\$ -
Net Position		
Held in trust for pension benefits	\$ 93,149,785	\$ -
Restricted for future expenditures	-	106,826
Total Net Position	\$ 93,149,785	\$ 106,826

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, 2021

	Pension Trust Funds	Private Purpose Trusts
Additions		
Taxes:		
Property taxes	\$ 4,865,720	\$ -
Personal Property Replacement tax	837,263	-
Total taxes	\$ 5,702,983	\$ -
Contributions:		
Plan members	\$ 1,026,863	\$ -
Outside agencies	-	7,475
Transfers from City	2,962,131	-
Total contributions	\$ 3,988,994	\$ 7,475
Investment earnings:		
Net increase (decrease) in fair value	\$ 15,311,950	\$ -
Realized gain (loss) on sale of investments	2,825,382	-
Interest	698,221	782
Dividends	1,297,310	-
Investment expense	(185,204)	-
Total investment earnings	\$ 19,947,659	\$ 782
Total Additions	\$ 29,639,636	\$ 8,257
Deductions		
Benefits	\$ 8,231,150	\$ -
Administrative expenses	63,920	-
Payments to others	-	6,060
Total Deductions	\$ 8,295,070	\$ 6,060
Change in net position	\$ 21,344,566	\$ 2,197
Net position, May 1, 2020	71,805,219	104,629
Net position, April 30, 2021	\$ 93,149,785	\$ 106,826

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

**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. The 911 System is a blended component unit. Information for the Quincy Public Library and Woodland Cemetery has been discretely presented. Complete financial statements for the Library and Cemetery may be obtained from the respective entities. The City also includes the Police and Fire Pension Funds as Fiduciary Component Units. These are discussed under Fiduciary Funds in the next section.

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, reconciliations are presented which briefly explain the adjustments 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. Following are brief descriptions 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, Economic Growth, 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 (CBD) 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, taxes or transfers from other funds. These funds include Capital Projects, TIF #2, TIF #3, 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 (Regional Firefighters Training Center, Quincy Municipal Dock, Garbage Fund, and Recycling 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 Garage, Health Insurance Fund and Unemployment 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. Both Pension Trust Funds are separate entities, however, due to their fiscal dependency on the City, they are considered fiduciary component units.

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 2019 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 in the fund financial statements and when accrued in the government-wide financial statements.

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 nonspendable fund balances of \$200,000 as of April 30, 2021.

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 \$25,096,446 in restricted fund balances that consisted of various funds with the majority restricted for capital projects of \$16,099,295.

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 \$1,830,824 as of April 30, 2021, for the City's pension funds and \$429,478 for economic development funded by the new food and beverage tax.

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 remaining from the franchise "green" fees collected of \$170,128 as of April 30, 2021.

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 Funds. 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, 2021, the carrying amount of the City's deposits (excluding component units) was \$62,572,002 and the respective bank balances totaled \$63,549,380. Included in the bank balances are Certificates of Deposit totaling \$25,505,000. The insured and collateral status of the bank balances, by category risk, was as follows:

	Primary Government
FDIC Insured	\$ 12,667,179
Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	35,437,606
Invested in Money Market Funds	15,444,595
Uncollateralized	-
	\$ 63,549,380

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	\$ 20,012,072	\$ 19,198,310
Corporate bonds	9,737,772	10,215,099
Mutual funds	23,912,693	34,493,339
Common and preferred stocks	18,227,428	26,094,598
	\$ 71,889,965	\$ 90,001,346
Investment Maturities (in years):		
Maturing 2021-2051	\$ 29,749,844	\$ 29,413,409
	\$ 29,749,844	\$ 29,413,409
Equity Securities	42,140,121	60,587,937
	\$ 71,889,965	\$ 90,001,346

The City has the following recurring fair value measurements as of April 20, 2021:

Investment Type	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		Total	Total	Total
U.S. Government agencies	\$ 19,198,310	\$ -	\$ 19,198,310	\$ -
Corporate bonds	10,215,099	-	10,215,099	-
Mutual funds	34,493,339	34,493,339	-	-
Common and preferred stocks	26,094,598	26,094,598	-	-
Total	\$ 90,001,346	\$ 60,587,937	\$ 29,413,409	\$ -

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		62,572,002	
Investments		90,001,346	
Total Cash and Investments		\$ 152,575,273	
	Cash and Equivalents	Investments	Total
Government-wide Statement of Net Position	\$ 59,443,705	\$ -	\$ 59,443,705
Statement of Fiduciary Net Position	3,130,222	90,001,346	93,131,568
	\$ 62,573,927	\$ 90,001,346	\$ 152,575,273

4) Capital Assets

The following is a summary of Capital Asset transactions for the year ended April 30, 2021:

Governmental Activities

	Balance, April 30, 2020	Additions	Retirements	Balance, April 30, 2021
Buildings	\$ 15,691,352	\$ -	\$ -	\$ 15,691,352
Improvements	1,832,325	4,075,651	-	5,907,976
Infrastructure	138,545,903	4,355,232	-	142,901,135
Machinery and equipment	9,049,538	301,891	(709,448)	8,641,981
Vehicles	10,507,189	595,018	(1,571,880)	9,530,327
Furniture and intangibles	657,473	25,490	(24,695)	658,268
Total assets being depreciated	<u>\$ 176,283,780</u>	<u>\$ 9,353,282</u>	<u>\$ (2,306,023)</u>	<u>\$ 183,331,039</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (7,665,390)	\$ (380,055)	\$ -	\$ (8,045,445)
Improvements	(1,103,286)	(157,401)	-	(1,260,687)
Infrastructure	(109,507,411)	(2,815,411)	-	(112,322,822)
Machinery and equipment	(5,435,583)	(455,868)	342,282	(5,549,169)
Vehicles	(6,947,969)	(390,724)	1,570,271	(5,768,422)
Furniture and intangibles	(557,073)	(154,954)	21,204	(690,823)
Total accumulated depreciation	<u>\$ (131,216,712)</u>	<u>\$ (4,354,413)</u>	<u>\$ 1,933,757</u>	<u>\$ (133,637,368)</u>
Net total of capital assets being depreciated	\$ 45,067,068	\$ 4,998,869	\$ (372,266)	\$ 49,693,671
Land	2,760,072	36,172	-	2,796,244
Construction in Progress	6,300,991	6,915,786	(5,566,652)	7,650,125
Governmental Activities Capital Assets	<u><u>\$ 54,128,131</u></u>	<u><u>\$ 11,950,827</u></u>	<u><u>\$ (5,938,918)</u></u>	<u><u>\$ 60,140,040</u></u>

Business-Type Activities

	Balance, April 30, 2020	Additions	Retirements	Balance, April 30, 2021
Buildings	\$ 25,142,960	\$ -	\$ -	\$ 25,142,960
Systems	146,030,477	5,233,330	-	151,263,807
Machinery and equipment	6,744,245	112,711	(11,575)	6,845,381
Vehicles	5,099,888	640,684	(27,380)	5,713,192
Total assets being depreciated	<u>\$ 183,017,570</u>	<u>\$ 5,986,725</u>	<u>\$ (38,955)</u>	<u>\$ 188,965,340</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (14,057,307)	\$ (685,865)	\$ -	\$ (14,743,172)
Systems	(93,583,634)	(3,565,211)	-	(97,148,845)
Machinery and equipment	(2,396,080)	(207,313)	9,583	(2,593,810)
Vehicles	(3,784,341)	(211,753)	2,438	(3,993,656)
Total accumulated depreciation	<u>\$ (113,821,362)</u>	<u>\$ (4,670,142)</u>	<u>\$ 12,021</u>	<u>\$ (118,479,483)</u>
Net total of capital assets being depreciated	\$ 69,196,208	\$ 1,316,583	\$ (26,934)	\$ 70,485,857
Land	1,797,779	-	-	1,797,779
Construction in Progress	8,405,291	11,023,581	(3,783,267)	15,645,605
Business-Type Activities Capital Assets	<u><u>\$ 79,399,278</u></u>	<u><u>\$ 12,340,164</u></u>	<u><u>\$ (3,810,201)</u></u>	<u><u>\$ 87,929,241</u></u>

4) Capital Assets (Concluded)

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

Governmental Activities	
General government	\$ 264,018
Public safety	766,012
Public works	2,834,463
Other governmental activities	489,920
Total Governmental activities	<u>\$ 4,354,413</u>
Business-Type Activities	
Water	\$ 1,352,772
Sewer	2,386,847
Airport	893,389
Other enterprise	37,134
Total Business-type activities	<u>\$ 4,670,142</u>

5) Non-current Liabilities

For the Year Ended April 30, 2021, the changes in non-current liabilities are as follows:

Governmental Activities	Balance	(Retirements)	Balance
	April 30, 2020	Additions	April 30, 2021
General Obligation Bonds	\$ 26,628,419	\$ (1,110,833)	\$ 25,517,586
Accrued interest on bonds	409,160	(28,972)	380,188
Notes Payable - Bank	316,552	(73,997)	242,555
Compensated absences	2,878,138	13,040	2,891,178
Net pension liability	101,700,537	(10,246,190)	91,454,347
Unamortized bond premium	1,892,963	(41,261)	1,851,702
Net OPEB obligation	10,590,785	695,051	11,285,836
Landfill post-closure	2,097,000	(76,000)	2,021,000
	<u>\$ 146,513,554</u>	<u>\$ (10,869,162)</u>	<u>\$ 135,644,392</u>
Business-Type Activities	Balance	(Retirements)	Balance
	April 30, 2020	Additions	April 30, 2021
Compensated absences	\$ 282,821	\$ 42,782	\$ 325,603
Notes payable - Bank	3,639,406	14,495,789	18,135,195
Net OPEB obligation	2,028,023	222,325	2,250,348
Net pension liability	139,920	(139,920)	-
	<u>\$ 6,090,170</u>	<u>\$ 14,620,976</u>	<u>\$ 20,711,146</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.

5) Non-current Liabilities (Continued)

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.

General Obligation Bonds

At April 30, 2021, 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.	\$ 3,220,000
\$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.	3,575,000
\$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, 2020, with interest at 2.07%, payable monthly.	97,586
\$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.	410,000
Total	\$ 25,517,586
Less: Current portion of bonds payable	(1,182,586)
Net Long-Term Bonds Payable	<u>\$ 24,335,000</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.

5) Non-current Liabilities (Continued)

General Obligation Bonds (Continued)

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.

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.

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, 2021, 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 \$933,181 has been included as a direct function expense. No interest was required to be capitalized during the year ended April 30, 2021.

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
2022	\$ 1,182,586	\$ 939,202	\$ 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	1,055,000	795,800	1,850,800
2027-2031	6,095,000	3,361,600	9,456,600
2032-2036	7,940,000	2,009,800	9,949,800
2037-2040	6,210,000	420,650	6,630,650
	<u>\$ 25,517,586</u>	<u>\$ 10,118,302</u>	<u>\$ 35,635,888</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, 2021
GOB 2009B	\$ 8,031	\$ 5,354
GOB 2017A	53,625	35,750
GOB 2019A	64,400	53,667
GOB 2019B	342,500	285,417
	\$ 468,556	\$ 380,188

Notes Payable – Bank

Governmental Activities

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, 2021, was \$112,500.

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, 2021, was \$130,055.

The annual requirements to amortize the outstanding loans as of April 30, 2021, are as follows:

Year Ending April 30	Principal	Interest	Total
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	12,500	-	12,500
2027-2031	50,000	-	50,000
	\$ 242,555	\$ 7,420	\$ 249,975

Business-Type Activities

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 September 13, 2021 and the final payment due September 13, 2040. As of April 30, 2021, the City had drawdowns totaling \$4,858,392. Of this amount, \$771,384 of the principal was forgiven and is shown as income in the financial statements. The principal balance of this loan at April 30, 2021, was \$4,103,446. This project is still underway. Once the project is complete, a final repayment schedule can be issued.

5) Non-current Liabilities (Continued)

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 of \$103,847 are due semiannually with the first payment due April 1, 2020 and the final payment due October 1, 2039. At April 30, 2021, the City had drawdowns totaling \$3,420,688 and is now fully funded. The balance of this loan at April 30, 2021, was \$3,244,165.

On July 1, 2020, the City entered into a loan agreement with Mercantile Bank for \$10,000,000 to help fund the water and sewer projects underway with 29% for the Water fund and 71% for the Sewer Fund. This loan calls for monthly payments of \$92,631 beginning September 1, 2020, at an interest rate of 1.92% and is secured by all water and sewer fees, revenues and funds now and hereafter due, owing or paid to the City from the users of its water and sewer services. Final maturity is July 1, 2030. The balance of this loan at April 30, 2021, was \$9,324,230.

On January 8, 2021, the City entered into a loan agreement with First Bankers Trust Company for \$1,500,000 to be used for airport improvements. This loan calls for quarterly payments of \$40,948 beginning March 8, 2021, at an interest rate of 1.75% and is unsecured. Final maturity is December 8, 2030. The balance of this loan at April 30, 2021, was \$1,463,354.

On January 8, 2021, the City executed a loan agreement with the Illinois Environmental Protection Agency for additional funding of the Drinking Water project currently underway. The maximum loan amount is \$4,400,000 at an interest rate of 1.35% and a term of 20 years. Payments will be semi-annual with the first payment due August 5, 2022 and a final payment due February 5, 2042. The City has not drawn down any of this loan as of April 30, 2021.

On March 15, 2021, the City executed a loan agreement with the Illinois Environmental Protection Agency for additional funding of the Wastewater project currently underway. The maximum loan amount is \$4,177,680 at an interest rate of 1.35% and a term of 20 years. Payments will be semi-annual with the first payment due July 8, 2022 and a final payment due January 8, 2042. \$626,652 of the loan amount is eligible to be forgiven by the state of Illinois. The City has not drawn down any of this loan as of April 30, 2021.

The annual requirements to amortize these outstanding loans as of April 30, 2021, are as follows:

Year Ending April 30	Principal	Interest	Total
2022	\$ 1,290,795	\$ 319,636	\$ 1,610,431
2023	1,430,028	305,608	1,735,636
2024	1,456,994	278,641	1,735,635
2025	1,485,298	250,337	1,735,635
2026	1,513,735	221,901	1,735,636
2027-2031	7,134,475	669,076	7,803,551
2032-2036	2,035,868	265,498	2,301,366
2037-2041	1,788,002	75,533	1,863,535
	\$ 18,135,195	\$ 2,386,230	\$ 20,521,425

5) Non-current Liabilities (Concluded)

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, 2021.

A summary of the liability for compensated absences by function at April 30, 2021, follows:

	<u>Sick Leave</u>	<u>Vacation</u>	<u>Comp Time</u>	<u>Total</u>	<u>Current Portion</u>
Governmental activities:					
General government	\$ 45,180	\$ 57,914	\$ -	\$ 103,094	\$ 61,950
Public safety	1,158,685	702,214	557,806	2,418,705	1,433,202
Public works	138,900	108,099	48,274	295,273	160,025
Engineering services	20,324	27,645	-	47,969	29,075
Community development	10,800	15,337	-	26,137	16,461
	<u>\$ 1,373,889</u>	<u>\$ 911,209</u>	<u>\$ 606,080</u>	<u>\$ 2,891,178</u>	<u>\$ 1,700,713</u>
Business-type activities:					
Water	\$ 119,411	\$ 86,588	\$ -	\$ 205,999	\$ 91,308
Sewer	28,049	20,903	-	48,952	21,545
Airport	15,747	19,536	-	35,283	20,055
Garbage and Recycle	21,151	14,218	-	35,369	15,007
	<u>\$ 184,358</u>	<u>\$ 141,245</u>	<u>\$ -</u>	<u>\$ 325,603</u>	<u>\$ 147,915</u>
Total Compensated Absences	<u>\$ 1,558,247</u>	<u>\$ 1,052,454</u>	<u>\$ 606,080</u>	<u>\$ 3,216,781</u>	<u>\$ 1,848,628</u>

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. \$2,021,000 has been accrued as a landfill post-closure liability at April 30, 2021, 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, 2020 for the 2019 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 \$1,784,393 in the Governmental activities and \$4,958,080 in the Pension Trust funds, levied for 2020, 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, 2021, were 100% of the 2019 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	320
Inactive employees entitled to but not yet receiving benefits	110
Active employees	<u>218</u>
Total	<u><u>648</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 2020 was 10.98 percent. For the fiscal year ended April 30, 2021, the City contributed \$1,047,225 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, 2020, 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, 2020, 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	2.25%
Salary Increase	2.85% to 13.75%
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 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Notes	There were no benefit changes during the year.

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, 2020:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	37.00%	5.00%
International Equities	18.00%	6.00%
Fixed Income	28.00%	1.30%
Real Estate	9.00%	6.20%
Alternatives	7.00%	2.85 - 6.95%
Cash Equivalents	1.00%	0.70%

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 4/30/2020	\$ 82,041,650	\$ 81,804,121	\$ 237,529
Changes for the year:			
Service cost	\$ 1,017,972	\$ -	
Interest	5,908,410	-	
Difference between expected and actual experience	(943,853)	-	
Contributions-employer	-	1,063,677	
Contributions-employee	-	433,993	
Net investment income	-	12,022,774	
Benefits payments, including refunds	(4,879,029)	(4,879,029)	
Assumption changes	(338,355)	-	
Other changes	-	(43,181)	
Net changes	\$ 765,145	\$ 8,598,234	\$ (7,833,089)
Balances at 4/30/2021	\$ 82,806,795	\$ 90,402,355	\$ (7,595,560)

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	\$ 93,132,035	\$ 82,806,795	\$ 77,058,021
Plan Fiduciary Net Position	90,402,355	90,402,355	90,402,355
Net Pension Liability/(Asset)	<u>\$ 2,729,680</u>	<u>\$ (7,595,560)</u>	<u>\$ (13,344,334)</u>

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

For the year ended April 30, 2021, the City recognized pension benefit of \$1,593,928. 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	\$ 117,973	\$ 756,248
Changes in assumptions	240,163	234,444
Net difference between projected and actual earnings on pension plan investments	4,199,725	11,713,625
Contributions subsequent to measurement date *	320,007	-
Total	<u>\$ 4,877,868</u>	<u>\$ 12,704,317</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, 2021.

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
2021	\$ (2,194,437)
2022	(1,310,648)
2023	(3,094,156)
2024	(1,227,212)
2025	-
Thereafter	-
Total	<u>\$ (7,826,451)</u>

7) Pension Plans (Continued)

Police and Firefighters Pension Funds

Plan Description

The City of Quincy contributes to two single-employer defined benefit pension plans: Police Pension Fund and Firefighters 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 Firefighters Pension plans was completed as of May 1, 2020.

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 Firefighters 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, 2020, the following employees were covered by the benefit terms:

Police Pension Fund	
Inactive employees or beneficiaries currently receiving benefits	79
Inactive employees entitled to but not yet receiving benefits	11
Active employees	73
Total	163
 Firefighters' Pension Fund	
Inactive employees or beneficiaries currently receiving benefits	86
Inactive employees entitled to but not yet receiving benefits	1
Active employees	60
Total	147

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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of May 1, 2020.

7) Pension Plans (Continued)

Police and Firefighters Pension Funds (Continued)

Actuarial Assumptions

The total pension liability in the May 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	May 1, 2020
Asset Valuation Method	5-year Smoothed Market Value
Inflation	2.25%
Salary Increase	3.25%
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

The long-term expected rate of return on pension plan investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) 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 April 30, 2021:

Police	
<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	7.50-9.30%
International Equities	8.30%
Fixed Income	-0.40-6.00%
Real Estate	8.00%
Emerging Debt	4.90%
Emerging Markets Equity	9.70%
Fire	
<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	5.80-6.80%
International Equities	5.90%
Fixed Income	0.70-1.70 %
Real Estate	5.80%
Commodities	2.40%
Emerging Markets Equity	8.00%
Cash Equivalents	0.50%

7) Pension Plans (Continued)

Police and Firefighters Pension Funds (Continued)

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.

Changes in the Net Position Liability

Police Pension Fund

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 4/30/2020	\$ 86,962,478	\$ 37,250,858	\$ 49,711,620
Changes for the year:			
Service Cost	\$ 1,379,635	\$ -	
Interest	5,629,128	-	
Difference between expected and actual experience	1,612,041	-	
Changes of assumptions	-	-	
Changes of benefit terms	-	-	
Contributions-employer	-	4,136,697	
Contributions-employee	-	570,519	
Contributions-other	-	22,260	
Net investment income	-	10,732,314	
Benefits payments, including refunds	(3,994,445)	(3,994,445)	
Administrative expense	-	(32,612)	
Other changes	-	-	
Net changes	\$ 4,626,359	\$ 11,434,733	\$ (6,808,374)
Balances at 4/30/2021	\$ 91,588,837	\$ 48,685,591	\$ 42,903,246

7) Pension Plans (Continued)

Police and Firefighters Pension Funds (Continued)

Changes in the Net Position Liability (Concluded)

Firefighters' Pension Fund

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 4/30/2020	\$ 86,441,762	\$ 34,554,361	\$ 51,887,401
Changes for the year:			
Service Cost	\$ 1,365,286	\$ -	
Interest	5,695,460	-	
Difference between expected and actual experience	1,657,972	-	
Changes of assumptions	2,091,520	-	
Changes of benefit terms	-	-	
Contributions-employer	-	4,529,836	
Contributions-employee	-	434,084	
Contributions-other	-	-	
Net investment income	-	9,213,927	
Benefits payments, including refunds	(4,236,705)	(4,236,705)	
Administrative expense	-	(31,309)	
Other changes	-	-	
Net changes	<u>\$ 6,573,533</u>	<u>\$ 9,909,833</u>	<u>\$ (3,336,300)</u>
Balances at 4/30/2021	<u>\$ 93,015,295</u>	<u>\$ 44,464,194</u>	<u>\$ 48,551,101</u>

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.

	Current Single Discount		
	1% Decrease 5.50%	Rate Assumption 6.50%	1% Increase 7.50%
Police Pension Fund			
Net Pension Liability/(Asset)	\$ 57,380,531	\$ 42,903,246	\$ 31,305,193
Firefighters' Pension Fund			
Net Pension Liability/(Asset)	\$ 62,318,646	\$ 48,551,101	\$ 37,403,663

7) Pension Plans (Concluded)

Police and Firefighters Pension Funds (Concluded)

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

For the year ended April 30, 2021, the City recognized pension expense of \$5,206,751 for the Firefighters Fund and \$4,016,310 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	\$ 1,867,887	\$ 1,564,312
Changes in assumptions	3,808,606	222,163
Net difference between projected and actual earnings on pension plan investments	1,687,810	6,733,209
Total	\$ 7,364,303	\$ 8,519,684

Firefighters' Pension Fund	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,137,034	\$ -
Changes in assumptions	4,262,110	-
Net difference between projected and actual earnings on pension plan investments	1,315,181	5,977,888
Total	\$ 7,714,325	\$ 5,977,888

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

Police Pension Fund		Net Deferred Outflows of Resources
Year Ending April 30		
2022		\$ (86,352)
2023		(244,634)
2024		(538,319)
2025		(1,032,259)
2026		559,082
Thereafter		187,101
Total		\$ (1,155,381)

Firefighters' Pension Fund		Net Deferred Outflows of Resources
Year Ending April 30		
2022		\$ 738,220
2023		903,599
2024		568,822
2025		(518,661)
2026		44,457
Thereafter		-
Total		\$ 1,736,437

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, 2021, 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	-
Active employees	318
Total	585

Contributions

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

Net OPEB Liability

The OPEB liability was measured as of April 30, 2021, 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.

Discount Rate

The discount rate used to measure the total OPEB liability is 2.56% at the beginning of the year and 2.27% 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 (Continued)

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	2.27%		
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 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 Participants improved to 2017 using MP-2019 Improvement rates.

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 4/30/2020	\$ 12,618,808	\$ -	\$ 12,618,808
Changes for the year:			
Service cost	\$ 280,707	\$ -	
Interest	318,695	-	
Difference between expected and actual experience	-	-	
Contributions-employer	-	339,537	
Contributions-employee	-	-	
Net investment income	-	-	
Benefits payments, including refunds	(339,537)	(339,537)	
Assumption changes	657,511	-	
Other changes	-	-	
Net changes	<u>\$ 917,376</u>	<u>\$ -</u>	<u>\$ 917,376</u>
Balances at 4/30/2021	<u>\$ 13,536,184</u>	<u>\$ -</u>	<u>\$ 13,536,184</u>

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 1.27%	Current Single Discount Rate Assumption 2.27%	1% Increase 3.27%
Employer Net OPEB Liability	\$ 16,254,118	\$ 13,536,184	\$ 11,465,956

OPEB Expense

For the year ended April 30, 2021, the City recognized OPEB expense of \$844,534.

9) Individual Fund Disclosures

For the year ended April 30, 2021, no major funds, for which budgets were adopted, had an excess of expenditures over budgeted amounts. However, the City budgeted expenditures in excess of available resources (beginning fund balance and estimated revenues) in the following funds:

<u>Fund Name</u>	<u>Beginning Balance</u>	<u>Estimated Revenues</u>	<u>Budgeted Charges to Appropriations</u>	<u>Budgeted Deficit</u>
<i>Special Revenue Funds:</i>				
Fire Contributions	\$ 19,499	\$ 27,500	\$ 274,500	\$(227,501)
<i>Capital Projects Funds:</i>				
TIF #2	1,539,444	543,000	2,167,939	(85,495)
2019B GO Street Project	18,660,133	240,000	19,001,995	(101,862)
<i>Debt Service Funds:</i>				
2013B HVAC Project Bond	1,118	-	12,000	(10,882)
2010 GO Bond	76,167	-	77,000	(833)
2015 GO Bond	114,844	-	115,000	(156)

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 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 Fund on a reimbursement basis in lieu of paying an unemployment tax. The Unemployment 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, 2021, was \$2,153,501. Limits of liability are as follows:

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

11) Internal Balances and Activity

At April 30, 2021, the following funds had deficit fund balances/net position:

Fund Name	Deficit
<i>Special Revenue Funds:</i>	
Quincy Transit Lines	\$ 47,367
<i>Capital Projects Funds:</i>	
Fire Equipment/Improvement	50,160
<i>Internal Service Funds:</i>	
Health Insurance	806,413

11) Internal Balances and Activity (Concluded)

Interfund transfers during the year ended April 30, 2021, were as follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 2,619,950	\$ 1,651,837
911 System Fund	473,500	-
Quincy Transit Lines	85,143	-
Capital Projects Fund	510,000	90,044
Other governmental funds	373,757	1,148,387
	\$ 4,062,350	\$ 2,890,268
Enterprise funds:		
Water Department	\$ 457,163	\$ -
Sewer Department	701,917	9,138
Quincy Regional Airport	116,217	-
Garbage and Recycle funds	815,321	237,631
Other enterprise funds	17,100	200,000
	\$ 2,107,718	\$ 446,769
Internal service funds:		
Central Garage	\$ 183,500	\$ -
Central Services	88,111	1,607,621
Other internal service funds	9,138	1,506,159
	\$ 280,749	\$ 3,113,780
	\$ 6,450,817	\$ 6,450,817

Interfund receivables and payables at April 30, 2021, were as follows:

Due from	Due to				Total
	General Fund	Neighborhood Rehab	Self Insurance	Other Funds	
State and Federal Grants	\$ 3,980	\$ 100,000	\$ -	\$ -	\$ 103,980
Fire Equip/Improvement	67,700	-	-	-	67,700
Quincy Transit Lines	1,696,500	-	-	-	1,696,500
Quincy Regional Airport	238,700	-	-	-	238,700
Health Insurance	-	-	840,000	-	840,000
Other Funds	-	-	-	78,818	78,818
Total	\$ 2,006,880	\$ 100,000	\$ 840,000	\$ 78,818	\$ 3,025,698

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, 2021 was \$67,700. During the year ended April 30, 2021, Quincy Transit Lines and Quincy Regional Airport borrowed \$1,696,500 and \$238,700 from the General Fund, respectively, to cover costs until CARES Act federal funding was received. Also, the Health Insurance Fund borrowed \$840,000 from the Self Insurance Fund to cover claims. The State and Federal Grants Fund borrowed \$100,000 from the Neighborhood Rehab Fund to cover costs until grant funding was received. Finally, the debt service funds used interfund borrowing of \$78,818 to cover shortfalls in each fund's debt service needs. 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 \$546,416 into the plans for the year ended April 30, 2021.

13) Segment Information Disclosure

The City maintains seven Enterprise Funds. The Water Department and Sewer Department provide water and wastewater treatment services, respectively, to residents of the City. The Quincy Municipal Airport fund provides for the operations and maintenance of the Quincy Municipal Airport and Baldwin Field. The Regional Firefighters Training Center Fund accounts for the operation of the City's firefighter training center. The Quincy Municipal Dock Fund accounts for the operation of the City's river dock. The City also began using the new Garbage Fund and the Recycling Fund this fiscal year due to the new garbage and recycling programs.

Key financial information as of and for the year ended April 30, 2021 for these funds is as follows:

	Water Department	Sewer Department	Quincy Regional Airport	Other Enterprise Funds	Total
Operating revenues	\$ 8,444,206	\$ 5,778,219	\$ 345,174	\$ 1,841,492	\$ 16,409,091
Operating expenses (excluding depreciation)	5,753,108	3,787,192	833,791	1,902,713	12,276,804
Depreciation	1,352,772	2,386,847	893,389	37,134	4,670,142
Operating income	\$ 1,338,326	\$ (395,820)	\$ (1,382,006)	\$ (98,355)	\$ (537,855)
Non-operating revenues/ (expenses)	(31,647)	700,766	1,143,941	4,765	1,817,825
Capital contributions	-	-	-	-	-
Operating transfers	457,163	692,779	116,217	394,790	1,660,949
Net income (loss)	<u>\$ 1,763,842</u>	<u>\$ 997,725</u>	<u>\$ (121,848)</u>	<u>\$ 301,200</u>	<u>\$ 2,940,919</u>
Capital asset additions	\$ 4,051,182	\$ 8,336,855	\$ 426,905	\$ 644,098	\$ 13,459,040
Net working capital	\$ 7,773,227	\$ 7,909,003	\$ 2,511,816	\$ 766,525	\$ 18,960,571
Total assets	\$37,762,748	\$50,500,150	\$22,443,892	\$ 2,480,942	\$ 113,187,732
Notes payable from operating revenues	\$ 5,948,192	\$10,723,649	\$ 1,463,354	\$ -	\$ 18,135,195
Total equity	\$28,217,059	\$38,073,344	\$19,918,700	\$ 1,726,502	\$ 87,935,605

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, 2021, follows:

	Loans Outstanding
Revolving Loan Fund	\$ 308,583
CDBG Revolving Loan Fund	363,964
Business and Housing Loans	338,103
Small Business Emergency Loans	22,025
Total	\$ 1,032,675

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, 2021, 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, 2021, the City received \$32,561 in rental income.

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 \$1,567 and expires October 31, 2035. For the year ended April 30, 2021, the City received \$9,669 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, 2021, the City received \$19,838 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, 2021, the City received \$22,848 in rental income.

The City also leases ground for communication services. This lease, dated October 22, 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 \$17,875 in rental income from this property for the year ended April 30, 2021.

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
2022	\$ 8,100
2023	8,100
2024	4,050
	\$ 20,250

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, 2021. 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 \$67,133 per month. The following table depicts the future minimum fees under this agreement:

Year Ending April 30	Total
2022	\$ 805,592
2023	805,592
2024	805,592
2025	805,592
	\$ 3,222,368

18) Commitments and Contingencies (Concluded)

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
2022	\$ 138,700
2023	138,700
2024	34,675
	\$ 312,075

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. This is shown as prepaid expenses in the financial statements as none of this \$200,000 has been used through April 30, 2021.

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, 2021. These projects include: the 2019 Bond street projects of \$14,268,728 that was 43.3% complete; the water treatment project of \$6,098,000 that was 11.6% complete; an Aeration System Replacement project of \$4,992,788 that was 86.8% complete; a clarifier replacement project of \$3,432,000 that was 91.3% complete; the South Quincy lift station project of \$1,498,000 that was 98.5% complete; Highland Lane Street 12th to 18th street and sewer project of \$944,495 that is 98.2% complete; Curved Creek Phase 2 project of \$826,229 that is 92.4% complete; the 2019 Sidewalk project of \$1,094,757 that was 89.2% complete; and other street and sewer projects totaling \$529,995 that are in various stages of completion. There was also one software project of \$879,221 that was 4.6% complete at April 30, 2021.

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 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. This was offset by Local Coronavirus Urgent Remediation Emergency Support (CURES) program grant money in the amount of \$1,676,234 that was made available to local governments to reimburse the City for various COVID-19 expenses incurred. The City also received CARES Act funding for its Transit system in the amount of \$1,894,560 and the City received \$778,327 of CARES Act funding for its Airport fund to assist the City in maintaining transportation during the pandemic. The ultimate financial impact and duration of the pandemic 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, 2021, was \$239,567.

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, 2021, was \$369,395.

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, 2021, Adams County abated property taxes in the County which would have totaled \$75,936 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 \$32,020 for the year ended April 30, 2021.

20) Subsequent Events

Subsequent events have been evaluated through October 22, 2021, which is the date the financial statements were available to be issued.

21) Recently Issued Pronouncements

As of April 30, 2021, 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. 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. 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.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these statements on its financial statements.

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, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, May 1, 2020	\$ 8,331,564	\$ 8,331,564	\$ 8,331,564	\$ -
Resources (inflows):				
Property taxes	96,000	98,880	98,880	-
Franchise taxes	391,424	391,424	392,102	678
Charges for services	1,041,400	1,024,800	970,776	(54,024)
Fines and forfeitures	361,500	361,500	326,033	(35,467)
Intergovernmental	25,597,042	26,469,667	28,330,965	1,861,298
Grants and contributions	83,000	1,579,742	1,589,753	10,011
Investment earnings	71,700	71,700	52,558	(19,142)
Miscellaneous	39,904	39,904	69,329	29,425
Sale of assets	1,500	1,500	13,398	11,898
Cost share transfers, net	944,500	944,500	968,480	23,980
Operating transfers in	1,045,000	1,164,044	1,521,012	356,968
Amounts Available for Appropriation	<u>\$ 38,004,534</u>	<u>\$ 40,479,225</u>	<u>\$ 42,664,850</u>	<u>\$ 2,185,625</u>
Charges to Appropriations (outflows)				
General Government				
Aldermen	\$ 219,158	\$ 257,660	\$ 238,753	\$ 18,907
Mayor	210,225	217,653	208,022	9,631
City Treasurer	280,123	329,557	312,900	16,657
City Clerk	231,015	220,958	214,298	6,660
Director of Administration	117,336	120,345	118,332	2,013
Purchasing	79,020	85,385	84,710	675
Building Maintenance	263,954	299,810	273,028	26,782
Comptroller	359,311	370,638	350,415	20,223
Legal Department	264,443	278,583	257,354	21,229
Boards and Commissions	29,112	29,112	35,687	(6,575)
Information Technology	627,161	669,854	660,437	9,417
Public Safety				
Police Department	11,001,396	11,385,584	11,126,920	258,664
Fire Department	8,508,865	8,927,061	8,885,043	42,018
Public Works	4,126,140	4,765,489	4,322,077	443,412
Engineering Services	631,951	680,833	660,703	20,130
Health and sanitation	144,309	143,536	107,742	35,794
Community development	801,100	757,980	707,842	50,138
Culture and recreation	649,876	649,876	649,876	-
Cemetery	240,000	244,412	244,412	-
Capital outlay	153,215	140,841	111,104	29,737
Nondepartmental				
Operating transfers out	2,425,799	2,237,631	1,651,837	585,794
Total Charges to Appropriations	<u>\$ 31,363,509</u>	<u>\$ 32,812,798</u>	<u>\$ 31,221,492</u>	<u>\$ 1,591,306</u>
Budgetary Balance, April 30, 2021	<u><u>\$ 6,641,025</u></u>	<u><u>\$ 7,666,427</u></u>	<u><u>\$ 11,443,358</u></u>	<u><u>\$ 3,776,931</u></u>

City of Quincy, Illinois

Budgetary Comparison Schedule - Quincy Transit Lines Fund
For the Year Ended April 30, 2021

	<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, 2020	\$ 255,809	\$ 255,809	\$ 255,809	\$ -
Resources (inflows):				
Charges for services	122,800	122,800	85,205	(37,595)
Grants and contributions	5,185,356	7,385,356	1,521,276	(5,864,080)
Miscellaneous	2,050	2,050	4,904	2,854
Investment earnings	1,200	1,200	949	(251)
Cost share transfers, net	(368,583)	(368,583)	(279,915)	88,668
Operating transfers in	285,143	85,143	85,143	-
Amounts Available for Appropriation	<u>\$ 5,483,775</u>	<u>\$ 7,483,775</u>	<u>\$ 1,673,371</u>	<u>\$ (5,810,404)</u>
Charges to Appropriations (outflows)				
Public Works	\$ 3,737,873	\$ 3,754,824	\$ 3,001,046	\$ 753,778
Capital outlay	1,485,691	1,485,691	13,000	1,472,691
Total Charges to Appropriations	<u>\$ 5,223,564</u>	<u>\$ 5,240,515</u>	<u>\$ 3,014,046</u>	<u>\$ 2,226,469</u>
Budgetary Balance, April 30, 2021	<u>\$ 260,211</u>	<u>\$ 2,243,260</u>	<u>\$ (1,340,675)</u>	<u>\$ (3,583,935)</u>

City of Quincy, Illinois

Budgetary Comparison Schedule - 2019B GO Street Project Fund
For the Year Ended April 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, May 1, 2020	\$ 18,660,133	\$ 18,660,133	\$ 18,660,133	\$ -
Resources (inflows):				
Investment earnings	240,000	240,000	61,650	(178,350)
Amounts Available for Appropriation	\$ 18,900,133	\$ 18,900,133	\$ 18,721,783	\$ (178,350)
Charges to Appropriations (outflows)				
General government	\$ -	\$ -	\$ -	\$ -
Capital outlay	19,001,995	19,001,995	4,805,337	14,196,658
Total Charges to Appropriations	\$ 19,001,995	\$ 19,001,995	\$ 4,805,337	\$ 14,196,658
Budgetary Balance, April 30, 2021	\$ (101,862)	\$ (101,862)	\$ 13,916,446	\$ 14,018,308

City of Quincy, Illinois
 Budgetary Comparison Schedule
 Budget - to - GAAP Reconciliation
 For the Year Ended April 30, 2021

	<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.	\$ 42,664,850	\$ 1,673,371	\$ 18,721,783
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.	(8,331,564)	(255,809)	(18,660,133)
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.	1,949,593	1,554,238	-
Transfers from other funds and debt proceeds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	<u>(2,502,890)</u>	<u>194,772</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 33,779,989</u>	<u>\$ 3,166,572</u>	<u>\$ 61,650</u>
Uses/Outflows of Resources			
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$ 31,221,492	\$ 3,014,046	\$ 4,805,337
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.	(522,606)	185,541	604,556
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	<u>(1,651,837)</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 29,047,049</u>	<u>\$ 3,199,587</u>	<u>\$ 5,409,893</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, 2021

	Quincy Public Library	Woodland Cemetery	Total Component Units
Assets			
Cash and cash investments	\$ 1,315,603	\$ 252,834	\$ 1,568,437
Investments	1,967,174	1,255,771	3,222,945
Receivables, net	736,052	-	736,052
Prepaid expenses	21,933	-	21,933
Net pension asset	448,796	-	448,796
Capital assets, net	5,049,636	610,569	5,660,205
Total Assets	\$ 9,539,194	\$ 2,119,174	\$ 11,658,368
Deferred Outflows of Resources			
Pension obligation	\$ 488,582	\$ -	\$ 488,582
OPEB	\$ 19,327	\$ -	\$ 19,327
Liabilities			
Accounts payable	\$ 4,868	\$ 1,071	\$ 5,939
Accrued expenses	77,442	641	78,083
Net pension liability	-	-	-
Net OPEB liability	549,857	-	549,857
Unearned revenue	49,528	-	49,528
Total Liabilities	\$ 681,695	\$ 1,712	\$ 683,407
Deferred Inflows of Resources			
Unearned property taxes	\$ 732,052	\$ -	\$ 732,052
Pension obligation	1,265,476	-	1,265,476
Total Deferred Inflows of Resources	\$ 1,997,528	\$ -	\$ 1,997,528
Net Position			
Invested in capital assets, net of related debt	\$ 5,049,636	\$ 610,569	\$ 5,660,205
Restricted for:			
Other purposes	143,739	379,685	523,424
Unrestricted	2,174,505	1,127,208	3,301,713
Total Net Position	\$ 7,367,880	\$ 2,117,462	\$ 9,485,342

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, 2021

Total Pension Liability	2020	2019	2018	2017	2016	2015
Service Cost	\$ 1,017,972	\$ 994,300	\$ 899,387	\$ 984,502	\$ 979,682	\$ 1,019,908
Interest on total pension liability	5,908,410	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	(943,853)	(257,825)	975,382	(216,989)	(966,357)	(270,778)
Changes of assumptions	(338,355)	-	1,985,624	(2,120,438)	(162,926)	162,631
Benefit payments, including refunds	(4,879,029)	(4,706,470)	(4,304,814)	(4,180,583)	(4,003,358)	(3,698,939)
Net change in total pension liability	\$ 765,145	\$ 1,768,518	\$ 4,975,213	\$ (4,956)	\$ 1,261,066	\$ 2,479,529
Total pension liability-beginning	82,041,650	80,273,132	75,297,919	75,302,875	74,041,809	71,562,280
Total pension liability-ending (a)	<u>\$ 82,806,795</u>	<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	\$ 1,063,677	\$ 819,643	\$ 1,008,459	\$ 1,037,407	\$ 1,027,621	\$ 1,068,611
Contributions-employee	433,993	445,685	424,518	414,574	437,936	429,456
Net investment income	12,022,774	13,837,771	(4,515,014)	12,452,198	4,564,917	344,516
Benefit payments, including refunds	(4,879,029)	(4,706,470)	(4,304,814)	(4,180,583)	(4,003,358)	(3,698,939)
Other (Net Transfer)	(43,181)	258,698	1,151,568	(1,692,037)	148,620	(970,328)
Net change in plan fiduciary net position	\$ 8,598,234	\$ 10,655,327	\$ (6,235,283)	\$ 8,031,559	\$ 2,175,736	\$ (2,826,684)
Plan fiduciary net position-beginning	81,804,121	71,148,794	77,384,077	69,352,518	67,176,782	70,003,466
Plan fiduciary net position-ending (b)	<u>\$ 90,402,355</u>	<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)	\$ (7,595,560)	\$ 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	109.17%	99.71%	88.63%	102.77%	92.10%	90.73%
Covered valuation payroll	\$ 9,633,611	\$ 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	-78.84%	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, 2021

Total Pension Liability	2021	2020	2019	2018	2017	2016
Service Cost	\$ 1,365,286	\$ 1,334,071	\$ 1,170,860	\$ 1,222,758	\$ 1,226,820	\$ 1,188,521
Interest on total pension liability	5,695,460	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	1,657,972	79,225	1,621,119	51,770	(63,544)	(57,491)
Changes of assumptions	2,091,520	1,093,605	3,946,870	392,320	(2,632,120)	6,196,934
Benefit payments, including refunds	(4,236,705)	(4,077,115)	(3,945,016)	(3,662,533)	(3,524,482)	(3,403,608)
Net change in total pension liability	\$ 6,573,533	\$ 3,771,039	\$ 7,548,561	\$ 2,764,825	\$ (213,730)	\$ 8,303,929
Total pension liability-beginning	86,441,762	82,670,723	75,122,162	72,357,337	72,571,067	64,267,138
Total pension liability-ending (a)	<u>\$ 93,015,295</u>	<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	\$ 4,529,836	\$ 3,537,670	\$ 3,274,394	\$ 3,116,182	\$ 2,763,408	\$ 2,569,640
Contributions-employee	434,084	418,094	409,823	406,119	390,594	379,247
Contributions-other	-	377	-	-	-	-
Net investment income	9,213,927	52,730	2,573,461	3,145,858	2,853,220	139,881
Benefit payments, including refunds	(4,236,705)	(4,077,115)	(3,945,016)	(3,662,533)	(3,524,482)	(3,403,608)
Pension plan administrative expense	(31,309)	(32,517)	(221,447)	(24,062)	(21,492)	(25,479)
Prior period audit adjustment	-	44,542	-	-	-	-
Net change in plan fiduciary net position	\$ 9,909,833	\$ (56,219)	\$ 2,091,215	\$ 2,981,564	\$ 2,461,248	\$ (340,319)
Plan fiduciary net position-beginning	34,554,361	34,610,580	32,519,365	29,537,801	27,076,553	27,416,872
Plan fiduciary net position-ending (b)	<u>\$ 44,464,194</u>	<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)	\$ 48,551,101	\$ 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	47.80%	39.97%	41.87%	43.29%	40.82%	37.31%
Covered valuation payroll	\$ 4,564,471	\$ 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	1063.67%	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, 2021

Total Pension Liability	2021	2020	2019	2018	2017	2016
Service Cost	\$ 1,379,635	\$ 1,342,640	\$ 1,288,843	\$ 1,272,089	\$ 1,258,629	\$ 1,180,130
Interest on total pension liability	5,629,128	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	1,612,041	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	(3,994,445)	(3,839,459)	(3,837,014)	(3,543,220)	(3,448,643)	(3,049,461)
Net change in total pension liability	\$ 4,626,359	\$ 5,276,212	\$ 2,943,337	\$ 4,034,628	\$ 118,066	\$ 8,507,243
Total pension liability-beginning	86,962,478	81,686,266	78,742,929	74,708,301	74,590,235	66,082,992
Total pension liability-ending (a)	\$ 91,588,837	\$ 86,962,478	\$ 81,686,266	\$ 78,742,929	\$ 74,708,301	\$ 74,590,235
Plan Fiduciary Net Position						
Contributions-employer	\$ 4,136,697	\$ 3,342,597	\$ 2,860,093	\$ 2,822,719	\$ 2,404,913	\$ 2,126,886
Contributions-employee	570,519	536,207	523,133	543,001	501,824	534,438
Contributions-other	22,260	33,975	35,961	-	-	-
Net investment income	10,732,314	(43,669)	1,807,207	2,761,046	2,670,162	(1,479,316)
Benefit payments, including refunds	(3,994,445)	(3,839,459)	(3,837,014)	(3,543,220)	(3,448,643)	(3,049,461)
Pension plan administrative expense	(32,612)	(32,934)	(41,448)	(32,539)	(57,427)	(32,030)
Prior period audit adjustment	-	(49,274)	-	-	-	-
Net change in plan fiduciary net position	\$ 11,434,733	\$ (52,557)	\$ 1,347,932	\$ 2,551,007	\$ 2,070,829	\$ (1,899,483)
Plan fiduciary net position-beginning	37,250,858	37,303,415	35,955,483	33,404,476	31,333,647	33,233,130
Plan fiduciary net position-ending (b)	\$ 48,685,591	\$ 37,250,858	\$ 37,303,415	\$ 35,955,483	\$ 33,404,476	\$ 31,333,647
Net pension liability/(asset)-ending (a) - (b)	\$ 42,903,246	\$ 49,711,620	\$ 44,382,851	\$ 42,787,446	\$ 41,303,825	\$ 43,256,588
Plan fiduciary net position as a percentage of the total pension liability	53.16%	42.84%	45.67%	45.66%	44.71%	42.01%
Covered valuation payroll	\$ 5,757,003	\$ 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	745.24%	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, 2021

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
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%
2020	1,057,770	1,063,677	(5,907)	9,633,611	11.04%

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, 2021

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%
2021	4,358,286	4,529,836	(171,550)	4,564,471	99.24%

City of Quincy, Illinois
 Schedule of Employer Contributions
 Police Pension Fund
 April 30, 2021

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%
2021	3,882,752	4,136,697	(253,945)	5,757,003	71.86%

City of Quincy, Illinois

Notes to Schedule of Employer Contributions
Police Pension Fund
April 30, 2021

Valuation Date May 1, 2020

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll (Closed)
Equivalent Single Amortization Period	100% Funded Over 20 Years
Asset Valuation Method	5-year Smoothed Market Value
Price Inflation	2.50%
Payroll Increases	3.25%
Investment Rate of Return	6.50%
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate
Retirement Rates	100% of L&A 2016 Illinois Police Retirement Rates Capped at Age 65
Termination Rates	100% of L&A 2016 Illinois Police Termination Rates
Disability Rates	100% of L&A 2016 Illinois Police Disability Rates

City of Quincy, Illinois
Schedule of Changes in Total OPEB Liability
April 30, 2021

Total OPEB Liability	2021	2020	2019	2018
Service Cost	\$ 280,707	\$ 199,204	\$ 165,103	\$ 166,349
Interest	318,695	359,887	302,467	310,171
Changes of benefit terms	-	595,972	-	-
Difference between expected and actual experience	-	-	-	-
Changes in assumptions	657,511	2,719,321	203,151	-
Benefit payments, including refunds	(339,537)	(310,350)	(308,524)	(293,484)
Other changes	-	549,857	-	-
Net change in total OPEB liability	\$ 917,376	\$ 4,113,891	\$ 362,197	\$ 183,036
Total OPEB liability-beginning	12,618,808	8,504,917	8,142,720	7,959,684
Total OPEB liability-ending (a)	<u>\$ 13,536,184</u>	<u>\$ 12,618,808</u>	<u>\$ 8,504,917</u>	<u>\$ 8,142,720</u>
 Plan Fiduciary Net Position				
Contributions-employer	\$ 339,537	\$ 310,350	\$ 343,394	\$ 293,484
Contributions-employee	-	-	-	-
Net investment income	-	-	-	-
Benefit payments, including refunds	(339,537)	(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>	<u>\$ -</u>
Net OPEB liability/(asset)-ending (a) - (b)	\$ 13,536,184	\$ 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%	0.00%
Covered employee payroll	N/A	N/A	\$ 19,611,953	\$ 18,778,257
Net OPEB liability as a percentage of covered employee payroll	N/A	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, 2021

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
2021	N/A	\$ -	N/A	N/A	N/A
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 \$339.537.

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

Notes to Schedule of OPEB Contributions

April 30, 2021

Valuation Date May 1, 2019

Methods and Assumptions Used to Determine Contribution Rates:

Discount Rate Used for the Total OPEB Liability	Beginning of Year	2.56%
	End of Year	2.27%

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 sudty 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:

<u>Age</u>	<u>Police Rate</u>	<u>Firefighters Rate</u>
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:

<u>Age</u>	<u>Police Rate</u>	<u>Firefighters Rate</u>
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

<u>Age</u>	<u>Police Rate</u>	<u>Firefighters Rate</u>
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, 2021

	Special Revenue Funds								
	State and Federal Grants Fund	911 System	Arts Commission	Motor Fuel Tax	Town Road Tax	Police Contributions	Fire Contributions	Economic Growth	Franchise Fee "Green"
Assets									
Cash and cash equivalents	\$ 120,166	\$1,950,657	\$ 11,051	\$3,197,892	\$ 88,805	\$ 221,071	\$ 18,965	\$ 300,949	\$ 128,443
Restricted cash	-	-	-	-	-	-	-	-	-
Receivables, net	-	41,837	-	-	-	-	-	128,529	41,685
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	77,563	-	133,857	-	9,613	-	-	-
Total Assets	\$ 120,166	\$2,070,057	\$ 11,051	\$3,331,749	\$ 88,805	\$ 230,684	\$ 18,965	\$ 429,478	\$ 170,128
Liabilities and Fund Balances									
Accounts payable	\$ -	\$ 18,623	\$ -	\$ 374,456	\$ -	\$ 3,216	\$ -	\$ -	\$ -
Accrued expenses	-	16,398	-	-	-	-	-	-	-
Due to other funds	103,980	-	-	-	-	-	-	-	-
Total Liabilities	\$ 103,980	\$ 35,021	\$ -	\$ 374,456	\$ -	\$ 3,216	\$ -	\$ -	\$ -
Fund Balances									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
911 System	-	2,035,036	-	-	-	-	-	-	-
Motor fuel tax projects	-	-	-	2,957,293	-	-	-	-	-
Public safety projects	-	-	-	-	-	227,468	18,965	-	-
Other projects	16,186	-	11,051	-	88,805	-	-	-	-
Committed for:									
Economic growth	-	-	-	-	-	-	-	429,478	-
Assigned for:									
Green projects	-	-	-	-	-	-	-	-	170,128
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	\$ 16,186	\$2,035,036	\$ 11,051	\$2,957,293	\$ 88,805	\$ 227,468	\$ 18,965	\$ 429,478	\$ 170,128
Total Liabilities and Fund Balances	\$ 120,166	\$2,070,057	\$ 11,051	\$3,331,749	\$ 88,805	\$ 230,684	\$ 18,965	\$ 429,478	\$ 170,128

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, 2021

	Special Revenue Funds							Total Special Revenue Funds
	Economic Development Loan	CDAP Loan	CBD Loan	Neighborhood Rehab Loan	Small Business Emergency	Bridge Lighting	Tourism Tax	
Assets								
Cash and cash equivalents	\$ 409,571	\$ 606,548	\$ 939,198	\$ 110,718	\$ 481,665	\$ 65,229	\$ 142,468	\$ 8,793,396
Restricted cash	-	-	-	-	-	-	-	-
Receivables, net	-	-	-	-	-	-	85,591	297,642
Due from other funds	-	-	-	100,000	-	-	-	100,000
Due from other governments	-	45,000	-	-	-	-	-	266,033
Total Assets	\$ 409,571	\$ 651,548	\$ 939,198	\$ 210,718	\$ 481,665	\$ 65,229	\$ 228,059	\$ 9,457,071
Liabilities and Fund Balances								
Accounts payable	\$ -	\$ -	\$ 1,548	\$ -	\$ -	\$ 119	\$ -	\$ 397,962
Accrued expenses	-	-	-	-	-	-	-	16,398
Due to other funds	-	-	-	-	-	-	-	103,980
Total Liabilities	\$ -	\$ -	\$ 1,548	\$ -	\$ -	\$ 119	\$ -	\$ 518,340
Fund Balances								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	409,571	651,548	937,650	210,718	481,665	-	-	2,691,152
Capital projects	-	-	-	-	-	-	-	-
911 System	-	-	-	-	-	-	-	2,035,036
Motor fuel tax projects	-	-	-	-	-	-	-	2,957,293
Public safety projects	-	-	-	-	-	-	-	246,433
Other projects	-	-	-	-	-	65,110	228,059	409,211
Committed for:								
Economic growth	-	-	-	-	-	-	-	429,478
Assigned for:								
Green projects	-	-	-	-	-	-	-	170,128
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	\$ 409,571	\$ 651,548	\$ 937,650	\$ 210,718	\$ 481,665	\$ 65,110	\$ 228,059	\$ 8,938,731
Total Liabilities and Fund Balances	\$ 409,571	\$ 651,548	\$ 939,198	\$ 210,718	\$ 481,665	\$ 65,229	\$ 228,059	\$ 9,457,071

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, 2021

	Capital Project Funds					Debt Service Funds		
	Capital Projects	TIF #2	TIF #3	QMEA Cap Reserve	Fire Equip Improvement	Total Capital Projects Funds	2017 GO Bond	2013B HVAC Bond
Assets								
Cash and cash equivalents	\$ 1,665,942	\$ 604,623	\$ 237,308	\$ 141,231	\$ 17,540	\$ 2,666,644	\$ -	\$ -
Restricted cash	-	-	-	-	-	-	14,718	-
Receivables, net	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	271,117	-	-	-	-	271,117	-	-
Total Assets	\$ 1,937,059	\$ 604,623	\$ 237,308	\$ 141,231	\$ 17,540	\$ 2,937,761	\$ 14,718	\$ -
Liabilities and Fund Balances								
Accounts payable	\$ 25,797	\$ 90,371	\$ 6,663	\$ -	\$ -	\$ 122,831	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	67,700	67,700	8,504	-
Total Liabilities	\$ 25,797	\$ 90,371	\$ 6,663	\$ -	\$ 67,700	\$ 190,531	\$ 8,504	\$ -
Fund Balances								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,214	\$ -
Economic development loans	-	-	-	-	-	-	-	-
Capital projects	1,911,262	514,252	230,645	141,231	-	2,797,390	-	-
911 System	-	-	-	-	-	-	-	-
Motor fuel tax projects	-	-	-	-	-	-	-	-
Public safety projects	-	-	-	-	-	-	-	-
Other projects	-	-	-	-	-	-	-	-
Committed for:								
Economic growth	-	-	-	-	-	-	-	-
Assigned for:								
Green projects	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(50,160)	(50,160)	-	-
Total Fund Balances	\$ 1,911,262	\$ 514,252	\$ 230,645	\$ 141,231	\$ (50,160)	\$ 2,747,230	\$ 6,214	\$ -
Total Liabilities and Fund Balances	\$ 1,937,059	\$ 604,623	\$ 237,308	\$ 141,231	\$ 17,540	\$ 2,937,761	\$ 14,718	\$ -

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, 2021

	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	\$ -	\$ -	\$ 72,641	\$ -	\$ -	\$ -	\$ 72,641	\$ 11,532,681
Restricted cash	-	-	-	299,092	271,374	201	585,385	585,385
Receivables, net	-	-	-	-	-	-	-	297,642
Due from other funds	-	-	-	-	78,818	-	78,818	178,818
Due from other governments	-	-	-	-	-	-	-	537,150
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,641</u>	<u>\$ 299,092</u>	<u>\$ 350,192</u>	<u>\$ 201</u>	<u>\$ 736,844</u>	<u>\$ 13,131,676</u>
Liabilities and Fund Balances								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 520,793
Accrued expenses	-	-	-	-	-	-	-	16,398
Due to other funds	-	-	-	70,314	-	-	78,818	250,498
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,818</u>	<u>\$ 787,689</u>
Fund Balances								
Restricted for:								
Debt service	\$ -	\$ -	\$ 72,641	\$ 228,778	\$ 350,192	\$ 201	\$ 658,026	\$ 658,026
Economic development loans	-	-	-	-	-	-	-	2,691,152
Capital projects	-	-	-	-	-	-	-	2,797,390
911 System	-	-	-	-	-	-	-	2,035,036
Motor fuel tax projects	-	-	-	-	-	-	-	2,957,293
Public safety projects	-	-	-	-	-	-	-	246,433
Other projects	-	-	-	-	-	-	-	409,211
Committed for:								
Economic growth	-	-	-	-	-	-	-	429,478
Assigned for:								
Green projects	-	-	-	-	-	-	-	170,128
Unassigned	-	-	-	-	-	-	-	(50,160)
Total Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,641</u>	<u>\$ 228,778</u>	<u>\$ 350,192</u>	<u>\$ 201</u>	<u>\$ 658,026</u>	<u>\$ 12,343,987</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,641</u>	<u>\$ 299,092</u>	<u>\$ 350,192</u>	<u>\$ 201</u>	<u>\$ 736,844</u>	<u>\$ 13,131,676</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, 2021

	Special Revenue Funds								
	State and Federal Grants	911 System	Arts Commission	Motor Fuel Tax	Town Road Tax	Police Contributions	Fire Contributions	Economic Growth	Franchise Fee "Green"
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,707	\$ -	\$ -	\$ -	\$ -
Public service taxes	-	961,482	-	1,503,160	-	-	-	446,670	-
Franchise taxes	-	-	-	-	-	-	-	-	476,366
Grants and contributions	162,244	320,018	-	1,338,937	-	56,822	1,025	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	46,517	-	-	-
Intergovernmental	-	458,079	-	-	-	-	-	-	-
Investment earnings	(754)	12,431	81	10,433	749	1,703	137	330	1,842
Miscellaneous	-	-	-	-	-	3,000	-	-	-
Total Revenues	\$ 161,490	\$1,752,010	\$ 81	\$ 2,852,530	\$ 5,456	\$ 108,042	\$ 1,162	\$ 447,000	\$ 478,208
Expenditures									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,385	\$ -	\$ -	\$ -
Fire department	-	-	-	-	-	-	1,696	-	-
911 system	-	1,608,064	-	-	-	-	-	-	-
Engineering services	-	-	-	438,991	2	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Community development	167,765	-	-	-	-	-	-	17,522	-
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	127,724	-	1,335,895	17,544	-	-	-	-
Total Expenditures	\$ 167,765	\$1,735,788	\$ -	\$ 1,774,886	\$ 17,546	\$ 103,385	\$ 1,696	\$ 17,522	\$ -
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,275)	\$ 16,222	\$ 81	\$ 1,077,644	\$ (12,090)	\$ 4,657	\$ (534)	\$ 429,478	\$ 478,208
Other Financing Sources (Uses)									
Cost share transfers, net	\$ (14,375)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	473,500	-	-	-	-	-	-	-
Operating transfers out	(2,000)	-	-	-	-	(8,767)	-	-	(462,511)
Debt proceeds	-	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-	-
Payments on current refunding	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ (16,375)	\$ 473,500	\$ -	\$ -	\$ -	\$ (8,767)	\$ -	\$ -	\$ (462,511)
Net Change in Fund Balances	\$ (22,650)	\$ 489,722	\$ 81	\$ 1,077,644	\$ (12,090)	\$ (4,110)	\$ (534)	\$ 429,478	\$ 15,697
Fund Balances, May 1, 2020	38,836	1,545,314	10,970	1,879,649	100,895	231,578	19,499	-	154,431
Fund Balances, April 30, 2021	\$ 16,186	\$2,035,036	\$ 11,051	\$ 2,957,293	\$ 88,805	\$ 227,468	\$ 18,965	\$ 429,478	\$ 170,128

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, 2021

	Special Revenue Funds							Total Special Revenue Funds
	Economic Development Loan	CDAP Loan	CBD Loan	Neighborhood Rehab Loan	Small Business Emergency	Bridge Lighting	Tourism Tax	
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,707
Public service taxes	-	-	-	-	-	-	697,168	3,608,480
Franchise taxes	-	-	-	-	-	-	-	476,366
Grants and contributions	-	534,000	-	-	-	-	-	2,413,046
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	46,517
Intergovernmental	-	-	-	-	-	-	-	458,079
Investment earnings	10,914	8,701	14,001	2,001	3,204	486	1,545	67,804
Miscellaneous	41,418	93,433	60,089	2,796	201,975	-	-	402,711
Total Revenues	\$ 52,332	\$ 636,134	\$ 74,090	\$ 4,797	\$ 205,179	\$ 486	\$ 698,713	\$ 7,477,710
Expenditures								
Public Safety								
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,385
Fire department	-	-	-	-	-	-	-	1,696
911 system	-	-	-	-	-	-	-	1,608,064
Engineering services	-	-	-	-	-	-	-	438,993
Culture and recreation	-	-	-	-	-	1,678	406,279	407,957
Community development	314,694	629,000	167,256	-	30,250	-	-	1,326,487
Debt Service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	1,481,163
Total Expenditures	\$ 314,694	\$ 629,000	\$ 167,256	\$ -	\$ 30,250	\$ 1,678	\$ 406,279	\$ 5,367,745
Excess (Deficiency) of Revenues Over Expenditures	\$ (262,362)	\$ 7,134	\$ (93,166)	\$ 4,797	\$ 174,929	\$ (1,192)	\$ 292,434	\$ 2,109,965
Other Financing Sources (Uses)								
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,842)	\$ (27,217)
Operating transfers in	-	1,277	-	-	-	-	-	474,777
Operating transfers out	(10,000)	(25,000)	(25,000)	-	-	-	(222,960)	(756,238)
Debt proceeds	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-
Payments on current refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ (10,000)	\$ (23,723)	\$ (25,000)	\$ -	\$ -	\$ -	\$ (235,802)	\$ (308,678)
Net Change in Fund Balances	\$ (272,362)	\$ (16,589)	\$ (118,166)	\$ 4,797	\$ 174,929	\$ (1,192)	\$ 56,632	\$ 1,801,287
Fund Balances, May 1, 2020	681,933	668,137	1,055,816	205,921	306,736	66,302	171,427	7,137,444
Fund Balances, April 30, 2021	\$ 409,571	\$ 651,548	\$ 937,650	\$ 210,718	\$ 481,665	\$ 65,110	\$ 228,059	\$ 8,938,731

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, 2021

	Capital Projects Funds					Debt Service Funds		
	Capital Projects	TIF #2	TIF #3	QMEA Cap Reserve	Fire Equip Improvement	Total Capital Projects Funds	2017 GO Bond	2013B HVAC Bond
Revenues								
Property taxes	\$ -	\$ 495,142	\$ 105,271	\$ -	\$ -	\$ 600,413	\$ 660,505	\$ -
Public service taxes	1,206,235	-	-	-	-	1,206,235	-	-
Franchise taxes	-	-	-	-	-	-	-	-
Grants and contributions	43,497	25,289	-	-	-	68,786	-	-
Charges for services	-	-	-	-	99,708	99,708	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Investment earnings	11,215	7,395	1,699	1,051	143	21,503	748	3
Miscellaneous	-	376	-	-	-	376	-	-
Total Revenues	\$ 1,260,947	\$ 528,202	\$ 106,970	\$ 1,051	\$ 99,851	\$ 1,997,021	\$ 661,253	\$ 3
Expenditures								
Public Safety								
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire department	-	-	-	-	-	-	-	-
911 system	-	-	-	-	-	-	-	-
Engineering services	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	193,710	332,112	4,523	-	-	530,345	-	-
Debt Service								
Principal retirement	-	-	-	-	-	-	540,000	-
Interest and charges	-	-	-	-	-	-	123,950	-
Capital Outlay	1,811,934	1,098,008	39,660	-	-	2,949,602	-	-
Total Expenditures	\$ 2,005,644	\$ 1,430,120	\$ 44,183	\$ -	\$ -	\$ 3,479,947	\$ 663,950	\$ -
Excess (Deficiency) of Revenues Over Expenditures	\$ (744,697)	\$ (901,918)	\$ 62,787	\$ 1,051	\$ 99,851	\$ (1,482,926)	\$ (2,697)	\$ 3
Other Financing Sources (Uses)								
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	510,000	-	-	-	-	510,000	-	-
Operating transfers out	(90,044)	-	-	-	-	(90,044)	(200,000)	(1,121)
Debt proceeds	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-
Payments on current refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 419,956	\$ -	\$ -	\$ -	\$ -	\$ 419,956	\$ (200,000)	\$ (1,121)
Net Change in Fund Balances	\$ (324,741)	\$ (901,918)	\$ 62,787	\$ 1,051	\$ 99,851	\$ (1,062,970)	\$ (202,697)	\$ (1,118)
Fund Balances, May 1, 2020	2,236,003	1,416,170	167,858	140,180	(150,011)	3,810,200	208,911	1,118
Fund Balances, April 30, 2021	\$ 1,911,262	\$ 514,252	\$ 230,645	\$ 141,231	\$ (50,160)	\$ 2,747,230	\$ 6,214	\$ -

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, 2021

	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	\$ -	\$ -	\$ -	\$ 413,432	\$ 690,388	\$ -	\$ 1,764,325	\$ 2,369,445
Public service taxes	-	-	-	-	-	-	-	4,814,715
Franchise taxes	-	-	-	-	-	-	-	476,366
Grants and contributions	-	-	-	-	-	-	-	2,481,832
Charges for services	-	-	-	-	-	-	-	99,708
Fines and forfeitures	-	-	-	-	-	-	-	46,517
Intergovernmental	-	-	-	-	-	-	-	458,079
Investment earnings	7	10	833	150	127	2	1,880	91,187
Miscellaneous	-	-	-	-	-	-	-	403,087
Total Revenues	\$ 7	\$ 10	\$ 833	\$ 413,582	\$ 690,515	\$ 2	\$ 1,766,205	\$ 11,240,936
Expenditures								
Public Safety								
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,385
Fire department	-	-	-	-	-	-	-	1,696
911 system	-	-	-	-	-	-	-	1,608,064
Engineering services	-	-	-	-	-	-	-	438,993
Culture and recreation	-	-	-	-	-	-	-	407,957
Community development	-	-	-	-	-	-	-	1,856,832
Debt Service								
Principal retirement	-	-	220,000	205,000	-	145,832	1,110,832	1,110,832
Interest and charges	-	-	24,702	140,931	704,153	3,688	997,424	997,424
Capital Outlay	-	-	-	-	-	-	-	4,430,765
Total Expenditures	\$ -	\$ -	\$ 244,702	\$ 345,931	\$ 704,153	\$ 149,520	\$ 2,108,256	\$ 10,955,948
Excess (Deficiency) of Revenues Over Expenditures	\$ 7	\$ 10	\$ (243,869)	\$ 67,651	\$ (13,638)	\$ (149,518)	\$ (342,051)	\$ 284,988
Other Financing Sources (Uses)								
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (27,217)
Operating transfers in	-	-	222,960	-	-	149,520	372,480	1,357,257
Operating transfers out	(76,174)	(114,854)	-	-	-	-	(392,149)	(1,238,431)
Debt proceeds	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-
Payments on current refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ (76,174)	\$ (114,854)	\$ 222,960	\$ -	\$ -	\$ 149,520	\$ (19,669)	\$ 91,609
Net Change in Fund Balances	\$ (76,167)	\$ (114,844)	\$ (20,909)	\$ 67,651	\$ (13,638)	\$ 2	\$ (361,720)	\$ 376,597
Fund Balances, May 1, 2020	76,167	114,844	93,550	161,127	363,830	199	1,019,746	11,967,390
Fund Balances, April 30, 2021	\$ -	\$ -	\$ 72,641	\$ 228,778	\$ 350,192	\$ 201	\$ 658,026	\$ 12,343,987

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, 2021

	Enterprise Funds				Total Non-Major Proprietary Funds
	Quincy Municipal Dock	Garbage Fund	Recycling Fund	Regional Firefighters Training Center	
Assets					
Current Assets					
Cash and cash equivalents	\$ 470,022	\$ 129,075	\$ 61,754	\$ 374	\$ 661,225
Receivables, net	-	109,808	42,918	-	152,726
Total Current Assets	\$ 470,022	\$ 238,883	\$ 104,672	\$ 374	\$ 813,951
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	-	1,160,088	539,944	29,384	1,729,416
Less: Accumulated depreciation	(359,378)	(747,990)	(307,944)	(505,625)	(1,920,937)
Net pension asset	-	195,706	123,669	-	319,375
Total Noncurrent Assets	\$ 47,405	\$ 607,804	\$ 355,669	\$ 656,113	\$ 1,666,991
Total Assets	\$ 517,427	\$ 846,687	\$ 460,341	\$ 656,487	\$ 2,480,942
Deferred Outflows of Resources - Pension	\$ -	\$ 133,787	\$ 83,724	\$ -	\$ 217,511
Deferred Outflows of Resources - OPEB	\$ -	\$ 43,251	\$ 50,460	\$ -	\$ 93,711
Liabilities					
Current Liabilities					
Accounts payable	\$ 66	\$ 19,808	\$ 252	\$ 2,239	\$ 22,365
Accrued expenses	-	6,011	4,043	-	10,054
Accrued compensated absences	-	12,072	2,935	-	15,007
Total Current Liabilities	\$ 66	\$ 37,891	\$ 7,230	\$ 2,239	\$ 47,426
Noncurrent Liabilities					
Accrued compensated absences	\$ -	\$ 15,987	\$ 4,375	\$ -	\$ 20,362
Net OPEB liability	-	204,577	238,673	-	443,250
Total Noncurrent Liabilities	\$ -	\$ 220,564	\$ 243,048	\$ -	\$ 463,612
Total Liabilities	\$ 66	\$ 258,455	\$ 250,278	\$ 2,239	\$ 511,038
Deferred Inflows of Resources - Pension	\$ -	\$ 339,862	\$ 214,762	\$ -	\$ 554,624
Net Position					
Invested in capital assets, net of debt	\$ 47,405	\$ 412,098	\$ 232,000	\$ 656,113	\$ 1,347,616
Unrestricted	469,956	13,310	(102,515)	(1,865)	378,886
Total Net Position	\$ 517,361	\$ 425,408	\$ 129,485	\$ 654,248	\$ 1,726,502

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, 2021

	Enterprise Funds			Regional Firefighters Training Center	Total Non-Major Proprietary Funds
	Quincy Municipal Dock	Garbage Fund	Recycling Fund		
Operating Revenues					
Charges for services	\$ 187,708	\$ 1,260,703	\$ 383,445	\$ 2,890	\$ 1,834,746
Miscellaneous	-	500	4,746	1,500	6,746
Total Revenues	\$ 187,708	\$ 1,261,203	\$ 388,191	\$ 4,390	\$ 1,841,492
Operating Expenses					
Salaries and wages	\$ -	\$ 357,958	\$ 200,022	\$ (249)	\$ 557,731
Benefits	-	228,184	231,824	(77)	459,931
Purchased services	74,767	459,001	237,225	10,238	781,231
Supplies	976	21,437	11,192	6,788	40,393
Other objects	22,489	23,364	14,574	3,000	63,427
Depreciation expense	3,093	-	-	34,041	37,134
Total Operating Expenses	\$ 101,325	\$ 1,089,944	\$ 694,837	\$ 53,741	\$ 1,939,847
Operating Income	\$ 86,383	\$ 171,259	\$ (306,646)	\$ (49,351)	\$ (98,355)
Nonoperating Revenues (Expenses)					
Interest revenue	\$ 3,956	\$ 808	\$ -	\$ 1	\$ 4,765
Operating transfers in	-	300,213	515,108	17,100	832,421
Operating transfers out	(200,000)	(158,654)	(78,977)	-	(437,631)
Total Nonoperating Revenues (Expenses)	\$ (196,044)	\$ 142,367	\$ 436,131	\$ 17,101	\$ 399,555
Change in Net Position	\$ (109,661)	\$ 313,626	\$ 129,485	\$ (32,250)	\$ 301,200
Net Position, May 1, 2020	627,022	111,782	-	686,498	1,425,302
Net Position, April 30, 2021	\$ 517,361	\$ 425,408	\$ 129,485	\$ 654,248	\$ 1,726,502

City of Quincy, Illinois

Combining Statement of Cash Flows
Non-Major Proprietary Funds
For the Year Ended April 30, 2021

	Enterprise Funds				Total Non-Major Proprietary Funds
	Quincy Municipal Dock	Garbage Fund	Recycling Fund	Regional Firefighters Training Center	
Cash Flows from Operating Activities					
Receipts from customers	\$ 187,708	\$ 1,151,395	\$ 345,273	\$ 4,390	\$ 1,688,766
Payments to suppliers	(101,856)	(483,994)	(262,739)	(57,048)	(905,637)
Payments to employees	-	(380,377)	(224,911)	326	(604,962)
Net Cash Provided by Operations	<u>\$ 85,852</u>	<u>\$ 287,024</u>	<u>\$ (142,377)</u>	<u>\$ (52,332)</u>	<u>\$ 178,167</u>
Cash Flows from Noncapital Financing Activities					
Operating subsidies and transfers	\$ (200,000)	\$ 141,559	\$ 436,131	\$ 17,100	\$ 394,790
Cash Flows from Capital and Related Financing Activities					
Purchases of capital assets	\$ -	\$ (412,098)	\$ (232,000)	\$ -	\$ (644,098)
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ (412,098)</u>	<u>\$ (232,000)</u>	<u>\$ -</u>	<u>\$ (644,098)</u>
Cash Flows from Investing Activities					
Interest received	\$ 3,956	\$ 808	\$ -	\$ 1	\$ 4,765
Net Cash Provided by Investing Activities	<u>\$ 3,956</u>	<u>\$ 808</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 4,765</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (110,192)	\$ 17,293	\$ 61,754	\$ (35,231)	\$ (66,376)
Cash and Cash Equivalents, May 1, 2020	580,214	111,782	-	35,605	727,601
Cash and Cash Equivalents, April 30, 2021	<u>\$ 470,022</u>	<u>\$ 129,075</u>	<u>\$ 61,754</u>	<u>\$ 374</u>	<u>\$ 661,225</u>
Operating Income	\$ 86,383	\$ 171,259	\$ (306,646)	\$ (49,351)	\$ (98,355)
Adjustments to reconcile Operating Income:					
Amortization and depreciation	3,093	-	-	34,041	37,134
(Increase) Decrease in:					
Accounts receivable	-	(109,808)	(42,918)	-	(152,726)
Net pension asset	-	(195,706)	(123,669)	-	(319,375)
Deferred outflows	-	(177,038)	(134,184)	-	(311,222)
Increase (Decrease) in:					
Accounts payable	(3,624)	19,808	252	(37,022)	(20,586)
Accrued expenses	-	6,011	4,043	-	10,054
Accrued compensated absences	-	28,059	7,310	-	35,369
Net pension liability	-	-	-	-	-
Net OPEB liability	-	204,577	238,673	-	443,250
Deferred inflows	-	339,862	214,762	-	554,624
Cash flows from operating activities	<u>\$ 85,852</u>	<u>\$ 287,024</u>	<u>\$ (142,377)</u>	<u>\$ (52,332)</u>	<u>\$ 178,167</u>

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

City of Quincy, Illinois

Combining Statement of Net Position - Governmental-Type Activities

Internal Service Funds

April 30, 2021

	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	\$ 1,161,256	\$ -	\$ 149,810	\$ 1,242,921	\$ 530,515	\$ 3,084,502
Investments	-	-	-	-	-	-
Receivables, net	376	-	-	192	7,898	8,466
Inventories	31,638	-	-	-	-	31,638
Due from other funds	-	-	-	840,000	-	840,000
Total Current Assets	\$ 1,193,270	\$ -	\$ 149,810	\$ 2,083,113	\$ 538,413	\$ 3,964,606
Noncurrent Assets						
Capital assets:						
Vehicles and equipment	\$ 3,355,523	\$ -	\$ -	\$ 7,469	\$ -	\$ 3,362,992
Less: Accumulated depreciation	(2,652,037)	-	-	(7,469)	-	(2,659,506)
Net pension asset	277,196	-	-	151,272	-	428,468
Total Noncurrent Assets	\$ 980,682	\$ -	\$ -	\$ 151,272	\$ -	\$ 1,131,954
Total Assets	\$ 2,173,952	\$ -	\$ 149,810	\$ 2,234,385	\$ 538,413	\$ 5,096,560
Deferred Outflows of Resources - Pension	\$ 186,848	\$ -	\$ -	\$ 99,157	\$ -	\$ 286,005
Deferred Outflows of Resources - OPEB	\$ 72,085	\$ -	\$ -	\$ 14,417	\$ -	\$ 86,502
Liabilities						
Current Liabilities						
Accounts payable	\$ 22,896	\$ -	\$ -	\$ 13,619	\$ 383,191	\$ 419,706
Accrued expenses	9,541	-	-	2,863	121,635	134,039
Compensated absences	18,772	-	-	8,218	-	26,990
Due to other funds	-	-	-	-	840,000	840,000
Total Current Liabilities	\$ 51,209	\$ -	\$ -	\$ 24,700	\$ 1,344,826	\$ 1,420,735
Noncurrent Liabilities						
Compensated absences	\$ 19,705	\$ -	\$ -	\$ 5,017	\$ -	\$ 24,722
Net OPEB liability	340,962	-	-	68,192	-	409,154
Total Noncurrent Liabilities	\$ 360,667	\$ -	\$ -	\$ 73,209	\$ -	\$ 433,876
Total Liabilities	\$ 411,876	\$ -	\$ -	\$ 97,909	\$ 1,344,826	\$ 1,854,611
Deferred Inflows of Resources - Pension	\$ 481,378	\$ -	\$ -	\$ 262,696	\$ -	\$ 744,074
Net Position						
Invested in capital assets, net of debt	\$ 703,486	\$ -	\$ -	\$ -	\$ -	\$ 703,486
Unrestricted	836,145	-	149,810	1,987,354	(806,413)	2,166,896
Total Net Position	\$ 1,539,631	\$ -	\$ 149,810	\$ 1,987,354	\$ (806,413)	\$ 2,870,382

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, 2021

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Operating Revenues						
Charges for services	\$ 1,974,462	\$ -	\$ 34,500	\$ 2,200,523	\$ 6,428,890	\$ 10,638,375
Miscellaneous	14,933	-	-	12,514	1,622	29,069
Total Revenues	\$ 1,989,395	\$ -	\$ 34,500	\$ 2,213,037	\$ 6,430,512	\$ 10,667,444
Operating Expenses						
Salaries and wages	\$ 413,951	\$ -	\$ -	\$ 194,600	\$ -	\$ 608,551
Benefits	107,525	-	-	60,358	-	167,883
Purchased services	281,543	-	-	44,896	-	326,439
Supplies	707,001	-	-	25,700	-	732,701
Claims	-	-	17,503	1,857,022	6,207,700	8,082,225
Other	1,569	-	-	6,537	-	8,106
Depreciation expense	64,137	-	-	-	-	64,137
Total Operating Expenses	\$ 1,575,726	\$ -	\$ 17,503	\$ 2,189,113	\$ 6,207,700	\$ 9,990,042
Operating Income	\$ 413,669	\$ -	\$ 16,997	\$ 23,924	\$ 222,812	\$ 677,402
Nonoperating Revenues (Expenses)						
Interest and investment revenue	\$ 13,158	\$ -	\$ 1,055	\$ 12,268	\$ 3,431	\$ 29,912
Operating transfers in	192,638	88,111	-	-	-	280,749
Operating transfers out	(1,506,159)	(1,607,621)	-	-	-	(3,113,780)
Total Nonoperating Revenues (Expenses)	\$ (1,300,363)	\$ (1,519,510)	\$ 1,055	\$ 12,268	\$ 3,431	\$ (2,803,119)
Change in Net Position	\$ (886,694)	\$ (1,519,510)	\$ 18,052	\$ 36,192	\$ 226,243	\$ (2,125,717)
Net Position, May 1, 2020	2,426,325	1,519,510	131,758	1,951,162	(1,032,656)	4,996,099
Net Position, April 30, 2021	\$ 1,539,631	\$ -	\$ 149,810	\$ 1,987,354	\$ (806,413)	\$ 2,870,382

City of Quincy, Illinois

Combining Statement of Cash Flows - Governmental-Type Activities

Internal Service Funds

For the Year Ended April 30, 2021

	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	\$ 1,975,202	\$ 310,756	\$ -	\$ -	\$ 2,832,575	\$ 5,118,533
Payments to suppliers	(1,198,809)	(22,295)	-	(134,504)	-	(1,355,608)
Payments to employees	(517,958)	(1,368,829)	-	(243,663)	-	(2,130,450)
Internal activity-payments from other funds	-	-	34,500	2,200,585	3,596,386	5,831,471
Claims paid	-	-	(17,503)	(1,857,022)	(7,335,308)	(9,209,833)
Other receipts (payments)	13,364	-	-	5,977	1,622	20,963
Net Cash Provided by Operations	\$ 271,799	\$ (1,080,368)	\$ 16,997	\$ (28,627)	\$ (904,725)	\$ (1,724,924)
Cash Flows from Noncapital Financing Activities						
Operating subsidies and transfers	\$ (1,313,521)	\$ (1,519,510)	\$ -	\$ (840,000)	\$ 840,000	\$ (2,833,031)
Cash Flows from Capital and Related Financing Activities						
Purchases of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of capital assets	77,770	2,410,990	-	-	-	2,488,760
Net Cash (Used) by Capital and Related Financing Activities	\$ 77,770	\$ 2,410,990	\$ -	\$ -	\$ -	\$ 2,488,760
Cash Flows from Investing Activities						
Interest received	\$ 13,158	\$ -	\$ 1,055	\$ 12,268	\$ 3,431	\$ 29,912
Net Cash Provided by Investing Activities	\$ 13,158	\$ -	\$ 1,055	\$ 12,268	\$ 3,431	\$ 29,912
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (950,794)	\$ (188,888)	\$ 18,052	\$ (856,359)	\$ (61,294)	\$ (2,039,283)
Cash and Cash Equivalents, May 1, 2020	2,112,050	188,888	131,758	2,099,280	591,809	5,123,785
Cash and Cash Equivalents, April 30, 2021	\$ 1,161,256	\$ -	\$ 149,810	\$ 1,242,921	\$ 530,515	\$ 3,084,502

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, 2021

	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	\$ 413,669	\$ -	\$ 16,997	\$ 23,924	\$ 222,812	\$ 677,402
Adjustments to reconcile Operating Income:						
Amortization and depreciation	64,137	-	-	-	-	64,137
(Gain) Loss on disposal of capital assets	1,061	-	-	-	-	1,061
(Increase) Decrease in:						
Accounts receivable	(321)	310,756	-	62	71	310,568
Inventories	12,988	-	-	-	-	12,988
Net pension asset	(277,196)	-	-	(151,272)	-	(428,468)
Deferred outflows	188,477	1,277,569	-	36,001	-	1,502,047
Increase (Decrease) in:						
Accounts payable	(115,728)	(22,295)	-	(3,550)	(817,125)	(958,698)
Accrued expenses	(7,744)	(52,403)	-	(5,952)	(310,483)	(376,582)
Accrued compensated absences	1,665	(147,462)	-	2,316	-	(143,481)
Net pension liability	(24,651)	(68,235)	-	(8,630)	-	(101,516)
Net OPEB liability	40,514	(976,455)	-	(6,920)	-	(942,861)
Deferred inflows	(25,072)	(1,401,843)	-	85,394	-	(1,341,521)
Cash flows from operating activities	<u>\$ 271,799</u>	<u>\$ (1,080,368)</u>	<u>\$ 16,997</u>	<u>\$ (28,627)</u>	<u>\$ (904,725)</u>	<u>\$ (1,724,924)</u>

City of Quincy, Illinois

Combining Statement of Fiduciary Net Position - Pension Funds

April 30, 2021

	Police Retirement Fund	Firefighter Retirement Fund	Total Pension Funds
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,344,464	\$ 1,678,827	\$ 3,023,291
Investments	47,264,314	42,737,032	90,001,346
Receivables, net	2,491,187	2,658,529	5,149,716
Total Assets	\$ 51,099,965	\$ 47,074,388	\$ 98,174,353
Liabilities			
Current Liabilities			
Accrued expenses	\$ 34,649	\$ 31,839	\$ 66,488
Total Liabilities	\$ 34,649	\$ 31,839	\$ 66,488
Deferred Inflows of Resources			
Unearned property taxes	\$ 2,379,725	\$ 2,578,355	\$ 4,958,080
Net Position			
Held in trust for pension benefits	\$ 48,685,591	\$ 44,464,194	\$ 93,149,785
Total Net Position	\$ 48,685,591	\$ 44,464,194	\$ 93,149,785

City of Quincy, Illinois

Combining Statement of Changes in Fiduciary Net Position - Pension Funds
For the Year Ended April 30, 2021

	Police Retirement Fund	Firefighter Retirement Fund	Total Pension Funds
Additions			
Taxes:			
Property taxes	\$ 2,340,933	\$ 2,524,787	\$ 4,865,720
Personal Property Replacement tax	343,153	494,110	837,263
Total Taxes	<u>\$ 2,684,086</u>	<u>\$ 3,018,897</u>	<u>\$ 5,702,983</u>
Contributions:			
Plan members	\$ 592,779	\$ 434,084	\$ 1,026,863
Other	1,451,929	1,510,202	2,962,131
	<u>\$ 2,044,708</u>	<u>\$ 1,944,286</u>	<u>\$ 3,988,994</u>
Investment earnings:			
Net increase (decrease) in fair value	\$ 8,224,566	\$ 7,087,384	\$ 15,311,950
Realized gain (loss) on sale of investments	1,385,348	1,440,034	2,825,382
Interest	395,711	302,510	698,221
Dividends	781,721	515,589	1,297,310
Less: Investment expense	(54,350)	(130,854)	(185,204)
Total Investment earnings	<u>\$ 10,732,996</u>	<u>\$ 9,214,663</u>	<u>\$ 19,947,659</u>
Total Additions	<u>\$ 15,461,790</u>	<u>\$ 14,177,846</u>	<u>\$ 29,639,636</u>
Deductions			
Benefits	\$ 3,994,445	\$ 4,236,705	\$ 8,231,150
Administrative expenses	32,612	31,308	63,920
Total Deductions	<u>\$ 4,027,057</u>	<u>\$ 4,268,013</u>	<u>\$ 8,295,070</u>
Change in net position	\$ 11,434,733	\$ 9,909,833	\$ 21,344,566
Net position, May 1, 2020	<u>37,250,858</u>	<u>34,554,361</u>	<u>71,805,219</u>
Net position, April 30, 2021	<u><u>\$ 48,685,591</u></u>	<u><u>\$ 44,464,194</u></u>	<u><u>\$ 93,149,785</u></u>

City of Quincy, Illinois

Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds
April 30, 2021

	Sister City Commission	Lincoln Bicentennial Commission	Human Rights Commission	Animal Rescue Fund	Total Private Purpose
Assets					
Current Assets					
Cash and equivalents	\$ 66,638	\$ 4,417	\$ 375	\$ 35,501	\$ 106,931
Total Assets	\$ 66,638	\$ 4,417	\$ 375	\$ 35,501	\$ 106,931
Liabilities					
Current Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 105	\$ 105
Total Liabilities	\$ -	\$ -	\$ -	\$ 105	\$ 105
Net Position					
Restricted for future expenditures	\$ 66,638	\$ 4,417	\$ 375	\$ 35,396	\$ 106,826
Total Net Position	\$ 66,638	\$ 4,417	\$ 375	\$ 35,396	\$ 106,826

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, 2021

	Sister City Commission	Lincoln Bicentennial Commission	Human Rights Commission	Animal Rescue Fund	Total Private Purpose
Additions					
Contributions:					
Outside agencies	\$ 7,475	\$ -	\$ -	\$ -	\$ 7,475
	<u>\$ 7,475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,475</u>
Investment earnings:					
Interest	\$ 469	\$ 33	\$ 3	\$ 277	\$ 782
Total Investment earnings	<u>\$ 469</u>	<u>\$ 33</u>	<u>\$ 3</u>	<u>\$ 277</u>	<u>\$ 782</u>
Total Additions	<u>\$ 7,944</u>	<u>\$ 33</u>	<u>\$ 3</u>	<u>\$ 277</u>	<u>\$ 8,257</u>
Deductions					
Payments to others	\$ 2,018	\$ 100	\$ -	\$ 3,942	\$ 6,060
Total Deductions	<u>\$ 2,018</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 3,942</u>	<u>\$ 6,060</u>
Change in net position	\$ 5,926	\$ (67)	\$ 3	\$ (3,665)	\$ 2,197
Net position, May 1, 2020	<u>60,712</u>	<u>4,484</u>	<u>372</u>	<u>39,061</u>	<u>104,629</u>
Net position, April 30, 2021	<u><u>\$ 66,638</u></u>	<u><u>\$ 4,417</u></u>	<u><u>\$ 375</u></u>	<u><u>\$ 35,396</u></u>	<u><u>\$ 106,826</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, 2021

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
	2022	\$ -	\$ 685,000	\$ 305,000	\$ 128,800	\$ 555,000
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	-	-	-	-
2041	-	-	-	-	-	-
	<u>\$ 18,215,000</u>	<u>\$ 9,089,250</u>	<u>\$ 3,220,000</u>	<u>\$ 619,200</u>	<u>\$ 3,575,000</u>	<u>\$ 384,300</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
	2022	\$ 225,000	\$ 16,063	\$ 97,586	\$ 2,089	\$ 1,182,586
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
2041	-	-	-	-	-	-
	<u>\$ 410,000</u>	<u>\$ 23,463</u>	<u>\$ 97,586</u>	<u>\$ 2,089</u>	<u>\$ 25,517,586</u>	<u>\$ 10,118,302</u>

City of Quincy, Illinois

Principal Taxpayers in the City

April 30, 2021

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

Taxpayer	2010 EAV (Approximate)	% of City's EAV
QP&S Properties, Inc.	\$ 8,389,460	1.50%
Quincy-Cullinan LLC	6,953,670	1.24%
Orix Sansone Quincy Venture	4,347,600	0.78%
Wis-Pak of Quincy, Inc.	3,943,690	0.71%
Charles & Kathie Marx, Tr	3,272,750	0.59%
Blessing Hospital	3,156,200	0.56%
Walmart Real Estate Business Tr	3,035,280	0.54%
Mercantile Bank	2,843,900	0.51%
Mercantile Bank	2,783,720	0.50%
Walmart	2,593,850	0.46%
Total of Top 10 EAV's	<u>\$ 41,320,120</u>	<u>7.39%</u>
Total for City of Quincy	<u>\$ 558,987,577</u>	

Source: Adams County, Illinois, Clerk's Office

Taxpayer	2020 EAV (Approximate)	% of City's EAV
QP&S Properties, Inc	\$ 7,208,580	1.03%
Blessing Hospital	5,227,680	0.75%
Quincy Cullinan, LLC	5,111,260	0.73%
Blessing Corporate Services, Inc	4,699,890	0.67%
Walmart Real Estate Business Tr	3,381,070	0.48%
Koontz Properties, LLC	3,139,630	0.45%
Menard, Inc	2,974,870	0.43%
Walmart	2,932,370	0.42%
Charles & Kathie Marx, Tr	2,761,870	0.40%
Wis-Pak of Quincy, Inc.	2,426,150	0.35%
Total of Top 10 EAV's	<u>\$ 39,863,370</u>	<u>5.72%</u>
Total for City of Quincy	<u>\$ 697,191,926</u>	

Source: Adams County, Illinois, Clerk's Office

City of Quincy, Illinois

Revenue Base, Revenue Rates and Property Tax Levies
April 30, 2021

**Revenue Base:
Computation of Equalized Assessed Valuation**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential	\$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	\$487,155,934
Farm	373,840	378,270	382,850	390,920	473,770	490,350	509,640	520,200	604,330	622,900
Commercial	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	193,296,194
Industrial	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	14,021,544
Railroads	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	2,095,354
Total (Incl. TIF)	<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>	<u>\$697,191,926</u>

Source: Adams County, Illinois, Clerk's Office

**Revenue Rates:
Tax Rate Trends**

Purpose	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Corporate	-	-	-	-	-	-	-	-	-	0.00574
Fire Pension	0.34708	0.33511	0.34214	0.32564	0.33675	0.32085	0.34516	0.35644	0.36954	0.36982
Police Pension	0.24536	0.24693	0.26093	0.27390	0.30148	0.29928	0.30395	0.35456	0.34263	0.34133
Library	0.14063	0.12939	0.12844	0.12276	0.12064	0.11642	0.11299	0.11112	0.10688	0.10500
GOCP Bonds	0.26963	0.28216	0.28500	0.27540	0.23836	0.29182	0.26640	0.26150	0.25816	0.25594
Total	<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>	<u>1.07783</u>

Source: Adams County, Illinois, Clerk's Office

**Property Tax Levy:
Tax Extensions**

Levy Year	Assessed Valuation	Tax Extension (Excl. TIF)
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
2020	697,191,926	7,514,544

Source: Adams County, Illinois, Clerk's Office

City of Quincy, Illinois
Debt Capacity and Debt Ratios
April 30, 2021

Debt Capacity:
Direct General Obligation Debt

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Obligation	\$ 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	\$ 25,517,586
Notes Payable - Bank	1,971,876	1,741,764	605,599	439,122	279,983	178,928	162,500	150,000	412,450	316,552	242,555
Total	\$ 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	\$ 25,760,141

Source: Comprehensive Annual Financial Report

Debt Ratios:
Direct Debt

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Est. Full Value of Taxable Property	\$ 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	\$ 2,091,575,778
Equalized Assessed Valuation (incl. TIF)	\$ 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	\$ 697,191,926
Population, Census	40,633	40,633	40,633	40,633	40,633	40,633	40,633	40,633	40,633	40,633	39,463

Source: Adams County, Illinois, Clerk's Office

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Per Capita	\$ 659.41	\$ 490.47	\$ 454.31	\$ 412.99	\$ 392.87	\$ 319.01	\$ 376.65	\$ 326.59	\$ 277.28	\$ 663.13	\$ 652.77
Percent of Estimated Full Value	1.60%	1.18%	1.09%	0.98%	0.89%	0.71%	0.81%	0.68%	0.57%	1.31%	1.23%
Percent of Equalized Assessed Value	4.79%	3.53%	3.26%	2.94%	2.68%	2.14%	2.43%	2.05%	1.71%	3.93%	3.69%

The City has no debt limit.

City of Quincy, Illinois
 Number of Employees and Level of Service
 April 30, 2021

Number of Employees

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Full-time	332	327	315	297	311	308	310	310	299
Part-time	45	42	40	19	55	59	60	59	65
Total	377	369	355	316	366	367	370	369	364

Level of Service

Employee Count by Function

Full-time Employees Only

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police sworn	74	75	71	70	74	73	74	73	70
Fire sworn	63	63	60	58	60	60	60	60	58
911 (all)	20	22	20	19	20	20	20	20	18
Transit (Union only)	20	21	20	15	15	15	14	16	16
822 Union only (Water, Sewer, Airport, Central Services)	82	79	77	76	79	78	79	78	75
Administration (no legal)	73	67	67	59	63	62	63	63	62
Total	332	327	315	297	311	308	310	310	299

City of Quincy, Illinois

Employment Rates for Quincy and Adams County
April 30, 2021

Demographics

Employment Rates for City of Quincy

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Labor Force	22,064	21,654	21,403	19,446	19,406	19,251	19,161	19,528	19,252	17,970
Employed	20,491	20,214	19,902	18,332	18,366	18,279	18,391	18,742	18,558	17,142
Unemployed	1,573	1,440	1,501	1,114	1,040	972	770	786	694	828
Rate	7.1%	6.7%	7.0%	5.7%	5.4%	5.0%	4.0%	4.0%	3.6%	4.6%

Source: Illinois Department of Employment Security

Employment Rates for Adams County

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Labor Force	37,424	36,751	36,179	32,629	32,588	32,390	32,237	32,893	32,358	30,144
Employed	34,939	34,469	33,841	30,872	30,947	30,832	31,008	31,616	31,249	28,821
Unemployed	2,485	2,282	2,338	1,757	1,641	1,558	1,229	1,277	1,109	1,323
Rate	6.6%	6.2%	6.5%	5.4%	5.0%	4.8%	3.8%	3.9%	3.4%	4.4%

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, 2021, 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 22, 2021.

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) as a basis for designing 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 22, 2021
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, 2021. 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, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

City of Quincy, Illinois' response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Quincy, Illinois' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-001, that we consider to be a material weakness.

City of Quincy, Illinois' response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Quincy, Illinois' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

December 22, 2021
Quincy, Illinois

City of Quincy, Illinois

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended April 30, 2021

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Number	Expenditures
U.S. Department of Housing & Urban Development			
Illinois Department of Commerce and Economic Opportunity Community Development Block Grants	14.228		\$ 136,746
Total U.S. Department of Housing & Urban Development			\$ 136,746
U.S. Department of Justice			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0094	\$ 8,004
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0433	13,359
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0734	4,546
<i>Total JAG Program Cluster</i>			<u>\$ 25,909</u>
COVID-19 Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-1141	\$ 7,845
Bulletproof Vest Partnership Program	16.607	2019BUBX14071561	\$ 3,768
Total U.S. Department of Justice			\$ 37,522
U.S. Department of Transportation			
Illinois Department of Transportation			
Airport Improvement Program	20.106	UIN-4899-000	\$ 40,272
Airport Improvement Program	20.106	UIN-4754-000	18,054
Airport Improvement Program	20.106	UIN-4697-000	11,146
Airport Improvement Program	20.106	UIN-4834-000	286,610
COVID-19 Airport Improvement Program	20.106	UIN-4862-000 CARES	778,327
			<u>\$ 1,134,409</u>
Formula Grants for Rural Areas	20.509	OP-20-32-FED	\$ 494,587
COVID-19 Formula Grants for Rural Areas	20.509	OP-21-32-CARE	1,894,560
			M \$ 2,389,147
Highway Planning and Construction	20.205	ZEQI(207)	\$ 25,289
State and Community Highway Safety	20.600	HS-21-0120	\$ 7,384
Total Illinois Department of Transportation			\$ 3,556,229
Total U.S. Department of Transportation			\$ 3,556,229
U.S. Department of the Treasury			
Illinois Department of Commerce and Economic Opportunity			
COVID-19 Coronavirus Relief Fund	21.019	20-494797	\$ 1,676,234
COVID-19 Coronavirus Relief Fund	21.019	20-488035	534,000
Total U.S. Department of the Treasury			M \$ 2,210,234
U.S. Environmental Protection Agency			
Illinois Environmental Protection Agency			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	L174136	M \$ 847,304
Total U.S. Environmental Protection Agency			\$ 847,304
U.S. Department of Homeland Security			
Illinois Law Enforcement Alarm System			
Homeland Security Grant Program	97.067	18ILEASSRT	\$ 4,743
Illinois Emergency Management Agency Disaster Grants-Public Assistance	97.036	FEMA-4461-001-62367-00	37,152
Total U.S. Department of Homeland Security			\$ 41,895
Total Federal Expenditures			\$ 6,829,930

M - Denotes Major Program

The Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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, 2021, the City did not receive any non-monetary assistance.

4. Insurance

As of and for the year ended April 30, 2021, the City had no federal insurance in effect.

5. Federal Loans or Loan Guarantees

As of and for the year ended April 30, 2021, the City had \$847,304 in federal loans.

6. Indirect Cost Rate

For the year ended April 30, 2021, 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. One material weakness was 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. One audit finding relative to the major federal award programs for the City of Quincy, Illinois was noted.
- G. The programs tested as major programs included the following programs:
 - Formula Grants for Rural Areas (CFDA #20.509)
 - Coronavirus Relief Fund (CFDA #21.019)
 - Capitalization Grants for Drinking Water State Revolving Funds (CFDA #66.468)
- 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, 2021.

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

Finding 2021-001 – Allowable Costs

Federal Agency: U.S. Department of Transportation

Passthrough Entity: Illinois Department of Transportation

CFDA Number and Federal Program: 20.509 Formula Grants for Rural Areas (Federal Award Identification Number OP-20-32-FED) and 20.509 COVID-19 Formula Grants for Rural Areas (Federal Award Identification Number OP-21-32-CARE)

Criteria:

The City must comply with the provisions of 2 CFR part 200 in which direct charges to Federal awards were for allowable costs.

Statement of Condition:

The City submits monthly budget requests for payment reimbursement. The request includes actual project revenue and expenses, which is the basis for the payment amount. During our audit, it was found the revenue and expenses included on the monthly budget requests were not correct.

Finding 2021-001 – Allowable Costs (Concluded)

Statement of Cause:

The City created a report to generate all revenues and expenses related to the program from the general ledger. This report was not being used to complete the budget requests at the time of filing. There was also no review process in place to ensure proper reporting of all revenue and expenses.

Statement of Effect:

The City is at risk for claiming unallowable costs. There is also potential the grant may be over or under reported leading the City to receive too much funding or too little funding.

Questioned Costs:

No questioned costs were identified.

Perspective Information:

This appears to be a systemic problem considering each monthly reporting was incorrect. There is no process in place to ensure correct grant report and no reviews are in place.

Identification of Repeat Findings:

Not a repeat finding.

Recommendation:

We recommend each budget request is reconciled to the general ledger for the month and year to date to ensure inclusion of all allowable costs. We further recommend the City appoint a grant manager to oversee all City grants. This would provide additional oversight for State and Federal compliance requirements and enable the City to ensure required reporting is properly completed.

Views of Responsible Officials:

Marty Stegeman, Transportation Director, agrees with the finding and has already implemented a new process for ensuring all revenues and expenses are properly included in the budget requests. See Corrective Action Plan.

There were no prior findings or questioned costs to report.



CITY OF QUINCY

Comptroller's Office

SHERI L. RAY
Comptroller

CITY HALL – 730 MAINE STREET
Quincy, Illinois 62301-4056
217-228-4517

City of Quincy

Schedule of Findings – Single Audit
April 30, 2021

Finding 2021-001 – Allowable Costs

Federal Agency: U.S. Department of Transportation

Passthrough Entity: Illinois Department of Transportation

CFDA Number and Federal Program: 20.509 Formula Grants for Rural Areas (Federal Award Identification Number OP-20-32-FED) and 20.509 COVID-19 Formula Grants for Rural Areas (Federal Award Identification Number OP-21-32-CARE)

Response to finding:

The City agrees with the finding. The process that has been used in the past is as follows:

- 1.) Each month end, the Comptroller's office produces and sends the Account Activity Listing to the Transit Grant Administrator and produces and sends the Fund Balance Sheet and budget status report to the Transit Director.
- 2.) Each quarter end, the Comptroller's office produces the Transit Quarterly Payroll Detail Query showing all hours paid by type/ by employee paid during the quarter and sends to Transit Grant Administrator.
- 3.) Each quarter end, the Comptroller's office produces the Transit Quarterly Report which is intended to align city general ledger accounts to the appropriate state/federal account used for reporting and sends to Transit Grant Administrator.
- 4.) Transit Staff uses the above reporting tools to file the program revenues and expenses in the appropriate grantee web portals.

However, the past process did not have any process in place to verify that the amounts reported to the federal/state agencies reconciled to the general ledger. In June 2021, during the City Audit, the Comptroller's staff met with the Transit Grant Administrator to discuss the reports mentioned above and how the reports should be used. At that time, it was discovered that the Transit department had been using another reporting method which may not have reconciled to the general ledger on either a monthly or quarterly basis.

Corrective Action Plan:

The City Comptroller will accept the responsibility for ensuring that each monthly filing does in fact match the general ledger, allowing for any inclusions/exclusions of either revenue and or expenses as allowable under the federal/state grant guidelines. The following steps will be added:

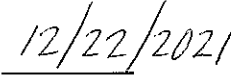
- 5.) Transit Staff will send the Comptroller copies of all web portal filing documents for each granting source (5311, DOAP, CARES).
- 6.) Comptroller's staff will reconcile the monthly filed totals to the General Ledger. Any discrepancies will be noted and addressed immediately with the Transit Director.

The corrective action plan will use deadlines of monthly reports issued no later than 10 days following month end. Transit grant reporting will be filed and remitted to the Comptroller no later than 20 days following month end. This will ensure there is time to identify errors prior to filing the following month. The City will start this reconciliation with the July 2021 filing.

Responsible Person and Title: Sheri Ray, Comptroller

Anticipated Completion Date: July 1, 2021


Sheri L. Ray Comptroller


Date