

# **City of Quincy, Illinois**

**Annual Comprehensive Financial Report**

**Year Ended April 30, 2022**

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# **City of Quincy, Illinois**

## **A Home Rule City**

### **Council/Mayor Form of Government**

(As of April 30, 2022)

#### **MAYOR**

Michael A. Troup

#### **CITY COUNCIL**

1 <sup>st</sup> Ward	Greg Fletcher Eric M. Entrup	5 <sup>th</sup> Ward	John M. (Mike) Rein John L. Mast
2 <sup>nd</sup> Ward	Jeffrey W. Bergman David A. Bauer	6 <sup>th</sup> Ward	Richard C. Reis Vacant
3 <sup>rd</sup> Ward	Kelly A. Mays Parker G. Freiburg	7 <sup>th</sup> Ward	Jack E. Holtschlag Ben J. Uzelac
4 <sup>th</sup> 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	Bernie Vahlkamp
Quincy Transit Lines	Marty Stegeman
Quincy Regional Airport	Gabe Hanafin (Interim Director)
Purchasing	Jeff Mays
911 System	Jessica Douglas
Director of IT	Corey Dean (Manager)
Human Resources	Carrie Potter (Manager)

## **Financial Section**



## Independent Auditor's Report

The Honorable Mayor  
and City Council  
City of Quincy, Illinois

### Report on the Audit of the Financial Statements

#### **Opinions**

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 the City of Quincy, Illinois, as of and for the year ended April 30, 2022, 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.

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, 2022, 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.

#### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Quincy, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Quincy, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## Independent Auditor's Report (Continued)

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Quincy, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Quincy, Illinois' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **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, schedules of changes in the net pension liability and other postemployment benefits, and schedules of employer contributions on pages 4 through 12 and 65 through 83 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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.

## Independent Auditor's Report (Concluded)

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022, 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 the 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*

November 15, 2022  
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, 2022, by \$92.3 million (net position).
- The City of Quincy's total net position increased by \$30.8 million for the year ended April 30, 2022. The increase in net position can be attributed to the governmental activities' increase of \$27.1 million and the increase in business-type activities of \$3.7 million.
- As of April 30, 2022, the City of Quincy's governmental funds reported combined ending fund balances of \$54.9 million, an increase of \$12.3 million in comparison with the prior fiscal year.
- The City's general fund balance increased by \$7.6 million from the prior year to a balance of \$24.6 million.
- On a budgetary basis, the general fund balance increased by \$5.7 million. The budgetary fund balance is 42.5% of the charges to appropriations for the fiscal year ended April 30, 2022.

### **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 \$92.3 million as of April 30, 2022. Analyzing the net position and net income of governmental and business-type activities separately, the business type activities' net position is \$91.6 million and the governmental activities' net position is \$0.7 million.

By far the largest portion of the City's net position (\$126.9 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, 2022**  
(Unaudited)

Table 1  
**Summary of Net Position**  
at April 30, 2022 and 2021  
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 73.6	\$ 55.6	\$ 22.4	\$ 25.0	\$ 96.0	\$ 80.6
Capital assets - net of depreciation	66.3	60.1	101.6	87.9	167.9	148.0
<b>Total Assets</b>	<b>\$ 139.9</b>	<b>\$ 115.7</b>	<b>\$ 124.0</b>	<b>\$ 112.9</b>	<b>\$ 263.9</b>	<b>\$ 228.6</b>
Deferred Outflows of Resources	\$ 22.3	\$ 20.8	\$ 1.3	\$ 2.1	\$ 23.6	\$ 22.9
Current liabilities	\$ 4.6	\$ 5.4	\$ 3.6	\$ 3.7	\$ 8.2	\$ 9.1
Long-term liabilities	124.0	132.6	24.6	19.3	148.6	151.9
<b>Total Liabilities</b>	<b>\$ 128.6</b>	<b>\$ 138.0</b>	<b>\$ 28.2</b>	<b>\$ 23.0</b>	<b>\$ 156.8</b>	<b>\$ 161.0</b>
Deferred Inflows of Resources	\$ 32.9	\$ 24.9	\$ 5.5	\$ 4.1	\$ 38.4	\$ 29.0
Net position:						
Invested in capital assets, net of related debt	\$ 50.3	\$ 51.7	\$ 76.6	\$ 69.8	\$ 126.9	\$ 121.5
Restricted	23.8	12.6	-	-	23.8	12.6
Unrestricted (deficit)	(73.4)	(90.7)	15.0	18.1	(58.4)	(72.6)
<b>Total Net Position</b>	<b>\$ 0.7</b>	<b>\$ (26.4)</b>	<b>\$ 91.6</b>	<b>\$ 87.9</b>	<b>\$ 92.3</b>	<b>\$ 61.5</b>

**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 FY2022 was an increase of \$30.8 million compared to the increase of \$10.3 million in FY2021. The City's total revenues increased in 2022 by \$14.1 million to \$82.6 million. Of this amount, the Governmental revenues increased by \$12.0 million while Business-type revenues increased by \$2.1 million.

The cost of all City programs decreased by \$6.4 million with the Business-type costs increasing by \$100 thousand and the Governmental costs decreasing by \$6.5 million. In Governmental Activities' expenses, Public Safety expenses decreased by \$5.2 million mainly due to the changes in the Net Pension liability of the Police and Fire pension liabilities and the OPEB liability. Public Works and engineering decreased by \$2.0 million partly due to changes in the OPEB and IMRF liabilities. General Government 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, 2022**  
(Unaudited)

The Business-type net position increase of \$3.7 million is due to the \$2.1 million increase in the water department and \$877 thousand million increase in the airport fund along with a slight increase in the sewer department and other increases in the other nonmajor business-type funds. Operating revenues in the water department and sewer department showed a large increase from the prior year of \$1.2 million, with \$894 thousand of this increase from the sewer department. Operating expenses in the water department decreased by \$655 thousand from the prior year while the sewer department increased by \$752 thousand and the airport increased by \$122 thousand each from the prior year. Nonmajor business-type funds activity increased in revenues by \$226 thousand and decreased in expenses by \$418 thousand mostly in the garbage and recycle.

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	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 3.9	\$ 3.7	\$ 17.7	\$ 16.1	\$ 21.6	\$ 19.8
Operating grants and contributions	8.1	6.0	-	-	8.1	6.0
Capital grants and contributions	0.9	1.7	2.4	1.9	3.3	3.6
<b>General Revenues:</b>						
Property taxes	2.6	2.5	-	-	2.6	2.5
Other taxes	46.2	35.8	-	-	46.2	35.8
Other	0.4	0.4	0.4	0.4	0.8	0.8
<b>Total revenues</b>	<b>\$ 62.1</b>	<b>\$ 50.1</b>	<b>\$ 20.5</b>	<b>\$ 18.4</b>	<b>\$ 82.6</b>	<b>\$ 68.5</b>
<b>Expenses:</b>						
General government	\$ 1.5	\$ 1.1	\$ -	\$ -	\$ 1.5	\$ 1.1
Public safety	17.5	22.7	-	-	17.5	22.7
Public works and engineering	10.6	12.6	-	-	10.6	12.6
Water, Sewer, Airport, Barge Dock	-	-	17.3	17.2	17.3	17.2
Health, Culture, Community Dev	4.0	3.7	-	-	4.0	3.7
Interest on long-term debt	0.9	0.9	-	-	0.9	0.9
<b>Total expenses</b>	<b>\$ 34.5</b>	<b>\$ 41.0</b>	<b>\$ 17.3</b>	<b>\$ 17.2</b>	<b>\$ 51.8</b>	<b>\$ 58.2</b>
Increase (decrease) in net position before transfers and special items	\$ 27.6	\$ 9.1	\$ 3.2	\$ 1.2	\$ 30.8	\$ 10.3
Transfers	(0.5)	(1.7)	0.5	1.7	-	-
Increase (decrease) in net position	\$ 27.1	\$ 7.4	\$ 3.7	\$ 2.9	\$ 30.8	\$ 10.3
Net Position at beginning of year	(26.4)	(33.8)	87.9	85.0	61.5	51.2
<b>Net Position at end of year</b>	<b>\$ 0.7</b>	<b>\$ (26.4)</b>	<b>\$ 91.6</b>	<b>\$ 87.9</b>	<b>\$ 92.3</b>	<b>\$ 61.5</b>

**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 2022, city wide total compensation of \$22.1 million was nearly unchanged from the fiscal year 2021 amount of \$22.07 million. We attribute this to the vacant budgeted positions and pending ratification of the police labor union contract which expired on April 30, 2021. The City's health care benefit contributions remained unchanged; however, there were changes made. Effective January 1, 2022, the City switched from a self-funded health plan to a fully-insured health plan. City wide pension contributions increased about 4% in FYE 2022. IMRF pension costs decreased by \$186,000. The IMRF employer rate for the 2021 calendar year was 9.59%, almost 13% below the previous calendar 2020 rate of 10.98%. Police and Fire Pension fund payments increased \$560,000, about 6.5% over previous fiscal year. The City has focused on funding at the 100% actuarial recommended contribution.

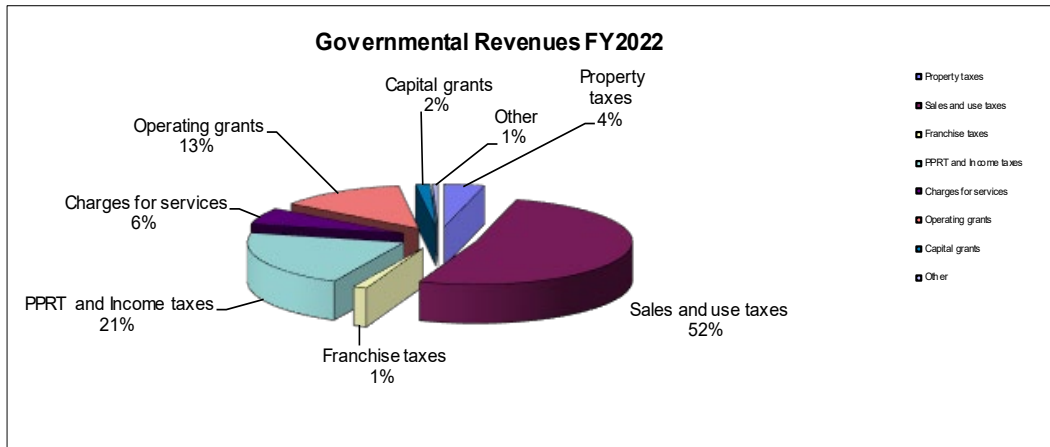
The City stays focused on capital improvements. Not only have the Enterprise funds shown increased investment in infrastructure, the General Fund distributed nearly \$10 million to the Capital Projects Fund this fiscal year. The City remains diligent with allocation of larger percentages of the Home Rule/Purchase Tax.

**Property Tax Revenues:** The EAV for the 2021 tax year (collected in FY 2023) grew by 2.22%. The property tax rate remained relatively flat at rate of 1.078. This is primarily due to the use of other committed funds such as franchise fee, video gaming revenues, and fund balance commitments toward pension liability.

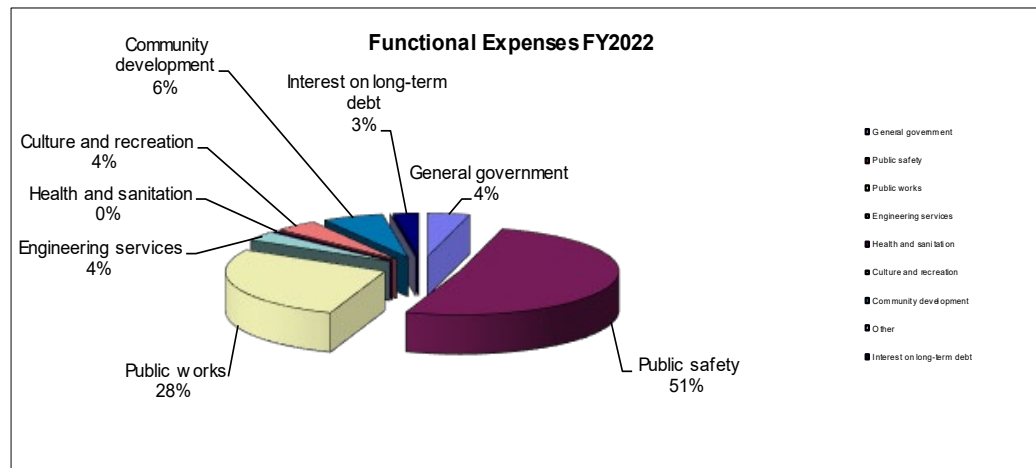
**Revenues:** The City relies heavily on sales tax dollars to meet obligations. Sales Tax alone (municipal sales tax and home rule) make up 47% of the General Fund total revenues. FY 2022 municipal sales tax revenues of \$12.09 million were 14% ahead of FY 2021 by \$1.5 million. We believe having the full year of the Level the Playing Field, (state legislative changes) have impacted sales tax collection. Home rule purchase tax revenues of \$11.38 million were 23% ahead of the \$9.22 million collected last year. The City realizes in addition to tax collection changes, there has likely been lingering stimulus to help boost revenues. The biggest increase came in the Personal Property Replacement Tax which generated \$8.6 million, nearly a \$5 million increase over the \$3.7 million last year. 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 2022 Income Tax revenues of \$5.7 million were over a million ahead of last year's \$4.7 million.

Overall, General Fund revenues performed well and exceeded the original budget by \$10 million leaving a very positive net cash position.

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

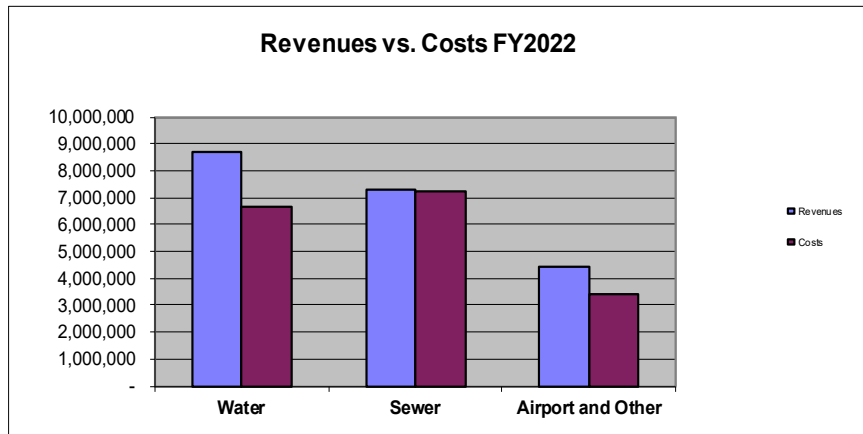


The following graph depicts the different expense categories and the percentage of resources provided for each category:



**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 FY2022, the governmental funds of the City reported a combined fund balance of \$54.9 million. This is an increase of 28.82%, or \$12.3 million from last year's combined fund balance of \$42.6 million. Of this fund balance, \$20.4 million is unassigned and available for spending at the City's discretion. The remainder of the fund balance is legally restricted, committed or assigned which limits the availability of these resources. The majority of the restricted balance is the unspent 2019B GO Bond proceeds for the City's street projects of \$6.1 million. The City also committed funds for capital projects of \$10.2 million in the Capital Projects fund.

The ending balance includes an increase in fund balance of \$7.6 million in the City's General Fund, the chief operating fund of the City. The General fund balance at April 30, 2022, is \$24.6 million with \$20.4 as unassigned. The Police Department and Fire Department make up the majority of the expenditures in the General Fund of 36.9% and 29.6%, respectively. The General fund is funded mainly by sales tax, property tax, income tax and franchise tax. In addition, these other changes in fund balances should be noted:

- The 2019B GO Street Project Fund had a decrease in fund balance of \$7.2 million as the proceeds of the bond issued in the prior year is spent down. The balance in this fund at April 30, 2022, is \$6.1 million.
- The Capital Projects Fund had an increase in fund balance of \$8.3 million from the large transfer from the General Fund for the funds committed to capital projects. The balance in this fund at April 30, 2022, is \$10.2 million.
- Quincy Transit Lines had an increase in fund balance of \$877 thousand due to the additional funding received from the CARES Act portion of its Downstate transit grant. The balance in this fund at April 30, 2022, is \$830 thousand.

For FY2022, the enterprise funds showed net position of \$91.6 million, an increase of \$3.7 million from the prior year. The components of this change were discussed earlier.

**General Fund Budgeting Highlights**

For FY2022, actual expenditures on a budgetary basis were \$40.4 million compared to the final budget amount of \$42.0 million. The \$1.6 million variance was due to spending less than budgeted in various areas, especially police, fire, and public works. The largest variances were in police of \$773 thousand and public works of \$575 thousand with budgeted expenditures being more than actual.



**City of Quincy, Illinois**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended April 30, 2022**  
(Unaudited)

The City's actual amounts available for appropriation on a budgetary basis were \$57.5 million as compared to the budget amount of \$50.0 million. This resulted in a variance of \$7.6 million, mainly in intergovernmental revenue and grants and contributions.

**Capital Assets**

At the end of FY2022, the City had \$167.9 million invested in its funds for capital assets. This amount represents an increase of \$20.0 million or 13.5%. 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 which include water and sewer projects.

Table 3  
Capital Assets  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Non-Depreciable Assets</b>						
Land	\$ 2.8	\$ 2.8	\$ 1.8	\$ 1.8	\$ 4.6	\$ 4.6
Construction in Progress	13.3	7.7	25.2	15.6	38.5	23.3
<b>Depreciable Assets</b>						
Vehicles	9.5	9.5	5.9	5.7	15.4	15.2
Buildings and improvements	21.6	21.6	184.1	176.5	205.7	198.1
Equipment and furniture	9.2	9.3	8.0	6.8	17.2	16.1
Infrastructure	147.2	142.8	-	-	147.2	142.8
Accumulated depreciation	(137.3)	(133.6)	(123.4)	(118.5)	(260.7)	(252.1)
	<u>\$ 66.3</u>	<u>\$ 60.1</u>	<u>\$ 101.6</u>	<u>\$ 87.9</u>	<u>\$ 167.9</u>	<u>\$ 148.0</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 \$24,335,000 in long-term bond obligations comprised of the following issues:

Table 4  
Outstanding Debt

	Issued	Outstanding
GOB 2021B	\$ 18,215,000	\$ 18,215,000
GORB 2017A	4,115,000	3,020,000
GORB 2021A	3,425,000	2,915,000
GOB 2009B	1,245,000	185,000
Total	<u>\$ 27,000,000</u>	<u>\$ 24,335,000</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, 2022, 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. However, the Level the Playing Field increases will only increase with inflationary growth going forward. The Illinois Municipal League estimates for state shared sources indicated positive growth in FYE 2023. The City chose to adopt slightly more conservative budgets for those state shared sources assuming less than optimistic outcomes. The City continues to manage budget growth. Unfortunately, the Police union negotiations have stalled so we are operating on a contract that expired April 30, 2021. Salary and benefit costs represent a significant portion of the General Fund budget. The cost of health care continues to be a challenge in this region and we continue to explore options to maintain sustainable coverage.

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 2023 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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 49,087,442	\$ 13,026,520	\$ 62,113,962	\$ 2,218,587
Restricted cash	596,384	-	596,384	-
Investments	-	-	-	3,034,156
Receivables, net	12,508,662	3,166,225	15,674,887	733,125
Inventories	38,669	231,374	270,043	-
Prepaid items	200,000	480,388	680,388	40,526
Net pension asset	11,174,427	5,452,966	16,627,393	1,462,526
Capital assets, net	66,276,182	101,638,908	167,915,090	5,561,497
<b>Total Assets</b>	<b>\$ 139,881,766</b>	<b>\$ 123,996,381</b>	<b>\$ 263,878,147</b>	<b>\$ 13,050,417</b>
<b>Deferred Outflows of Resources</b>				
Pension obligations - IMRF	\$ 1,798,088	\$ 908,732	\$ 2,706,820	\$ 302,477
Pension obligations - pension trust funds	18,648,676	-	18,648,676	-
OPEB	1,808,443	347,778	2,156,221	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 22,255,207</b>	<b>\$ 1,256,510</b>	<b>\$ 23,511,717</b>	<b>\$ 302,477</b>
<b>Liabilities</b>				
Accounts payable	\$ 789,328	\$ 1,789,394	\$ 2,578,722	\$ 8,063
Accrued expenses	567,684	61,554	629,238	10,235
Unearned revenue	2,060	81,620	83,680	51,485
Compensated absences - current	1,991,064	135,570	2,126,634	55,656
Current portion of long-term debt	1,239,734	1,532,638	2,772,372	-
Non-current liabilities:				
Accrued interest	366,667	57,922	424,589	-
Compensated absences	1,408,026	88,714	1,496,740	-
Net pension liability - pension trust funds	90,537,216	-	90,537,216	-
Net OPEB liability	4,581,468	881,052	5,462,520	-
Unamortized bond premium	1,799,617	-	1,799,617	-
Debt due in more than one year	25,282,500	23,471,043	48,753,543	-
<b>Total Liabilities</b>	<b>\$ 128,565,364</b>	<b>\$ 28,099,507</b>	<b>\$ 156,664,871</b>	<b>\$ 125,439</b>
<b>Deferred Inflows of Resources</b>				
Unearned property taxes	\$ 2,687,219	\$ -	\$ 2,687,219	\$ 732,125
Pension obligations - IMRF	9,909,851	4,998,231	14,908,082	1,673,279
Pension obligations - Pension Trust Funds	17,490,202	-	17,490,202	-
OPEB	2,764,986	531,729	3,296,715	-
<b>Total Deferred Inflows of Resources</b>	<b>\$ 32,852,258</b>	<b>\$ 5,529,960</b>	<b>\$ 38,382,218</b>	<b>\$ 2,405,404</b>
<b>Net Position</b>				
Invested in capital assets, net of related debt	\$ 50,303,329	\$ 76,635,227	\$ 126,938,556	\$ 5,561,497
Restricted for:				
Debt service	284,086	-	284,086	-
Capital projects	12,289,056	-	12,289,056	-
Economic development loans	3,646,207	-	3,646,207	-
Motor fuel tax projects	3,657,469	-	3,657,469	-
911 system	2,129,073	-	2,129,073	-
Transit	829,702	-	829,702	-
Other purposes	949,979	-	949,979	540,520
Unrestricted	(73,369,550)	14,988,197	(58,381,353)	4,720,034
<b>Total Net Position</b>	<b>\$ 719,351</b>	<b>\$ 91,623,424</b>	<b>\$ 92,342,775</b>	<b>\$ 10,822,051</b>

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, 2022

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	
<b>Primary Government</b>								
Governmental Activities:								
General government	\$ 1,471,733	\$ 1,315,795	\$ 2,718,223	\$ -	\$ 2,562,285	\$ -	\$ 2,562,285	\$ -
Public safety	17,509,429	895,158	646,248	-	(15,968,023)	-	(15,968,023)	-
Public works	9,433,738	1,384,464	4,225,104	921,289	(2,902,881)	-	(2,902,881)	-
Engineering services	1,180,565	-	-	-	(1,180,565)	-	(1,180,565)	-
Health and sanitation	96,610	52,963	-	-	(43,647)	-	(43,647)	-
Culture and recreation	1,489,214	-	-	-	(1,489,214)	-	(1,489,214)	-
Community development	2,128,940	225,363	559,254	-	(1,344,323)	-	(1,344,323)	-
Interest on long-term debt	878,568	-	-	-	(878,568)	-	(878,568)	-
<b>Total Governmental Activities</b>	<b>\$ 34,188,797</b>	<b>\$ 3,873,743</b>	<b>\$ 8,148,829</b>	<b>\$ 921,289</b>	<b>\$ (21,244,936)</b>	<b>\$ -</b>	<b>\$ (21,244,936)</b>	<b>\$ -</b>
Business-type Activities:								
Water	\$ 6,631,394	\$ 8,715,441	\$ -	\$ -	\$ -	\$ 2,084,047	\$ 2,084,047	\$ -
Sewer	7,227,241	6,667,166	-	626,652	-	66,577	66,577	-
Airport	1,878,614	191,756	-	1,822,225	-	135,367	135,367	-
Other	1,522,080	2,031,916	-	-	-	509,836	509,836	-
<b>Total Business-type Activities</b>	<b>\$ 17,259,329</b>	<b>\$ 17,606,279</b>	<b>\$ -</b>	<b>\$ 2,448,877</b>	<b>\$ -</b>	<b>\$ 2,795,827</b>	<b>\$ 2,795,827</b>	<b>\$ -</b>
<b>Total Primary Government</b>	<b>\$ 51,448,126</b>	<b>\$ 21,480,022</b>	<b>\$ 8,148,829</b>	<b>\$ 3,370,166</b>	<b>\$ (21,244,936)</b>	<b>\$ 2,795,827</b>	<b>\$ (18,449,109)</b>	<b>\$ -</b>
<b>Component Units</b>								
Woodland Cemetery	\$ 261,393	\$ 13,525	\$ 37,225	\$ -	\$ -	\$ -	\$ -	\$ (210,643)
Quincy Public Library	1,879,254	337,648	646,602	-	-	-	-	(895,004)
<b>Total Component Units</b>	<b>\$ 2,140,647</b>	<b>\$ 351,173</b>	<b>\$ 683,827</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,105,647)</b>
<b>General Revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					\$ 797,920	\$ -	\$ 797,920	\$ 733,044
Property taxes, levied for debt service					1,786,814	-	1,786,814	-
Personal property replacement tax					6,818,103	-	6,818,103	938,817
Sales and public service taxes					32,081,536	-	32,081,536	-
Income taxes					6,346,007	-	6,346,007	-
Franchise taxes					870,961	-	870,961	-
Payment from City of Quincy					(240,000)	-	(240,000)	937,246
Investment earnings (loss)					139,707	43,942	183,649	(173,606)
Miscellaneous					217,865	362,627	580,492	6,855
Transfers					(485,423)	485,423	-	-
<b>Total General Revenues and Transfers</b>					<b>\$ 48,333,490</b>	<b>\$ 891,992</b>	<b>\$ 49,225,482</b>	<b>\$ 2,442,356</b>
<b>Change in Net Position</b>					<b>\$ 27,088,554</b>	<b>\$ 3,687,819</b>	<b>\$ 30,776,373</b>	<b>\$ 1,336,709</b>
Net Position at beginning of year					(26,369,203)	87,935,605	61,566,402	9,485,342
<b>Net Position at end of year</b>					<b>\$ 719,351</b>	<b>\$ 91,623,424</b>	<b>\$ 92,342,775</b>	<b>\$ 10,822,051</b>

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

**City of Quincy, Illinois**

Balance Sheet  
Governmental Funds  
April 30, 2022

	General Fund	Quincy Transit Lines	Capital Projects Fund	2019B GO Street Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 17,028,336	\$ 405,630	\$ 10,234,602	\$ 6,235,007	\$ 12,040,986	\$ 45,944,561
Restricted cash	-	-	-	-	596,384	596,384
Receivables, net	320,383	-	-	-	2,855,745	3,176,128
Prepaid expenses	200,000	-	-	-	-	200,000
Due from other funds	3,980	-	-	-	115,500	119,480
Due from other governments	7,769,505	477,037	-	-	242,473	8,489,015
<b>Total Assets</b>	<b>\$ 25,322,204</b>	<b>\$ 882,667</b>	<b>\$ 10,234,602</b>	<b>\$ 6,235,007</b>	<b>\$ 15,851,088</b>	<b>\$ 58,525,568</b>
<b>Liabilities</b>						
Accounts payable	\$ 149,358	\$ 19,955	\$ 7,392	\$ 98,662	\$ 33,952	\$ 309,319
Accrued expenses	430,163	33,010	-	-	18,670	481,843
Unearned revenue	-	-	-	-	2,060	2,060
Due to other funds	-	-	-	-	119,480	119,480
<b>Total Liabilities</b>	<b>\$ 579,521</b>	<b>\$ 52,965</b>	<b>\$ 7,392</b>	<b>\$ 98,662</b>	<b>\$ 174,162</b>	<b>\$ 912,702</b>
<b>Deferred Inflows - Property taxes</b>	<b>\$ 142,072</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,545,147</b>	<b>\$ 2,687,219</b>
<b>Fund Balances</b>						
Nonspendable	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Restricted for:						
Debt service	-	-	-	-	650,753	650,753
Economic development loans	-	-	-	-	2,810,814	2,810,814
Capital projects	-	-	-	6,136,345	1,253,883	7,390,228
911 System	-	-	-	-	2,129,073	2,129,073
Motor fuel tax projects	-	-	-	-	3,657,469	3,657,469
Public safety projects	-	-	-	-	368,008	368,008
Other projects	-	-	-	-	581,971	581,971
Transit	-	829,702	-	-	-	829,702
Committed for:						
Pension funds	3,988,199	-	-	-	-	3,988,199
Economic growth	-	-	-	-	1,509,856	1,509,856
Capital projects	-	-	10,227,210	-	-	10,227,210
Assigned for:						
Green projects	-	-	-	-	171,343	171,343
Unassigned	20,412,412	-	-	-	(1,391)	20,411,021
<b>Total Fund Balances</b>	<b>\$ 24,600,611</b>	<b>\$ 829,702</b>	<b>\$ 10,227,210</b>	<b>\$ 6,136,345</b>	<b>\$ 13,131,779</b>	<b>\$ 54,925,647</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 25,322,204</b>	<b>\$ 882,667</b>	<b>\$ 10,234,602</b>	<b>\$ 6,235,007</b>	<b>\$ 15,851,088</b>	<b>\$ 58,525,568</b>

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

**City of Quincy, Illinois**Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position  
April 30, 2022

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Total governmental fund balances	\$ 54,925,647
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.	65,668,400
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	3,189,676
Capital assets	607,782
Net pension asset	977,021
Deferred outflows	226,074
Current liabilities	(592,594)
Long-term liabilities	(174,027)
Deferred inflows	(993,708)
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.	835,393
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.	(86,559,425)
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.	(5,341,396)
Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet:	
General Obligation bonds	(24,335,000)
Notes payable - banks	(166,234)
Compensated absences	(3,360,974)
Unamortized bond premium	(1,799,617)
Accrued interest payable	(366,667)
Landfill liability	(2,021,000)
	<hr/>
Net position of governmental activities	<u>\$ 719,351</u>

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

**City of Quincy, Illinois**

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended April 30, 2022

	General Fund	Quincy Transit Lines	Capital Projects Fund	2019B GO Street Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 139,776	\$ -	\$ -	\$ -	\$ 2,444,958	\$ 2,584,734
Franchise taxes	370,741	-	-	-	500,220	870,961
Public service taxes	39,881,458	-	-	-	5,364,188	45,245,646
Grants and contributions	3,304,789	3,948,092	104,102	-	1,350,408	8,707,391
Charges for services	1,100,919	218,909	-	-	80,512	1,400,340
Fines and forfeitures	370,966	-	-	-	48,873	419,839
Intergovernmental	12,613	-	-	-	347,327	359,940
Investment earnings	48,613	1,889	13,705	7,028	57,014	128,249
Miscellaneous	105,287	300	13,950	107,326	283,151	510,014
<b>Total Revenues</b>	<b>\$ 45,335,162</b>	<b>\$ 4,169,190</b>	<b>\$ 131,757</b>	<b>\$ 114,354</b>	<b>\$ 10,476,651</b>	<b>\$ 60,227,114</b>
<b>Expenditures</b>						
General Government						
Aldermen	\$ 191,958	\$ -	\$ -	\$ -	\$ -	\$ 191,958
Mayor	205,120	-	-	-	-	205,120
City Treasurer	266,481	-	-	-	-	266,481
City Clerk	174,112	-	-	-	-	174,112
Director of Administration	117,721	-	-	-	-	117,721
Purchasing	79,282	-	-	-	-	79,282
Building maintenance	268,276	-	-	-	-	268,276
Comptroller	372,003	-	-	-	-	372,003
Legal department	263,418	-	-	-	-	263,418
Boards and commissions	76,587	-	-	-	-	76,587
Information technology	551,989	-	-	-	-	551,989
Public Safety						
Police Department	10,575,673	-	-	-	127,006	10,702,679
Fire Department	8,479,425	-	-	-	-	8,479,425
911 System	-	-	-	-	1,531,807	1,531,807
Public Works	3,948,525	3,254,160	-	-	-	7,202,685
Engineering Services	618,170	-	-	-	374,651	992,821
Health and Sanitation	97,105	-	-	-	-	97,105
Cemetery	240,000	-	-	-	-	240,000
Culture and Recreation	654,610	-	-	-	805,708	1,460,318
Community Development	911,507	-	131,538	-	1,035,315	2,078,360
Debt Service						
Principal retirement	76,321	-	-	-	1,182,586	1,258,907
Interest and charges	4,916	-	-	-	939,258	944,174
Capital outlay	499,017	28,664	956,616	7,279,914	1,947,916	10,712,127
<b>Total Expenditures</b>	<b>\$ 28,672,216</b>	<b>\$ 3,282,824</b>	<b>\$ 1,088,154</b>	<b>\$ 7,279,914</b>	<b>\$ 7,944,247</b>	<b>\$ 48,267,355</b>

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, 2022

	General Fund	Quincy Transit Lines	Capital Projects Fund	2019B GO Street Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 16,662,946	\$ 886,366	\$ (956,397)	\$ (7,165,560)	\$ 2,532,404	\$ 11,959,759
<b>Other Financing Sources (Uses)</b>						
Cost share transfers, net	\$ 1,016,380	\$ (294,440)	\$ -	\$ -	\$ (21,062)	\$ 700,878
Sale of assets	6,874	-	-	-	-	6,874
Operating transfers in	810,631	285,143	9,717,115	-	2,206,281	13,019,170
Operating transfers out	(10,935,582)	-	(444,770)	-	(2,018,569)	(13,398,921)
<b>Total Other Financing Sources (Uses)</b>	\$ (9,101,697)	\$ (9,297)	\$ 9,272,345	\$ -	\$ 166,650	\$ 328,001
<b>Net Change in Fund Balances</b>	\$ 7,561,249	\$ 877,069	\$ 8,315,948	\$ (7,165,560)	\$ 2,699,054	\$ 12,287,760
Fund Balances, May 1, 2021	17,039,362	(47,367)	1,911,262	13,301,905	10,432,725	42,637,887
<b>Fund Balances, April 30, 2022</b>	<u>\$ 24,600,611</u>	<u>\$ 829,702</u>	<u>\$ 10,227,210</u>	<u>\$ 6,136,345</u>	<u>\$ 13,131,779</u>	<u>\$ 54,925,647</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 Balances of Governmental Funds to the Statement of Activities For the Year Ended April 30, 2022

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Net change in fund balances - total governmental funds	\$ 12,287,760
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.	6,231,846
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.	1,324,513
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.	(521,509)
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.	369,842
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:	
Adjustment to cost of pension benefits earned, net of employer contributions	4,357,616
Change in OPEB obligation	3,235,768
Other	<u>(197,282)</u>
Change in net position of governmental activities	<u>\$ 27,088,554</u>

**City of Quincy, Illinois**

Statement of Net Position

Proprietary Funds

April 30, 2022

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Other Enterprise Funds		
<b>Assets</b>						
Current Assets						
Cash and cash equivalents	\$ 4,698,215	\$ 5,105,882	\$ 2,304,491	\$ 917,932	\$ 13,026,520	\$ 3,142,881
Receivables, net	1,012,117	1,148,849	828,102	177,157	3,166,225	8,126
Inventories	231,374	-	-	-	231,374	38,669
Prepaid expenses	34,083	34,083	412,222	-	480,388	-
Total Current Assets	<u>\$ 5,975,789</u>	<u>\$ 6,288,814</u>	<u>\$ 3,544,815</u>	<u>\$ 1,095,089</u>	<u>\$ 16,904,507</u>	<u>\$ 3,189,676</u>
Noncurrent Assets						
Land	\$ 242,946	\$ 861,374	\$ 453,124	\$ 240,335	\$ 1,797,779	\$ -
Systems	51,912,076	104,696,551	27,484,753	145,556	184,238,936	-
Building and equipment	4,736,092	14,204,932	5,048,690	1,153,246	25,142,960	-
Vehicles and equipment	4,855,442	4,174,201	3,074,170	1,729,416	13,833,229	3,277,396
Less: Accumulated depreciation	(26,844,012)	(77,631,157)	(16,922,804)	(1,976,023)	(123,373,996)	(2,669,614)
Net pension asset	3,467,255	828,072	559,047	598,592	5,452,966	977,021
Total Noncurrent Assets	<u>\$ 38,369,799</u>	<u>\$ 47,133,973</u>	<u>\$ 19,696,980</u>	<u>\$ 1,891,122</u>	<u>\$ 107,091,874</u>	<u>\$ 1,584,803</u>
<b>Total Assets</b>	<u><b>\$ 44,345,588</b></u>	<u><b>\$ 53,422,787</b></u>	<u><b>\$ 23,241,795</b></u>	<u><b>\$ 2,986,211</b></u>	<u><b>\$ 123,996,381</b></u>	<u><b>\$ 4,774,479</b></u>
<b>Deferred Outflows of Resources - Pension</b>	<u>\$ 574,712</u>	<u>\$ 136,159</u>	<u>\$ 92,918</u>	<u>\$ 104,943</u>	<u>\$ 908,732</u>	<u>\$ 161,869</u>
<b>Deferred Outflows of Resources - OPEB</b>	<u>\$ 208,666</u>	<u>\$ 48,154</u>	<u>\$ 37,453</u>	<u>\$ 53,505</u>	<u>\$ 347,778</u>	<u>\$ 64,205</u>
<b>Liabilities</b>						
Current Liabilities						
Accounts payable	\$ 527,668	\$ 687,803	\$ 550,665	\$ 23,258	\$ 1,789,394	\$ 480,009
Accrued expenses	35,578	9,650	7,253	9,073	61,554	85,841
Accrued interest payable	44,461	9,512	3,949	-	57,922	-
Customer deposits	81,620	-	-	-	81,620	-
Compensated absences	76,310	18,455	17,273	23,532	135,570	26,744
Bonds, notes and loans payable	501,705	889,716	141,217	-	1,532,638	-
Total Current Liabilities	<u>\$ 1,267,342</u>	<u>\$ 1,615,136</u>	<u>\$ 720,357</u>	<u>\$ 55,863</u>	<u>\$ 3,658,698</u>	<u>\$ 592,594</u>
Noncurrent Liabilities						
Compensated absences	\$ 55,846	\$ 11,233	\$ 8,139	\$ 13,496	\$ 88,714	\$ 11,372
Notes and loans payable	9,425,683	12,861,962	1,183,398	-	23,471,043	-
Net OPEB liability	528,631	121,992	94,882	135,547	881,052	162,655
Total Noncurrent Liabilities	<u>\$ 10,010,160</u>	<u>\$ 12,995,187</u>	<u>\$ 1,286,419</u>	<u>\$ 149,043</u>	<u>\$ 24,440,809</u>	<u>\$ 174,027</u>
<b>Total Liabilities</b>	<u><b>\$ 11,277,502</b></u>	<u><b>\$ 14,610,323</b></u>	<u><b>\$ 2,006,776</b></u>	<u><b>\$ 204,906</b></u>	<u><b>\$ 28,099,507</b></u>	<u><b>\$ 766,621</b></u>
<b>Deferred Inflows of Resources - Pension</b>	<u>\$ 3,178,112</u>	<u>\$ 759,017</u>	<u>\$ 512,427</u>	<u>\$ 548,675</u>	<u>\$ 4,998,231</u>	<u>\$ 895,543</u>
<b>Deferred Inflows of Resources - OPEB</b>	<u>\$ 319,037</u>	<u>\$ 73,624</u>	<u>\$ 57,263</u>	<u>\$ 81,805</u>	<u>\$ 531,729</u>	<u>\$ 98,165</u>
<b>Net Position</b>						
Invested in capital assets, net of related debt	\$ 24,975,156	\$ 32,554,223	\$ 17,813,318	\$ 1,292,530	\$ 76,635,227	\$ 607,782
Unrestricted	5,379,159	5,609,913	2,982,382	1,016,743	14,988,197	2,632,442
<b>Total Net Position</b>	<u><b>\$ 30,354,315</b></u>	<u><b>\$ 38,164,136</b></u>	<u><b>\$ 20,795,700</b></u>	<u><b>\$ 2,309,273</b></u>	<u><b>\$ 91,623,424</b></u>	<u><b>\$ 3,240,224</b></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, 2022

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Enterprise Funds</b>	<b>Governmental Activities- Internal Service Funds</b>
	<b>Water Department</b>	<b>Sewer Department</b>	<b>Quincy Regional Airport</b>	<b>Other Enterprise Funds</b>		
<b>Operating Revenues</b>						
Charges for services	\$ 8,715,441	\$ 6,667,166	\$ 191,756	\$ 2,031,916	\$ 17,606,279	\$ 9,688,174
Miscellaneous	33,538	4,894	285,149	36,015	359,596	12,797
<b>Total Operating Revenues</b>	<b>\$ 8,748,979</b>	<b>\$ 6,672,060</b>	<b>\$ 476,905</b>	<b>\$ 2,067,931</b>	<b>\$ 17,965,875</b>	<b>\$ 9,700,971</b>
<b>Operating Expenses</b>						
Salaries and wages	\$ 1,956,088	\$ 417,516	\$ 332,500	\$ 594,790	\$ 3,300,894	\$ 577,667
Benefits	(570,704)	(154,169)	(79,601)	(127,483)	(931,957)	(155,935)
Purchased services	1,356,542	2,357,570	249,241	875,041	4,838,394	346,590
Supplies	1,892,949	583,312	205,816	68,673	2,750,750	1,128,812
Claims and judgments	-	-	-	-	-	7,275,458
Noncapitalized equipment	31,073	912,499	89,256	-	1,032,828	-
Other objects	344,660	352,394	110,018	55,973	863,045	2,124
Depreciation	1,440,216	2,456,828	942,383	55,086	4,894,513	62,199
<b>Total Operating Expenses</b>	<b>\$ 6,450,824</b>	<b>\$ 6,925,950</b>	<b>\$ 1,849,613</b>	<b>\$ 1,522,080</b>	<b>\$ 16,748,467</b>	<b>\$ 9,236,915</b>
<b>Operating Income (Loss)</b>	<b>\$ 2,298,155</b>	<b>\$ (253,890)</b>	<b>\$ (1,372,708)</b>	<b>\$ 545,851</b>	<b>\$ 1,217,408</b>	<b>\$ 464,056</b>
<b>Non-Operating Revenues (Expenses)</b>						
Interest income	\$ 18,938	\$ 19,321	\$ 3,686	\$ 1,997	\$ 43,942	\$ 11,458
Grants and contributions	-	626,652	1,822,225	-	2,448,877	-
Sale of assets	733	-	2,298	-	3,031	-
Interest expense	(180,570)	(301,291)	(29,001)	-	(510,862)	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ (160,899)</b>	<b>\$ 344,682</b>	<b>\$ 1,799,208</b>	<b>\$ 1,997</b>	<b>\$ 1,984,988</b>	<b>\$ 11,458</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>\$ 2,137,256</b>	<b>\$ 90,792</b>	<b>\$ 426,500</b>	<b>\$ 547,848</b>	<b>\$ 3,202,396</b>	<b>\$ 475,514</b>
Transfers in	-	-	450,500	267,200	717,700	105,600
Transfers out	-	-	-	(232,277)	(232,277)	(211,272)
<b>Change in Net Position</b>	<b>\$ 2,137,256</b>	<b>\$ 90,792</b>	<b>\$ 877,000</b>	<b>\$ 582,771</b>	<b>\$ 3,687,819</b>	<b>\$ 369,842</b>
<b>Net Position at beginning of year</b>	<b>28,217,059</b>	<b>38,073,344</b>	<b>19,918,700</b>	<b>1,726,502</b>	<b>87,935,605</b>	<b>2,870,382</b>
<b>Net Position at end of year</b>	<b>\$ 30,354,315</b>	<b>\$ 38,164,136</b>	<b>\$ 20,795,700</b>	<b>\$ 2,309,273</b>	<b>\$ 91,623,424</b>	<b>\$ 3,240,224</b>

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, 2022

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Other Enterprise Funds		
<b>Cash Flows from Operating Activities</b>						
Receipts from customers	\$ 8,524,460	\$ 5,980,139	\$ (94,148)	\$ 2,043,500	\$ 16,453,951	\$ 3,851,161
Payments to suppliers	(3,783,305)	(4,525,980)	(897,222)	(998,794)	(10,205,301)	(1,268,796)
Payments to employees	(2,807,528)	(607,105)	(461,665)	(824,919)	(4,701,217)	(989,811)
Internal activity - payments to other funds	-	-	-	-	-	5,837,353
Claims paid	-	-	-	-	-	(7,321,492)
Other receipts (payments)	33,538	4,894	285,149	-	323,581	10,673
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,967,165</b>	<b>\$ 851,948</b>	<b>\$ (1,167,886)</b>	<b>\$ 219,787</b>	<b>\$ 1,871,014</b>	<b>\$ 119,088</b>
<b>Cash Flows from NonCapital Financing Activities</b>						
Operating subsidies and transfers	\$ -	\$ -	\$ 211,800	\$ 34,923	\$ 246,723	\$ (105,672)
<b>Cash Flows from Capital and Related Financing Activities</b>						
Proceeds from sale of debt	\$ 4,400,000	\$ 4,444,651	\$ -	\$ -	\$ 8,844,651	\$ -
Purchases of capital assets	(9,111,210)	(8,335,101)	(1,157,869)	-	(18,604,180)	(16,495)
Disposal of capital assets	733	-	2,298	-	3,031	50,000
Principal paid on capital debt	(420,805)	(1,443,748)	(138,739)	-	(2,003,292)	-
Interest paid on capital debt	(136,109)	(264,652)	(25,052)	-	(425,813)	-
Other receipts (payments)	-	626,652	1,822,225	-	2,448,877	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>\$ (5,267,391)</b>	<b>\$ (4,972,198)</b>	<b>\$ 502,863</b>	<b>\$ -</b>	<b>\$ (9,736,726)</b>	<b>\$ 33,505</b>
<b>Cash Flows from Investing Activities</b>						
Interest received	\$ 18,938	\$ 19,321	\$ 3,686	\$ 1,997	\$ 43,942	\$ 11,458
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>\$ 18,938</b>	<b>\$ 19,321</b>	<b>\$ 3,686</b>	<b>\$ 1,997</b>	<b>\$ 43,942</b>	<b>\$ 11,458</b>
<b>Net Increase (Decrease) in Cash and Cash Investments</b>	<b>\$ (3,281,288)</b>	<b>\$ (4,100,929)</b>	<b>\$ (449,537)</b>	<b>\$ 256,707</b>	<b>\$ (7,575,047)</b>	<b>\$ 58,379</b>
Cash and Cash Equivalents, May 1, 2021	7,979,503	9,206,811	2,754,028	661,225	20,601,567	3,084,502
<b>Cash and Cash Equivalents, April 30, 2022</b>	<b>\$ 4,698,215</b>	<b>\$ 5,105,882</b>	<b>\$ 2,304,491</b>	<b>\$ 917,932</b>	<b>\$ 13,026,520</b>	<b>\$ 3,142,881</b>

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, 2022

	<b>Business-type Activities Enterprise Funds</b>				<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Water Department</b>	<b>Sewer Department</b>	<b>Quincy Regional Airport</b>	<b>Other Enterprise Funds</b>		
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>						
Income (loss) from operations	\$ 2,298,155	\$ (253,890)	\$(1,372,708)	\$ 545,851	\$ 1,217,408	\$ 464,056
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:						
Amortization and depreciation	1,440,216	2,456,828	942,383	55,086	4,894,513	62,199
(Gain)/Loss on sale of fixed assets	-	-	-	-	-	-
(Increase) Decrease in:						
Accounts receivable	(157,672)	(687,027)	(285,904)	(24,431)	(1,155,034)	340
Inventories	(35,587)	-	-	-	(35,587)	(7,031)
Prepaid items	4,007	4,007	(409,146)	-	(401,132)	-
Net pension asset	(2,003,881)	(462,274)	(336,904)	(279,217)	(3,082,276)	(548,553)
Deferred outflows	467,489	125,579	62,116	152,774	807,958	146,433
Increase (Decrease) in:						
Accounts payable	(126,501)	(324,212)	166,255	893	(283,565)	60,303
Accrued expenses	(744)	(323)	1,671	(981)	(377)	(48,198)
Customer deposits	(33,309)	-	-	-	(33,309)	-
Compensated absences	(73,843)	(19,264)	(9,871)	1,659	(101,319)	(13,596)
Net pension liability	-	-	-	-	-	-
Net OPEB liability	(767,024)	(184,874)	(109,695)	(307,703)	(1,369,296)	(246,499)
Deferred inflows	955,859	197,398	183,917	75,856	1,413,030	249,634
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,967,165</b>	<b>\$ 851,948</b>	<b>\$(1,167,886)</b>	<b>\$ 219,787</b>	<b>\$ 1,871,014</b>	<b>\$ 119,088</b>

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

**City of Quincy, Illinois**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
April 30, 2022

	<b>Pension Trust Funds</b>	<b>Private Purpose Trusts</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,331,513	\$ 117,726
Investments	87,194,948	-
Receivables, net	5,133,301	-
<b>Total Assets</b>	<b>\$ 95,659,762</b>	<b>\$ 117,726</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ -	\$ 358
Accrued expenses	70,602	-
<b>Total Liabilities</b>	<b>\$ 70,602</b>	<b>\$ 358</b>
<b>Deferred Inflows of Resources</b>		
Unearned property taxes	<b>\$ 5,133,301</b>	<b>\$ -</b>
<b>Net Position</b>		
Held in trust for pension benefits	\$ 90,455,859	\$ -
Restricted for future expenditures	-	117,368
<b>Total Net Position</b>	<b>\$ 90,455,859</b>	<b>\$ 117,368</b>

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, 2022

	<b>Pension Trust Funds</b>	<b>Private Purpose Trusts</b>
<b>Additions</b>		
Taxes:		
Property taxes	\$ 4,963,949	\$ -
Personal Property Replacement tax	1,946,276	-
Total taxes	\$ 6,910,225	\$ -
Contributions:		
Plan members	\$ 1,052,579	\$ -
Outside agencies	-	26,025
Transfers from City	2,315,873	-
Total contributions	\$ 3,368,452	\$ 26,025
Investment earnings:		
Net increase (decrease) in fair value	\$ (3,278,456)	\$ -
Realized gain (loss) on sale of investments	(2,872,062)	-
Interest	370,482	325
Dividends	1,610,826	-
Investment expense	(119,719)	-
Total investment earnings	\$ (4,288,929)	\$ 325
Total Additions	\$ 5,989,748	\$ 26,350
<b>Deductions</b>		
Benefits	\$ 8,630,705	\$ -
Administrative expenses	52,969	-
Payments to others	-	15,808
Total Deductions	\$ 8,683,674	\$ 15,808
Change in net position	\$ (2,693,926)	\$ 10,542
Net position at beginning of year	93,149,785	106,826
<b>Net position at end of year</b>	<b>\$ 90,455,859</b>	<b>\$ 117,368</b>

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



**Notes to the  
Basic 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 Activities 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**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 are typically 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. The City maintains the following funds internally that are combined with the General Fund for external reporting purposes: Cash Reserve, Planning and Development, Housing Resource, Traffic Signal, Special Capital Projects, ARPA and Landfill.

**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.

**Capital Projects Fund**

The Capital Projects Fund accounts for the acquisition or construction of capital projects financed with funds committed by the City for Capital Projects.

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

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

1. **Governmental Funds (Concluded)**

**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.

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, Mid Town Business District, 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 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 2020 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 and statement of net position, unearned revenues represent amounts due, which are measurable, but not available. 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, 2022.

**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 \$18,418,018 in restricted fund balances that consisted of various funds with the majority restricted for capital projects of \$7,390,228.

**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 \$3,988,199 as of April 30, 2022, for the City's pension funds, \$10,227,210 for capital projects and \$1,509,856 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 \$171,343 as of April 30, 2022.

**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 reports 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 reports 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. The governmental funds report unavailable revenue from property taxes as these amounts are deferred and recognized as an inflow of resources in the period those amounts become available.

**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, 2022, the carrying amount of the City's deposits (excluding component units) was \$66,157,660 and the respective bank balances totaled \$67,554,522. Included in the bank balances are Certificates of Deposit totaling \$25,405,000. The insured and collateral status of the bank balances, by category risk, was as follows:

	<b>Primary Government</b>
FDIC Insured	\$ 21,080,912
Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	46,373,159
Uncollateralized	100,451
	<b>\$ 67,554,522</b>

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	66,157,660
Investments	87,194,948
<b>Total Cash and Investments</b>	<b>\$ 153,354,533</b>

	<b>Cash and Equivalents</b>	<b>Investments</b>	<b>Total</b>
Government-wide Statement of Net Position	\$ 62,710,346	\$ -	\$ 62,710,346
Statement of Fiduciary Net Position	3,449,239	87,194,948	90,644,187
	<b>\$ 66,159,585</b>	<b>\$ 87,194,948</b>	<b>\$ 153,354,533</b>

**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.

**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.

### 3) Deposits and Investments (Concluded)

#### **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.

Investments are recorded in the Firefighters' and Police Pension Funds. The investments are held by the Firefighters' and Police Pension Funds and were actively managed by Mercantile Trust Department and The Investor Group, respectively. Both Pension funds have now joined investment pools managed by the Illinois Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund. These investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of plan net position.

#### **Pension Fund Investments**

The Illinois Public Act 101-0610 provided for the mandatory consolidation of the investment assets of the state's public safety pension funds into two investment funds; one for police officers (Article 3) and one for firefighters (Article 4). The law provides that assets and liabilities of local pension funds will remain under the ownership of each local participating pension board and that the pension fund assets are combined for investment purposes only. Thus, the investments in the Police Pension Fund were transferred to the Illinois Police Officers' Pension Investment Fund (IPOPIF) and the investments in the Firefighters' Pension Fund were transferred to the Illinois Firefighters' Pension Investment Fund (IFPIF) during the year ended April 30, 2022.

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Pension Boards will not be able to recover the value of its investments that are in the possession of an outside party. Since the Pension Boards released custody of the funds to the respective state pension investment funds, the Boards are released from their custodial credit risk. The risk now lies with the state pension investment funds.

The investments held at the respective state pension investment funds are valued at Net Asset Value (NAV). The initial NAV will be determined based on the assets transferred from each participating pension fund to the IPOPIF and the IFPIF on the transfer date(s).

For the Firefighters' Pension Fund:

Each month following the initial determination of NAV, the NAV for each participating pension fund will be determined based on the participating pension fund's percentage ownership of the total IFPIF investment portfolio. Each participating pension fund's percentage of the total investment portfolio will be calculated each month based on the ending NAV from the prior month adjusted for additional cash contributions, asset transfers, and withdrawals by the participating pension fund to the total portfolio on a time-weighted basis. The income and expense activity for the month will then be allocated to each participating pension fund based on their time-weighted ownership percentage for the month.

For the Police Pension Fund:

Each day following the initial determination of NAV, the NAV for each participating police pension fund will be calculated on a daily basis. Each participating police pension fund's NAV will include: Cash and securities held in the pension fund account; percentage of ownership or united of IPOPIF investment pool(s); the percentage share of the outstanding balance of the IFA loan, if any; a receivable representing the estimated pro-rata portion of the liability for the outstanding balance of the IFA loan, if any; a receivable representing a pro-rata portion of costs paid with custodied assets attributable to late-transferring participating police pension funds that have not yet transferred based upon asset data compiled by the Illinois Department of Insurance; a receivable representing interest on the pro-rata portion of the IFA loan repayments and costs, if any; a receivable representing extraordinary costs, if any, attributable to each late-transferring participating police pension funds. Income, costs, and IFA loan repayments will be allocated based on each participating police pension fund's percentage share of the total NAV of all participating police pension funds as of the end of the day prior to the income, cost, or IFA loan repayment transaction.

**4) Capital Assets**

The following is a summary of Capital Asset transactions for the year ended April 30, 2022:

Governmental Activities

	<b>Balance, April 30, 2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance, April 30, 2022</b>
Buildings	\$ 15,691,352	\$ 16,830	\$ -	\$ 15,708,182
Improvements	5,907,976	6,722	-	5,914,698
Infrastructure	142,901,135	4,270,666	-	147,171,801
Machinery and equipment	8,641,981	476,504	(678,027)	8,440,458
Vehicles	9,530,327	96,659	(131,220)	9,495,766
Furniture and intangibles	658,268	192,875	(84,304)	766,839
Total assets being depreciated	<u>\$ 183,331,039</u>	<u>\$ 5,060,256</u>	<u>\$ (893,551)</u>	<u>\$ 187,497,744</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (8,045,445)	\$ (377,830)	\$ -	\$ (8,423,275)
Improvements	(1,260,687)	(253,947)	-	(1,514,634)
Infrastructure	(112,322,822)	(2,908,934)	-	(115,231,756)
Machinery and equipment	(5,549,169)	(378,451)	641,865	(5,285,755)
Vehicles	(5,768,422)	(400,149)	65,642	(6,102,929)
Furniture and intangibles	(690,823)	(171,427)	84,304	(777,946)
Total accumulated depreciation	<u>\$ (133,637,368)</u>	<u>\$ (4,490,738)</u>	<u>\$ 791,811</u>	<u>\$ (137,336,295)</u>
Net total of capital assets being depreciated	\$ 49,693,671	\$ 569,518	\$ (101,740)	\$ 50,161,449
Land	2,796,244	-	-	2,796,244
Construction in Progress	7,650,125	8,854,625	(3,186,261)	13,318,489
<b>Governmental Activities Capital Assets</b>	<u><u>\$ 60,140,040</u></u>	<u><u>\$ 9,424,143</u></u>	<u><u>\$ (3,288,001)</u></u>	<u><u>\$ 66,276,182</u></u>

Business-Type Activities

	<b>Balance, April 30, 2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance, April 30, 2022</b>
Buildings	\$ 25,142,960	\$ -	\$ -	\$ 25,142,960
Systems	151,263,807	7,792,650	-	159,056,457
Machinery and equipment	6,845,381	1,136,035	-	7,981,416
Vehicles	5,713,192	138,622	-	5,851,814
Total assets being depreciated	<u>\$ 188,965,340</u>	<u>\$ 9,067,307</u>	<u>\$ -</u>	<u>\$ 198,032,647</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (14,743,172)	\$ (680,326)	\$ -	\$ (15,423,498)
Systems	(97,148,845)	(3,708,043)	-	(100,856,888)
Machinery and equipment	(2,593,810)	(257,467)	-	(2,851,277)
Vehicles	(3,993,656)	(248,677)	-	(4,242,333)
Total accumulated depreciation	<u>\$ (118,479,483)</u>	<u>\$ (4,894,513)</u>	<u>\$ -</u>	<u>\$ (123,373,996)</u>
Net total of capital assets being depreciated	\$ 70,485,857	\$ 4,172,794	\$ -	\$ 74,658,651
Land	1,797,779	-	-	1,797,779
Construction in Progress	15,645,605	15,019,685	(5,482,812)	25,182,478
<b>Business-Type Activities Capital Assets</b>	<u><u>\$ 87,929,241</u></u>	<u><u>\$ 19,192,479</u></u>	<u><u>\$ (5,482,812)</u></u>	<u><u>\$ 101,638,908</u></u>

**4) Capital Assets (Concluded)**

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

<b>Governmental Activities</b>	
General government	\$ 254,697
Public safety	770,036
Public works	2,776,469
Other governmental activities	689,536
<b>Total Governmental activities</b>	<b><u>\$ 4,490,738</u></b>
<b>Business-Type Activities</b>	
Water	\$ 1,440,216
Sewer	2,456,828
Airport	942,383
Other enterprise	55,086
<b>Total Business-type activities</b>	<b><u>\$ 4,894,513</u></b>

**5) Non-current Liabilities**

For the Year Ended April 30, 2022, the changes in non-current liabilities are as follows:

Governmental Activities	<b>Balance</b>	<b>(Retirements)</b>	<b>Balance</b>
	<b>April 30, 2021</b>	<b>Additions</b>	<b>April 30, 2022</b>
General Obligation Bonds	\$ 25,517,586	\$ (1,182,586)	\$ 24,335,000
Accrued interest on bonds	380,188	(13,521)	366,667
Notes Payable - Bank	242,555	(76,321)	166,234
Compensated absences	2,891,178	507,912	3,399,090
Net pension liability	91,454,347	(917,131)	90,537,216
Unamortized bond premium	1,851,702	(52,085)	1,799,617
Net OPEB obligation	11,285,836	(6,704,368)	4,581,468
Landfill post-closure	2,021,000	-	2,021,000
	<b><u>\$ 135,644,392</u></b>	<b><u>\$ (8,438,100)</u></b>	<b><u>\$ 127,206,292</u></b>
Business-Type Activities	<b>Balance</b>	<b>(Retirements)</b>	<b>Balance</b>
	<b>April 30, 2021</b>	<b>Additions</b>	<b>April 30, 2022</b>
Compensated absences	\$ 325,603	\$ (101,319)	\$ 224,284
Notes payable - Bank	18,135,195	6,868,486	25,003,681
Accrued interest	-	57,922	57,922
Net OPEB obligation	2,250,348	(1,369,296)	881,052
Net pension liability	-	-	-
	<b><u>\$ 20,711,146</u></b>	<b><u>\$ 5,455,793</u></b>	<b><u>\$ 26,166,939</u></b>

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, 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, 2022, 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.	\$ 2,915,000
\$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.	3,020,000
\$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
\$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.	185,000
Total	<u>\$ 24,335,000</u>
Less: Current portion of bonds payable	<u>(1,085,000)</u>
Net Long-Term Bonds Payable	<u><u>\$ 23,250,000</u></u>

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

**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 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, 2022, 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 \$877,114 has been included as a direct function expense. No interest was required to be capitalized during the year ended April 30, 2022.

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:

<b>Year Ending April 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	1,110,000	759,800	1,869,800
2028-2032	6,410,000	3,124,200	9,534,200
2033-2037	8,365,000	1,692,200	10,057,200
2038-2040	4,360,000	215,850	4,575,850
	<u>\$ 24,335,000</u>	<u>\$ 9,179,100</u>	<u>\$ 33,514,100</u>



**5) Non-current Liabilities (Continued)**

**General Obligation Bonds (Concluded)**

Accrued interest on bonds is comprised of the following:

	<b>Next Interest Payment Due</b>	<b>Accrued Interest April 30, 2022</b>
GOB 2009B	\$ 3,700	\$ 2,467
GOB 2017A	45,300	30,200
GOB 2019A	58,300	48,583
GOB 2019B	342,500	285,417
	\$ 449,800	\$ 366,667

**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, 2022, was \$100,000.

On June 29, 2018, the City entered into a contract with KS StateBank for the financing of body cameras and related equipment for the Police Department. This contract calls for four annual payments of \$68,737.50 each beginning on June 29, 2019, with the last payment due on June 29, 2022, at no stated interest rate but an imputed interest rate of 5.466%. The total of this contract is \$274,950. The balance outstanding at April 30, 2022, was \$66,234.

The annual requirements to amortize the outstanding loans as of April 30, 2022, are as follows:

<b>Year Ending April 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 78,734	\$ 2,504	\$ 81,238
2024	12,500	-	12,500
2025	12,500	-	12,500
2026	12,500	-	12,500
2027	12,500	-	12,500
2028-2031	37,500	-	37,500
	\$ 166,234	\$ 2,504	\$ 168,738

**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, 2022, the City had drawdowns totaling \$5,125,363. 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, 2022, was \$4,227,649.

**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, 2022, the City had drawdowns totaling \$3,420,688 and is now fully funded. The balance of this loan at April 30, 2022, was \$3,095,483.

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, 2022, was \$8,385,879.

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, 2022, at an interest rate of 1.75% and is unsecured. Final maturity is December 8, 2030. The balance of this loan at April 30, 2022, was \$1,324,615.

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 November 13, 2022, and a final payment due May 13, 2042. The City has fully drawn down this loan as of April 30, 2022, therefore, the balance of this loan at April 30, 2022, was \$4,400,000.

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 November 2, 2022 and a final payment due May 2, 2042. The City has fully drawn down this loan as of April 30, 2022. \$626,652 of the loan amount was forgiven by the state of Illinois and is shown as income in the financial statements. The balance of this loan at April 30, 2022, was \$3,570,055.

The annual requirements to amortize these outstanding loans as of April 30, 2022, are as follows:

<b>Year Ending April 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,532,638	\$ 481,110	\$ 2,013,748
2024	1,821,774	387,317	2,209,091
2025	1,855,076	354,015	2,209,091
2026	1,888,580	320,511	2,209,091
2027	1,922,698	286,393	2,209,091
2028-2032	7,963,788	928,947	8,892,735
2033-2037	4,191,950	476,695	4,668,645
2038-2042	3,600,537	144,328	3,744,865
2043	226,640	1,530	228,170
	<u>\$ 25,003,681</u>	<u>\$ 3,380,846</u>	<u>\$ 28,384,527</u>

**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, 2022.

A summary of the liability for compensated absences by function at April 30, 2022, follows:

	<u>Sick Leave</u>	<u>Vacation</u>	<u>Comp Time</u>	<u>Total</u>	<u>Current Portion</u>
<b>Governmental activities:</b>					
General government	\$ 45,000	\$ 58,018	\$ -	\$ 103,018	\$ 58,018
Public safety	1,373,284	1,027,509	570,389	2,971,182	1,737,324
Public works	96,566	105,645	48,915	251,126	154,561
Engineering services	20,555	26,545	592	47,692	27,137
Community development	12,048	14,024	-	26,072	14,024
	<u>\$ 1,547,453</u>	<u>\$ 1,231,741</u>	<u>\$ 619,896</u>	<u>\$ 3,399,090</u>	<u>\$ 1,991,064</u>
<b>Business-type activities:</b>					
Water	\$ 55,846	\$ 74,587	\$ 1,723	\$ 132,156	\$ 76,310
Sewer	11,233	16,664	1,791	29,688	18,455
Airport	8,139	12,347	4,925	25,411	17,273
Garbage and Recycle	13,496	17,431	6,102	37,029	23,532
	<u>\$ 88,714</u>	<u>\$ 121,029</u>	<u>\$ 14,541</u>	<u>\$ 224,284</u>	<u>\$ 135,570</u>
Total Compensated Absences	<u>\$ 1,636,167</u>	<u>\$ 1,352,770</u>	<u>\$ 634,437</u>	<u>\$ 3,623,374</u>	<u>\$ 2,126,634</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, 2022, 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, 2021 for the 2020 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 \$2,687,219 in the Governmental activities and \$5,133,301 in the Pension Trust funds, levied for 2021, 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, 2022, were 100% of the 2020 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 Annual Comprehensive 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](http://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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	330
Inactive employees entitled to but not yet receiving benefits	131
Active employees	215
Total	676

***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 2021 was 9.59 percent. For the fiscal year ended April 30, 2022, the City contributed \$831,547 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, 2021, 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, 2021, 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, 2021:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	39.00%	1.90%
International Equities	15.00%	3.15%
Fixed Income	25.00%	-0.60%
Real Estate	10.00%	3.30%
Alternatives	10.00%	1.70 - 5.5%
Cash Equivalents	1.00%	-0.90%

**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 1.84%; 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 4/30/2021	\$ 82,806,795	\$ 90,402,355	\$ (7,595,560)
Changes for the year:			
Service cost	\$ 901,416	\$ -	
Interest	5,881,651	-	
Difference between expected and actual experience	615,890	-	
Contributions-employer	-	1,001,540	
Contributions-employee	-	458,310	
Net investment income	-	15,487,534	
Benefits payments, including refunds	(5,118,901)	(5,118,901)	
Assumption changes	-	-	
Other changes	-	(516,595)	
Net changes	\$ 2,280,056	\$ 11,311,888	\$ (9,031,832)
Balances at 4/30/2022	\$ 85,086,851	\$ 101,714,243	\$ (16,627,392)

**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	\$ 94,422,816	\$ 85,086,851	\$ 78,365,392
Plan Fiduciary Net Position	101,714,243	101,714,243	101,714,243
Net Pension Liability/(Asset)	<u>\$ (7,291,427)</u>	<u>\$ (16,627,392)</u>	<u>\$ (23,348,851)</u>

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

For the year ended April 30, 2022, the City recognized pension benefit of \$3,795,470. 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	\$ 420,332	\$ 383,189
Changes in assumptions	-	129,051
Net difference between projected and actual earnings on pension plan investments	2,076,018	14,395,842
Contributions subsequent to measurement date *	210,471	-
Total	<u>\$ 2,706,821</u>	<u>\$ 14,908,082</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, 2022.

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
2022	\$ (2,705,739)
2023	(4,679,463)
2024	(3,000,060)
2025	(1,815,999)
2026	-
Thereafter	-
Total	<u>\$ (12,201,261)</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, 2021.

#### ***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 the higher of 66 2/3% of the Employee's benefit at the time of death or 54% of the police officer's monthly salary at the time of death, provided the spouse was married to an active police officer with at least 8 years of creditable service, a disabled pensioner at the time of death, or a retired pensioner on the last day of service.

##### **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 creditable service may retire at or after age 60 and receive a reduced benefit using an accrual factor of 1.5% at 10 years of service, increasing ratably up to 2.4% at 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. The maximum family survivor benefit is 75% of final salary. Employees disabled in the line of duty receive 65% of final salary. For a non-duty disability, a firefighter with at least 7 years of creditable services is entitled to receive 50% 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 reduces benefits by one half of 1% for each month the firefighter's age is between 50 and 55; 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 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. Eligible employees disabled in the line of duty receive 65% of final salary. For a non-duty disability, a firefighter is entitled to receive 50% of final salary.

**Employees Covered by Benefit Terms:**

At April 30, 2021, the following employees were covered by the benefit terms:

<b>Police Pension Fund</b>	
Inactive employees or beneficiaries currently receiving benefits	78
Inactive employees entitled to but not yet receiving benefits	14
Active employees	69
Total	<u><u>161</u></u>
<b>Firefighters' Pension Fund</b>	
Inactive employees or beneficiaries currently receiving benefits	85
Inactive employees entitled to but not yet receiving benefits	2
Active employees	58
Total	<u><u>145</u></u>

**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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of May 1, 2021.

**7) Pension Plans (Continued)**

**Police and Firefighters Pension Funds (Continued)**

**Actuarial Assumptions**

The total pension liability in the May 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	May 1, 2021
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 65
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, 2022:

<b>Police</b>		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Large	23.00%	4.15%
US Small	5.00%	4.54%
Internationally Developed	18.00%	4.64%
Internationally Dev - Small	5.00%	-0.25%
Emerging Markets	7.00%	5.31%
Private Equity	7.00%	7.15%
Bank Loans	3.00%	2.48%
High Yield Corp. Credit	3.00%	2.48%
Emerging Market Debt	3.00%	2.82%
Private Credit	5.00%	4.37%
US TIPS	3.00%	-0.12%
Real Estate/Infrastructure	8.00%	4.00%
Cash	1.00%	-0.27%
Short Term Gov't/Credit	3.00%	0.73%
US Treasury	3.00%	-0.60%
Core Plus Fixed Income	3.00%	0.73%

**7) Pension Plans (Continued)**

**Police and Firefighters Pension Funds (Continued)**

Fire Asset Class	Target	Long-Term Expected
	Allocation	Real Rate of Return
US Equity	31.00%	5.20%
Developed Equity Non US	16.00%	5.10%
Emerging Markets Equity	8.00%	5.50%
Private Equity	5.00%	8.60%
Public Credit	3.00%	1.80%
Private Credit	5.00%	7.00%
Cash Equivalents	0.00%	-0.60%
Core Invest Grade Bonds	15.00%	1.60%
Long Term Treasuries	3.00%	1.30%
TIPS	4.00%	0.80%
Real Estate	5.00%	4.90%
Infrastructure	5.00%	5.10%

**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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 4/30/2021	\$ 91,588,837	\$ 48,685,591	\$ 42,903,246
Changes for the year:			
Service Cost	\$ 1,353,397	\$ -	
Interest	5,581,981	-	
Difference between expected and actual experience	(3,588,657)	-	
Changes of assumptions	-	-	
Changes of benefit terms	-	-	
Contributions-employer	-	4,404,948	
Contributions-employee	-	521,901	
Contributions-other	-	62,744	
Net investment income	-	(2,070,182)	
Benefits payments, including refunds	(4,189,553)	(4,189,553)	
Administrative expense	-	(24,559)	
Other changes	-	-	
Net changes	\$ (842,832)	\$ (1,294,701)	\$ 451,869
Balances at 4/30/2022	\$ 90,746,005	\$ 47,390,890	\$ 43,355,115

**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 4/30/2021	\$ 93,015,295	\$ 44,464,194	\$ 48,551,101
Changes for the year:			
Service Cost	\$ 1,341,806	\$ -	
Interest	5,559,010	-	
Difference between expected and actual experience	(5,227,888)	-	
Changes of assumptions	-	-	
Changes of benefit terms	-	-	
Contributions-employer	-	4,821,558	
Contributions-employee	-	467,934	
Contributions-other	-	-	
Net investment income	-	(2,219,154)	
Benefits payments, including refunds	(4,441,152)	(4,441,152)	
Administrative expense	-	(28,410)	
Other changes	-	-	
Net changes	<u>\$ (2,768,224)</u>	<u>\$ (1,399,224)</u>	<u>\$ (1,369,000)</u>
Balances at 4/30/2022	<u>\$ 90,247,071</u>	<u>\$ 43,064,970</u>	<u>\$ 47,182,101</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%
<b>Police Pension Fund</b>			
Net Pension Liability/(Asset)	\$ 56,916,874	\$ 43,355,115	\$ 32,358,669
<b>Firefighters' Pension Fund</b>			
Net Pension Liability/(Asset)	\$ 59,664,485	\$ 47,182,101	\$ 36,944,711

**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, 2022, the City recognized pension expense of \$4,219,367 for the Firefighters Fund and \$3,513,032 for Police. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

<b>Police Pension Fund</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,394,161	\$ 4,117,706
Changes in assumptions	2,586,446	-
Net difference between projected and actual earnings on pension plan investments	<u>5,298,833</u>	<u>4,973,330</u>
Total	<u>\$ 9,279,440</u>	<u>\$ 9,091,036</u>
<b>Firefighters' Pension Fund</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,496,519	\$ 4,136,470
Changes in assumptions	2,887,151	-
Net difference between projected and actual earnings on pension plan investments	<u>4,985,566</u>	<u>4,262,696</u>
Total	<u>\$ 9,369,236</u>	<u>\$ 8,399,166</u>

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

<b>Police Pension Fund</b>	
Year Ending April 30	Net Deferred Outflows of Resources
2022	\$ 168,664
2023	(125,022)
2024	(618,961)
2025	972,519
2026	(208,796)
Thereafter	-
Total	<u>\$ 188,404</u>

<b>Firefighters' Pension Fund</b>	
Year Ending April 30	Net Deferred Outflows of Resources
2022	\$ 839,224
2023	504,447
2024	(583,036)
2025	209,435
2026	-
Thereafter	-
Total	<u>\$ 970,070</u>

**8) Health Insurance Plan for Retired Employees**

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

***Employees Covered by Benefit Terms***

At April 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	270
Inactive employees entitled to but not yet receiving benefits	-
Active employees	290
Total	560

***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, 2022, with an actuarial valuation date of May 1, 2022. 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 2.27% at the beginning of the year and 3.21% 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, 2022, 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	3.21%	
Salary Increase	2.75%	
Healthcare Trend Rates		
	First-Year Trend	5.75%
	Initial Trend	5.50%
	Ultimate Trend	5.00%
	Amount of Trend Decrease	0.25%
	Years Between Trend Decreases	2
	Year Ultimate Trend Reached	2027

Retirement Age                      Based on rates from IMRF Experience Study Report dated December 14, 2020, for IMRF Employees. 100% of the L&A Assumption Study Cap Age 65 for Firefighters 2020 and Police 2020.

Mortality                                Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020. 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 (Continued)**

***Changes in the Net OPEB Liability***

	Increase (Decrease)		
	Total OPEB Liability (a)	OPEB Plan Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 4/30/2021	\$ 13,536,184	\$ -	\$ 13,536,184
Changes for the year:			
Service cost	\$ 574,927	\$ -	
Interest	303,400	-	
Actuarial experience	(3,268,438)	-	
Contributions-employer	-	341,124	
Contributions-employee	-	-	
Net investment income	-	-	
Benefits payments, including refunds	(341,124)	(341,124)	
Assumption changes	(657,421)	-	
Plan changes	(4,685,008)	-	
Net changes	<u>\$ (8,073,664)</u>	<u>\$ -</u>	<u>\$ (8,073,664)</u>
Balances at 4/30/2022	<u>\$ 5,462,520</u>	<u>\$ -</u>	<u>\$ 5,462,520</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 2.21%	Current Single Discount Rate Assumption 3.21%	1% Increase 4.21%
Employer Net OPEB Liability	\$ 5,991,516	\$ 5,462,520	\$ 5,000,301

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

For the year ended April 30, 2022, the City recognized OPEB benefit of \$3,730,264. The City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 293,959	\$ 2,744,649
Changes in assumptions	1,862,262	552,066
Net difference between projected and actual earnings on pension plan investments	-	-
Total	<u>\$ 2,156,221</u>	<u>\$ 3,296,715</u>



**8) Health Insurance Plan for Retired Employees (Concluded)**

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

Year Ending April 30	Net Deferred Inflows of Resources
2023	\$ 76,417
2024	76,417
2025	7,285
2026	(520,479)
2027	(629,145)
Thereafter	(150,989)
Total	\$(1,140,494)

**9) 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, 2022, was \$1,724,722. 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	\$ 800,000	Statutory
Crime Coverage	\$ 25,000	\$ 25,000	\$ 1,000,000
Cyber	\$ 25,000	\$ -	\$ 1,000,000

**10) Individual Fund Disclosures**

For the year ended April 30, 2022, 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>				
Quincy Transit Lines	\$ -	\$6,626,848	\$ 6,631,847	\$ (4,999)
Mid Town Business District	-	-	25,000	(25,000)
<i>Debt Service Funds:</i>				
2017 GO Bond	6,214	654,925	662,850	(1,711)

At April 30, 2022, the following funds had deficit fund balances/net position:

<u>Fund Name</u>	<u>Deficit</u>
<i>Special Revenue Funds:</i>	
State and Federal Grants	\$ 1,391
<i>Internal Service Funds:</i>	
Health Insurance	762,925

**11) Internal Balances and Activity**

Interfund transfers during the year ended April 30, 2022, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ 810,631	\$ 10,935,582
911 System Fund	518,500	-
Quincy Transit Lines	285,143	-
Capital Projects Fund	9,717,115	444,770
Other governmental funds	1,687,781	2,018,569
	<u>\$ 13,019,170</u>	<u>\$ 13,398,921</u>
Enterprise funds:		
Quincy Regional Airport	\$ 450,500	\$ -
Garbage and Recycle funds	263,000	232,277
Other enterprise funds	4,200	-
	<u>\$ 717,700</u>	<u>\$ 232,277</u>
Internal service funds:		
Central Garage	\$ 105,600	\$ 211,272
	<u>\$ 105,600</u>	<u>\$ 211,272</u>
	<u>\$ 13,842,470</u>	<u>\$ 13,842,470</u>

**11) Internal Balances and Activity (Concluded)**

Interfund receivables and payables at April 30, 2022, were as follows:

<u>Due from</u>	<u>Due to</u>			<u>Total</u>
	<u>General Fund</u>	<u>CBD Loan</u>	<u>Self Insurance</u>	
State and Federal Grants	\$ 3,980	\$ 115,500	\$ -	\$ 119,480
Health Insurance	-	-	840,000	840,000
<b>Total</b>	<b>\$ 3,980</b>	<b>\$ 115,500</b>	<b>\$ 840,000</b>	<b>\$ 959,480</b>

During the year ended April 30, 2021, the Health Insurance Fund borrowed \$840,000 from the Self Insurance Fund to cover claims. The State and Federal Grants Fund borrowed \$115,500 from the CBD Loan Fund to cover costs until grant funding was received. 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 plans are held in trust for the exclusive benefit of the participants and their beneficiaries. City employees deferred \$633,433 into the plans for the year ended April 30, 2022.

**13) 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, 2022, follows:

	<u>Loans Outstanding</u>
Q-Fund Revolving Loan Fund	\$ 480,416
CBD Revolving Loan Fund	339,570
Business and Housing Loans	15,407
<b>Total</b>	<b>\$ 835,393</b>

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, 2022, is not recorded in these financial statements.

**14) 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 maintains the Garbage Fund and the Recycling Fund for the City's garbage and recycling programs.

Key financial information as of and for the year ended April 30, 2022, for these funds is as follows:

	<u>Water Department</u>	<u>Sewer Department</u>	<u>Quincy Regional Airport</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
Operating revenues	\$ 8,748,979	\$ 6,672,060	\$ 476,905	\$ 2,067,931	\$ 17,965,875
Operating expenses (excluding depreciation)	5,010,608	4,469,122	907,230	1,466,994	11,853,954
Depreciation	1,440,216	2,456,828	942,383	55,086	4,894,513
Operating income	\$ 2,298,155	\$ (253,890)	\$ (1,372,708)	\$ 545,851	\$ 1,217,408
Non-operating revenues/ (expenses)	(160,899)	344,682	1,799,208	1,997	1,984,988
Capital contributions	-	-	-	-	-
Operating transfers	-	-	450,500	34,923	485,423
Net income (loss)	<u>\$ 2,137,256</u>	<u>\$ 90,792</u>	<u>\$ 877,000</u>	<u>\$ 582,771</u>	<u>\$ 3,687,819</u>
Capital asset additions	\$ 9,111,210	\$ 8,335,101	\$ 1,157,869	\$ -	\$ 18,604,180
Net working capital	\$ 4,708,447	\$ 4,673,678	\$ 2,824,458	\$ 1,039,226	\$ 13,245,809
Total assets	\$44,345,588	\$53,422,787	\$23,241,795	\$ 2,986,211	\$ 123,996,381
Notes payable from operating revenues	\$ 9,927,388	\$13,751,678	\$ 1,324,615	\$ -	\$ 25,003,681

**15) 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:

<u>Year Ending April 30</u>	<u>Total</u>
2023	\$ 8,100
2024	4,050
	<u>\$ 12,150</u>

The City also leases its copiers from The Business Centre with a monthly payment of \$799 per month. This lease expires September 23, 2022, with future minimum rental payments due in fiscal year 2023 of \$3,995.

**16) 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, 2022, the City received \$33,538 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, 2022, the City received \$28,295 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, 2022, the City received \$20,433 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, 2022. For the year ended April 30, 2022, 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 \$16,754 in rental income from this property for the year ended April 30, 2022.

On May 1, 2020, the City executed a lease with Titan International, Inc. for an airport hangar and adjacent property. This lease calls for monthly payments of \$2,917 and expires April 30, 2040. The City received \$24,000 in rental income from this lease for the year ended April 30, 2022.

The City entered into a lease agreement, dated August 16, 2021, with Two Rivers Regional Council of Governments for space located at 706 Maine Street. This lease calls for monthly payments of \$2,300 and expires August 16, 2024. The City received \$21,850 in rental income from this lease for the year ended April 30, 2022.

**17) Conduit Debt**

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

**18) Commitments and Contingencies**

Effective April 20, 2015, the City entered into a Wastewater Operation and Maintenance Agreement with Severn Trent Environmental Services, Inc., now Inframark, for the management and operation of the City's wastewater facilities. This agreement has a period of five years commencing April 27, 2015, and continuing until April 27, 2020. This agreement was renewed for another five years through April 27, 2025. Under this agreement, Severn Trent Environmental Services will manage the wastewater facilities by treating the wastewater influent delivered to the Facilities; providing routine maintenance of the Facilities; repairing and replacing the Facilities' equipment; providing regular testing for operational and process control and compliance with the various parameters; preparing and promptly delivering all applicable and required filings to regulatory agencies; and monitoring the seven pump stations high level alarms and providing routine preventative maintenance and repairing and replacing to same; monitoring dry weather flow interceptors at the six Municipal CSOs and reporting to the City and the IEPA in accordance with the permit. The City retains ownership of the wastewater facilities and equipment and is responsible for the cost of repairing and replacing the facilities and equipment and any required capital improvements. Severn will invoice the City monthly for all costs according to the fee schedule and any reimbursable costs that are the City's responsibility plus an administrative fee of fifteen percent. The base fee for the initial five-year period is \$61,170 per month. The new base fee is \$73,806 per month. The following table depicts the future minimum fees under this agreement:

<b>Year Ending April 30</b>	<b>Total</b>
2023	\$ 885,666
2024	885,666
2025	885,666
	<u>\$ 2,656,998</u>

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

<b>Year Ending April 30</b>	<b>Total</b>
2023	\$ 138,700
2024	34,675
	<u>\$ 173,375</u>

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, 2022.

## **18) Commitments and Contingencies (Concluded)**

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, 2022. These projects include: the 2019 Bond street projects of \$14,268,728 that was 93.73% complete; the water treatment project of \$6,223,333 that was 92.0% complete; an Aeration System Replacement project of \$5,492,067 that was 96.8% complete; Phase I of the Runway 4/22 Reconstruction project of \$7,433,140 that was 6.7% complete; a sewer CSO project of \$3,354,242 that was 62.2% complete; the South Quincy lift station project of \$1,498,000 that was 98.5% complete; Kochs Lane and 18<sup>th</sup> street and sewer project of \$2,086,608 that is 13.3% complete; Payson Ave 16<sup>th</sup> to 20<sup>th</sup> street and sewer project of \$1,628,815 that is 5.6% complete; Harrison Street 8<sup>th</sup> to 9<sup>th</sup> street and sewer project of \$1,574,272 that was 7.7% complete; and other street and sewer projects totaling \$4,872,130 that are in various stages of completion. There was also one software project of \$879,221 that was 50.8% complete at April 30, 2022.

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.

In addition, the City is named in several lawsuits for civil and other claims. The City feels that these claims are covered with adequate reserves and there is little likelihood that MICA and/or the City would be held responsible for any damages beyond policy limits.

## **19) Tax Abatements**

The City of Quincy entered into an agreement with Cullinan – Quincy Mall, under a Memo of Understanding 2<sup>nd</sup> 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, 2022, was \$272,828.

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 1<sup>st</sup> quarter ended following the Center's opening. The amount abated for the year ended April 30, 2022, was \$538,717.

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, 2022, Adams County abated property taxes in the County which would have totaled \$74,589 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 \$27,135 for the year ended April 30, 2022.

## 20) Subsequent Events

Subsequent events have been evaluated through November 15, 2022, which is the date the financial statements were available to be issued.

Following April 30, 2022, the City entered into various contracts and agreements. The larger agreements follow:

- On August 8, 2022, the City approved a contract for barge dock improvements for \$4,430,000 using a loan of \$2,340,000 from the General Fund to the Barge Dock fund to cover a portion of this cost.
- On August 29, 2022, the City approved a grant with the Illinois Department of Transportation for airport improvements for \$4,925,228 with a local match required of 2.5%.
- On September 6, 2022, the City authorized payment for the solar array project at the airport of \$1,294,231, 85% of the total contract, using a loan from the General Fund to the Airport Fund.
- On October 31, 2022, the City approved establishing an OPEB trust to fund its OPEB liability.

## 21) Recently Issued Pronouncements

As of April 30, 2022, 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, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, May 1, 2021</b>	\$ 11,443,358	\$ 11,443,358	\$ 11,443,358	\$ -
Resources (inflows):				
Property taxes	139,000	139,000	139,776	776
Franchise taxes	379,724	379,724	376,086	(3,638)
Charges for services	851,400	851,400	1,091,079	239,679
Fines and forfeitures	361,500	361,500	370,966	9,466
Intergovernmental	29,619,180	33,658,135	38,253,881	4,595,746
Grants and contributions	117,000	525,000	3,228,795	2,703,795
Investment earnings	41,700	41,700	48,613	6,913
Miscellaneous	41,054	41,054	105,287	64,233
Sale of assets	1,500	1,500	6,874	5,374
Cost share transfers, net	1,001,000	1,001,000	1,016,380	15,380
Operating transfers in	905,250	1,508,050	1,460,632	(47,418)
Amounts Available for Appropriation	\$ 44,901,666	\$ 49,951,421	\$ 57,541,727	\$ 7,590,306
Charges to Appropriations (outflows)				
General Government				
Aldermen	\$ 231,473	\$ 231,473	\$ 193,296	\$ 38,177
Mayor	217,849	217,849	201,747	16,102
City Treasurer	299,965	306,288	265,870	40,418
City Clerk	191,125	192,007	175,153	16,854
Director of Administration	118,576	122,374	117,100	5,274
Purchasing	82,318	83,289	81,392	1,897
Building Maintenance	270,366	309,551	268,132	41,419
Comptroller	363,389	388,458	372,786	15,672
Legal Department	257,314	271,060	264,437	6,623
Boards and Commissions	69,133	75,098	71,631	3,467
Information Technology	672,601	562,760	553,168	9,592
Public Safety				
Police Department	11,230,367	11,392,310	10,619,382	772,928
Fire Department	8,272,023	8,603,506	8,453,446	150,060
Public Works	4,214,421	4,518,194	3,942,731	575,463
Engineering Services	663,573	758,905	618,246	140,659
Health and sanitation	157,389	157,389	95,462	61,927
Community development	760,500	916,500	911,507	4,993
Culture and recreation	654,610	654,610	654,610	-
Cemetery	240,000	240,000	240,000	-
Capital outlay	255,487	279,800	444,333	(164,533)
Nondepartmental				
Operating transfers out	4,114,243	11,732,748	11,836,492	(103,744)
Total Charges to Appropriations	\$ 33,336,722	\$ 42,014,169	\$ 40,380,921	\$ 1,633,248
<b>Budgetary Balance, April 30, 2022</b>	\$ 11,564,944	\$ 7,937,252	\$ 17,160,806	\$ 9,223,554

**City of Quincy, Illinois**

Budgetary Comparison Schedule - Quincy Transit Lines Fund  
For the Year Ended April 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, May 1, 2021</b>	\$ -	\$ -	\$ (1,340,675)	\$ (1,340,675)
Resources (inflows):				
Charges for services	279,320	279,320	218,909	(60,411)
Grants and contributions	6,059,135	6,059,135	4,797,293	(1,261,842)
Miscellaneous	2,050	2,050	300	(1,750)
Investment earnings	1,200	1,200	1,889	689
Cost share transfers, net	(375,954)	(375,954)	(294,440)	81,514
Operating transfers in	285,143	285,143	285,143	-
Amounts Available for Appropriation	<u>\$ 6,250,894</u>	<u>\$ 6,250,894</u>	<u>\$ 3,668,419</u>	<u>\$ (2,582,475)</u>
Charges to Appropriations (outflows)				
Public Works	\$ 4,068,068	\$ 4,073,067	\$ 3,253,472	\$ 819,595
Capital outlay	2,182,826	2,182,826	28,664	2,154,162
Total Charges to Appropriations	<u>\$ 6,250,894</u>	<u>\$ 6,255,893</u>	<u>\$ 3,282,136</u>	<u>\$ 2,973,757</u>
<b>Budgetary Balance, April 30, 2022</b>	<u>\$ -</u>	<u>\$ (4,999)</u>	<u>\$ 386,283</u>	<u>\$ 391,282</u>

**City of Quincy, Illinois**

Budgetary Comparison Schedule - Capital Projects Fund  
For the Year Ended April 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, May 1, 2021</b>	\$ 1,665,481	\$ 1,665,481	\$ 1,665,481	\$ -
Resources (inflows):				
Grants and contributions	-	-	124,308	124,308
Miscellaneous	-	-	13,950	13,950
Investment earnings	40,000	40,000	13,705	(26,295)
Operating transfers in	2,147,000	7,930,997	9,968,025	2,037,028
Amounts Available for Appropriation	<u>\$ 3,852,481</u>	<u>\$ 9,636,478</u>	<u>\$ 11,785,469</u>	<u>\$ 2,148,991</u>
Charges to Appropriations (outflows)				
Other	\$ -	\$ 104,786	\$ 113,155	\$ (8,369)
Capital outlay	3,576,076	8,952,517	992,941	7,959,576
Operating transfers out	180,000	477,770	444,770	33,000
Total Charges to Appropriations	<u>\$ 3,756,076</u>	<u>\$ 9,535,073</u>	<u>\$ 1,550,866</u>	<u>\$ 7,984,207</u>
<b>Budgetary Balance, April 30, 2022</b>	<u><u>\$ 96,405</u></u>	<u><u>\$ 101,405</u></u>	<u><u>\$ 10,234,603</u></u>	<u><u>\$ 10,133,198</u></u>

**City of Quincy, Illinois**

Budgetary Comparison Schedule - 2019B GO Street Project Fund  
For the Year Ended April 30, 2022

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Budgetary fund balance, May 1, 2021</b>	\$ 13,916,446	\$ 13,916,446	\$ 13,916,446	\$ -
Resources (inflows):				
Miscellaneous	-	-	107,272	107,272
Investment earnings	-	-	7,028	7,028
Amounts Available for Appropriation	\$ 13,916,446	\$ 13,916,446	\$ 14,030,746	\$ 114,300
Charges to Appropriations (outflows)				
Capital outlay	\$ 13,853,162	\$ 13,853,162	\$ 7,795,738	\$ 6,057,424
Total Charges to Appropriations	\$ 13,853,162	\$ 13,853,162	\$ 7,795,738	\$ 6,057,424
<b>Budgetary Balance, April 30, 2022</b>	\$ 63,284	\$ 63,284	\$ 6,235,008	\$ 6,171,724

**City of Quincy, Illinois**  
 Budgetary Comparison Schedule  
 Budget - to - GAAP Reconciliation  
 For the Year Ended April 30, 2022

	<u>General Fund</u>	<u>Quincy Transit Lines</u>	<u>Capital Projects</u>	<u>2019B GO Street Project Fund</u>
<b>Sources/Inflows of Resources</b>				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 57,541,727	\$ 3,668,419	\$ 11,785,469	\$ 14,030,746
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.	(11,443,358)	1,340,675	(1,665,481)	(13,916,446)
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.	1,720,679	(849,201)	(20,206)	54
Transfers from other funds and debt proceeds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	(2,483,886)	9,297	(9,968,025)	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 45,335,162</u>	<u>\$ 4,169,190</u>	<u>\$ 131,757</u>	<u>\$ 114,354</u>
<b>Uses/Outflows of Resources</b>				
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$ 40,380,921	\$ 3,282,136	\$ 1,550,866	\$ 7,795,738
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.	127,787	688	(17,942)	(515,824)
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	(11,836,492)	-	(444,770)	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 28,672,216</u>	<u>\$ 3,282,824</u>	<u>\$ 1,088,154</u>	<u>\$ 7,279,914</u>

See accompanying notes to Required Supplementary Information.

### **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.

## City of Quincy, Illinois

### Combining Statement of Net Position - Component Units April 30, 2022

	<b>Quincy Public Library</b>	<b>Woodland Cemetery</b>	<b>Total Component Units</b>
<b>Assets</b>			
Cash and cash investments	\$ 1,923,083	\$ 295,504	\$ 2,218,587
Investments	1,832,182	1,201,974	3,034,156
Receivables, net	732,125	1,000	733,125
Prepaid expenses	40,526	-	40,526
Net pension asset	1,462,526	-	1,462,526
Capital assets, net	4,951,058	610,439	5,561,497
<b>Total Assets</b>	<b>\$ 10,941,500</b>	<b>\$ 2,108,917</b>	<b>\$ 13,050,417</b>
<b>Deferred Outflows of Resources</b>			
Pension obligation	\$ 302,477	\$ -	\$ 302,477
<b>Liabilities</b>			
Accounts payable	\$ 7,937	\$ 126	\$ 8,063
Accrued expenses	10,727	(492)	10,235
Unearned revenue	51,485	-	51,485
Compensated absences	55,656	-	55,656
<b>Total Liabilities</b>	<b>\$ 125,805</b>	<b>\$ (366)</b>	<b>\$ 125,439</b>
<b>Deferred Inflows of Resources</b>			
Unearned property taxes	\$ 732,125	\$ -	\$ 732,125
Pension obligation	1,673,279	-	1,673,279
<b>Total Deferred Inflows of Resources</b>	<b>\$ 2,405,404</b>	<b>\$ -</b>	<b>\$ 2,405,404</b>
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$ 4,951,058	\$ 610,439	\$ 5,561,497
Restricted for:			
Other purposes	171,526	368,994	540,520
Unrestricted	3,590,184	1,129,850	4,720,034
<b>Total Net Position</b>	<b>\$ 8,712,768</b>	<b>\$ 2,109,283</b>	<b>\$ 10,822,051</b>



**City of Quincy, Illinois**

Schedule of Changes in Net Pension Liability and Related Ratios  
 Illinois Municipal Retirement Fund  
 April 30, 2022

<b>Total Pension Liability</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Service Cost	\$ 901,416	\$ 1,017,972	\$ 994,300	\$ 899,387	\$ 984,502	\$ 979,682	\$ 1,019,908
Interest on total pension liability	5,881,651	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	615,890	(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	(5,118,901)	(4,879,029)	(4,706,470)	(4,304,814)	(4,180,583)	(4,003,358)	(3,698,939)
<b>Net change in total pension liability</b>	<b>\$ 2,280,056</b>	<b>\$ 765,145</b>	<b>\$ 1,768,518</b>	<b>\$ 4,975,213</b>	<b>\$ (4,956)</b>	<b>\$ 1,261,066</b>	<b>\$ 2,479,529</b>
Total pension liability-beginning	82,806,795	82,041,650	80,273,132	75,297,919	75,302,875	74,041,809	71,562,280
Total pension liability-ending (a)	<u>\$ 85,086,851</u>	<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>
<b>Plan Fiduciary Net Position</b>							
Contributions-employer	\$ 1,001,540	\$ 1,063,677	\$ 819,643	\$ 1,008,459	\$ 1,037,407	\$ 1,027,621	\$ 1,068,611
Contributions-employee	458,310	433,993	445,685	424,518	414,574	437,936	429,456
Net investment income	15,487,534	12,022,774	13,837,771	(4,515,014)	12,452,198	4,564,917	344,516
Benefit payments, including refunds	(5,118,901)	(4,879,029)	(4,706,470)	(4,304,814)	(4,180,583)	(4,003,358)	(3,698,939)
Other (Net Transfer)	(516,595)	(43,181)	258,698	1,151,568	(1,692,037)	148,620	(970,328)
<b>Net change in plan fiduciary net position</b>	<b>\$ 11,311,888</b>	<b>\$ 8,598,234</b>	<b>\$ 10,655,327</b>	<b>\$ (6,235,283)</b>	<b>\$ 8,031,559</b>	<b>\$ 2,175,736</b>	<b>\$ (2,826,684)</b>
Plan fiduciary net position-beginning	90,402,355	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>\$ 101,714,243</u>	<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>
<b>Net pension liability/(asset)-ending (a) - (b)</b>	<b>\$ (16,627,392)</b>	<b>\$ (7,595,560)</b>	<b>\$ 237,529</b>	<b>\$ 9,124,338</b>	<b>\$ (2,086,158)</b>	<b>\$ 5,950,357</b>	<b>\$ 6,865,027</b>
Plan fiduciary net position as a percentage of the total pension liability	119.54%	109.17%	99.71%	88.63%	102.77%	92.10%	90.73%
Covered valuation payroll	\$ 9,810,390	\$ 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	-169.49%	-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.

**City of Quincy, Illinois**

Schedule of Changes in the Net Pension Liability and Related Ratios  
 Firefighters' Pension Fund  
 April 30, 2022

<b>Total Pension Liability</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Service Cost	\$ 1,341,806	\$ 1,365,286	\$ 1,334,071	\$ 1,170,860	\$ 1,222,758	\$ 1,226,820	\$ 1,188,521
Interest on total pension liability	5,559,010	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	(5,227,888)	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	(4,441,152)	(4,236,705)	(4,077,115)	(3,945,016)	(3,662,533)	(3,524,482)	(3,403,608)
<b>Net change in total pension liability</b>	<b>\$ (2,768,224)</b>	<b>\$ 6,573,533</b>	<b>\$ 3,771,039</b>	<b>\$ 7,548,561</b>	<b>\$ 2,764,825</b>	<b>\$ (213,730)</b>	<b>\$ 8,303,929</b>
Total pension liability-beginning	93,015,295	86,441,762	82,670,723	75,122,162	72,357,337	72,571,067	64,267,138
Total pension liability-ending (a)	<u>\$ 90,247,071</u>	<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>
<b>Plan Fiduciary Net Position</b>							
Contributions-employer	\$ 4,821,558	\$ 4,529,836	\$ 3,537,670	\$ 3,274,394	\$ 3,116,182	\$ 2,763,408	\$ 2,569,640
Contributions-employee	467,934	434,084	418,094	409,823	406,119	390,594	379,247
Contributions-other	-	-	377	-	-	-	-
Net investment income	(2,219,154)	9,213,927	52,730	2,573,461	3,145,858	2,853,220	139,881
Benefit payments, including refunds	(4,441,152)	(4,236,705)	(4,077,115)	(3,945,016)	(3,662,533)	(3,524,482)	(3,403,608)
Pension plan administrative expense	(28,410)	(31,309)	(32,517)	(221,447)	(24,062)	(21,492)	(25,479)
Prior period audit adjustment	-	-	44,542	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ (1,399,224)</b>	<b>\$ 9,909,833</b>	<b>\$ (56,219)</b>	<b>\$ 2,091,215</b>	<b>\$ 2,981,564</b>	<b>\$ 2,461,248</b>	<b>\$ (340,319)</b>
Plan fiduciary net position-beginning	44,464,194	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>\$ 43,064,970</u>	<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>
<b>Net pension liability/(asset)-ending (a) - (b)</b>	<b>\$ 47,182,101</b>	<b>\$ 48,551,101</b>	<b>\$ 51,887,401</b>	<b>\$ 48,060,143</b>	<b>\$ 42,602,797</b>	<b>\$ 42,819,536</b>	<b>\$ 45,494,514</b>
Plan fiduciary net position as a percentage of the total pension liability	47.72%	47.80%	39.97%	41.87%	43.29%	40.82%	37.31%
Covered valuation payroll	\$ 4,776,300	\$ 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	987.84%	1063.67%	1175.88%	1099.08%	1005.94%	1026.94%	1147.62%

**City of Quincy, Illinois**

Schedule of Changes in the Net Pension Liability and Related Ratios

Police Pension Fund

April 30, 2022

<b>Total Pension Liability</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Service Cost	\$ 1,353,397	\$ 1,379,635	\$ 1,342,640	\$ 1,288,843	\$ 1,272,089	\$ 1,258,629	\$ 1,180,130
Interest on total pension liability	5,581,981	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	(3,588,657)	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	<u>(4,189,553)</u>	<u>(3,994,445)</u>	<u>(3,839,459)</u>	<u>(3,837,014)</u>	<u>(3,543,220)</u>	<u>(3,448,643)</u>	<u>(3,049,461)</u>
Net change in total pension liability	\$ (842,832)	\$ 4,626,359	\$ 5,276,212	\$ 2,943,337	\$ 4,034,628	\$ 118,066	\$ 8,507,243
Total pension liability-beginning	91,588,837	86,962,478	81,686,266	78,742,929	74,708,301	74,590,235	66,082,992
Total pension liability-ending (a)	<u>\$ 90,746,005</u>	<u>\$ 91,588,837</u>	<u>\$ 86,962,478</u>	<u>\$ 81,686,266</u>	<u>\$ 78,742,929</u>	<u>\$ 74,708,301</u>	<u>\$ 74,590,235</u>
<b>Plan Fiduciary Net Position</b>							
Contributions-employer	\$ 4,404,948	\$ 4,136,697	\$ 3,342,597	\$ 2,860,093	\$ 2,822,719	\$ 2,404,913	\$ 2,126,886
Contributions-employee	521,901	570,519	536,207	523,133	543,001	501,824	534,438
Contributions-other	62,744	22,260	33,975	35,961	-	-	-
Net investment income	(2,070,182)	10,732,314	(43,669)	1,807,207	2,761,046	2,670,162	(1,479,316)
Benefit payments, including refunds	(4,189,553)	(3,994,445)	(3,839,459)	(3,837,014)	(3,543,220)	(3,448,643)	(3,049,461)
Pension plan administrative expense	(24,559)	(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	\$ (1,294,701)	\$ 11,434,733	\$ (52,557)	\$ 1,347,932	\$ 2,551,007	\$ 2,070,829	\$ (1,899,483)
Plan fiduciary net position-beginning	48,685,591	37,250,858	37,303,415	35,955,483	33,404,476	31,333,647	33,233,130
Plan fiduciary net position-ending (b)	<u>\$ 47,390,890</u>	<u>\$ 48,685,591</u>	<u>\$ 37,250,858</u>	<u>\$ 37,303,415</u>	<u>\$ 35,955,483</u>	<u>\$ 33,404,476</u>	<u>\$ 31,333,647</u>
Net pension liability/(asset)-ending (a) - (b)	<u>\$ 43,355,115</u>	<u>\$ 42,903,246</u>	<u>\$ 49,711,620</u>	<u>\$ 44,382,851</u>	<u>\$ 42,787,446</u>	<u>\$ 41,303,825</u>	<u>\$ 43,256,588</u>
Plan fiduciary net position as a percentage of the total pension liability	52.22%	53.16%	42.84%	45.67%	45.66%	44.71%	42.01%
Covered valuation payroll	\$ 5,852,037	\$ 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	740.86%	745.24%	918.75%	833.53%	829.68%	817.71%	916.60%

**City of Quincy, Illinois**  
 Schedule of Employer Contributions  
 Illinois Municipal Retirement Fund  
 April 30, 2022

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<b>Calendar Year Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a % of Covered Valuation Payroll</b>
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%
2021	941,082	1,001,540	(60,458)	9,810,390	10.21%

**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, 2022

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%
2022	4,821,558	4,822,000	(442)	4,776,300	100.96%

Notes to Schedule of Contributions:

The Actuarially Determined Contribution shown above for the current year is the Recommended Contribution from the May 1, 2020 Actuarial Valuation completed by Lauterbach & Amen, LLP for the December 2020 tax levy, if applicable. The methods and assumptions shown below are based Actuarial Valuation. For more detail on the age-based and service-based rates disclosed on the next page, please see the Actuarial Valuation.



**City of Quincy, Illinois**  
 Schedule of Employer Contributions  
 Police Pension Fund  
 April 30, 2022

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%
2022	4,404,948	4,404,948	-	5,852,037	75.27%

Notes to Schedule of Contributions:

The Actuarially Determined Contribution shown above for the current year is the Recommended Contribution from the May 1, 2020 Actuarial Valuation completed by Lauterbach & Amen, LLP for the December 2020 tax levy, if applicable. The methods and assumptions shown below are based Actuarial Valuation. For more detail on the age-based and service-based rates disclosed on the next page, please see the Actuarial Valuation.





**City of Quincy, Illinois**

Schedule of Changes in Total OPEB Liability  
April 30, 2022

<b>Total OPEB Liability</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service Cost	\$ 574,927	\$ 280,707	\$ 199,204	\$ 165,103	\$ 166,349
Interest	303,400	318,695	359,887	302,467	310,171
Changes of benefit terms	(4,685,008)	-	595,972	-	-
Difference between expected and actual experience	(3,268,438)	-	-	-	-
Changes in assumptions	(657,421)	657,511	2,719,321	203,151	-
Benefit payments, including refunds	(341,124)	(339,537)	(310,350)	(308,524)	(293,484)
Other changes	-	-	549,857	-	-
<b>Net change in total OPEB liability</b>	<b>\$ (8,073,664)</b>	<b>\$ 917,376</b>	<b>\$ 4,113,891</b>	<b>\$ 362,197</b>	<b>\$ 183,036</b>
Total OPEB liability-beginning	13,536,184	12,618,808	8,504,917	8,142,720	7,959,684
<b>Total OPEB liability-ending (a)</b>	<b>\$ 5,462,520</b>	<b>\$ 13,536,184</b>	<b>\$ 12,618,808</b>	<b>\$ 8,504,917</b>	<b>\$ 8,142,720</b>
<b>Plan Fiduciary Net Position</b>					
Contributions-employer	\$ 341,124	\$ 339,537	\$ 310,350	\$ 343,394	\$ 293,484
Contributions-employee	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds	(341,124)	(339,537)	(310,350)	(343,394)	(293,484)
Administrative Expense	-	-	-	-	-
<b>Net change in OPEB plan net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
OPEB Plan net position-beginning	-	-	-	-	-
<b>OPEB Plan net position-ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB liability/(asset)-ending (a) - (b)</b>	<b>\$ 5,462,520</b>	<b>\$ 13,536,184</b>	<b>\$ 12,618,808</b>	<b>\$ 8,504,917</b>	<b>\$ 8,142,720</b>
OPEB Plan net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 22,102,813	N/A	N/A	\$ 19,611,953	\$ 18,778,257
Net OPEB liability as a percentage of covered employee payroll	24.71%	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, 2022

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
2022	N/A	\$ -	N/A	\$ 22,102,813	0.00%
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 \$341,124.

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.



## **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, 2022

	<b>Special Revenue Funds</b>								
	<b>State and Federal Grants Fund</b>	<b>911 System</b>	<b>Arts Commission</b>	<b>Motor Fuel Tax</b>	<b>Mid Town Bus Dist</b>	<b>Town Road Tax</b>	<b>Police Contributions</b>	<b>Fire Contributions</b>	<b>Economic Growth</b>
<b>Assets</b>									
Cash and cash equivalents	\$ 119,089	\$ 2,041,097	\$ 10,383	\$ 3,526,649	\$ 119,344	\$ 94,948	\$ 201,750	\$ 25,177	\$ 1,398,941
Restricted cash	-	-	-	-	-	-	-	-	-
Receivables, net	-	39,753	-	4	-	-	-	-	125,215
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	74,394	-	136,349	31,730	-	-	-	-
<b>Total Assets</b>	<b>\$ 119,089</b>	<b>\$ 2,155,244</b>	<b>\$ 10,383</b>	<b>\$ 3,663,002</b>	<b>\$ 151,074</b>	<b>\$ 94,948</b>	<b>\$ 201,750</b>	<b>\$ 25,177</b>	<b>\$ 1,524,156</b>
<b>Liabilities</b>									
Accounts payable	\$ 1,000	\$ 7,501	\$ -	\$ 5,533	\$ -	\$ -	\$ 2,075	\$ -	\$ 14,300
Accrued expenses	-	18,670	-	-	-	-	-	-	-
Due to other funds	119,480	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	2,060	-	-
<b>Total Liabilities</b>	<b>\$ 120,480</b>	<b>\$ 26,171</b>	<b>\$ -</b>	<b>\$ 5,533</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,135</b>	<b>\$ -</b>	<b>\$ 14,300</b>
<b>Deferred Inflows - Property taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
911 System	-	2,129,073	-	-	-	-	-	-	-
Motor fuel tax projects	-	-	-	3,657,469	-	-	-	-	-
Public safety projects	-	-	-	-	-	-	197,615	25,177	-
Other projects	-	-	10,383	-	151,074	94,948	-	-	-
Committed for:									
Economic growth	-	-	-	-	-	-	-	-	1,509,856
Assigned for:									
Green projects	-	-	-	-	-	-	-	-	-
Unassigned	(1,391)	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ (1,391)</b>	<b>\$ 2,129,073</b>	<b>\$ 10,383</b>	<b>\$ 3,657,469</b>	<b>\$ 151,074</b>	<b>\$ 94,948</b>	<b>\$ 197,615</b>	<b>\$ 25,177</b>	<b>\$ 1,509,856</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 119,089</b>	<b>\$ 2,155,244</b>	<b>\$ 10,383</b>	<b>\$ 3,663,002</b>	<b>\$ 151,074</b>	<b>\$ 94,948</b>	<b>\$ 201,750</b>	<b>\$ 25,177</b>	<b>\$ 1,524,156</b>

**City of Quincy, Illinois**  
Combining Balance Sheet (Continued)  
Non-Major Governmental Funds  
April 30, 2022

**Special Revenue Funds**

	<b>Franchise Fee "Green"</b>	<b>Economic Development Loan</b>	<b>CDAP Loan</b>	<b>CBD Loan</b>	<b>Neighborhood Rehab Loan</b>	<b>Small Business Emergency</b>	<b>Bridge Lighting</b>	<b>Tourism Tax</b>	<b>Total Special Revenue Funds</b>
<b>Assets</b>									
Cash and cash equivalents	\$ 129,658	\$ 1,707,325	\$ -	\$ 773,789	\$ 214,200	\$ -	\$ 63,520	\$ 158,244	\$ 10,584,114
Restricted cash	-	-	-	-	-	-	-	-	-
Receivables, net	41,685	-	-	-	-	-	-	103,941	310,598
Due from other funds	-	-	-	115,500	-	-	-	-	115,500
Due from other governments	-	-	-	-	-	-	-	-	242,473
<b>Total Assets</b>	<b>\$ 171,343</b>	<b>\$ 1,707,325</b>	<b>\$ -</b>	<b>\$ 889,289</b>	<b>\$ 214,200</b>	<b>\$ -</b>	<b>\$ 63,520</b>	<b>\$ 262,185</b>	<b>\$ 11,252,685</b>
<b>Liabilities</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139	\$ -	\$ 30,548
Accrued expenses	-	-	-	-	-	-	-	-	18,670
Due to other funds	-	-	-	-	-	-	-	-	119,480
Unearned revenue	-	-	-	-	-	-	-	-	2,060
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 139</b>	<b>\$ -</b>	<b>\$ 170,758</b>
<b>Deferred Inflows - Property taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	-	1,707,325	-	889,289	214,200	-	-	-	2,810,814
Capital projects	-	-	-	-	-	-	-	-	-
911 System	-	-	-	-	-	-	-	-	2,129,073
Motor fuel tax projects	-	-	-	-	-	-	-	-	3,657,469
Public safety projects	-	-	-	-	-	-	-	-	222,792
Other projects	-	-	-	-	-	-	63,381	262,185	581,971
Committed for:									
Economic growth	-	-	-	-	-	-	-	-	1,509,856
Assigned for:									
Green projects	171,343	-	-	-	-	-	-	-	171,343
Unassigned	-	-	-	-	-	-	-	-	(1,391)
<b>Total Fund Balances</b>	<b>\$ 171,343</b>	<b>\$ 1,707,325</b>	<b>\$ -</b>	<b>\$ 889,289</b>	<b>\$ 214,200</b>	<b>\$ -</b>	<b>\$ 63,381</b>	<b>\$ 262,185</b>	<b>\$ 11,081,927</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 171,343</b>	<b>\$ 1,707,325</b>	<b>\$ -</b>	<b>\$ 889,289</b>	<b>\$ 214,200</b>	<b>\$ -</b>	<b>\$ 63,520</b>	<b>\$ 262,185</b>	<b>\$ 11,252,685</b>

**City of Quincy, Illinois**  
Combining Balance Sheet (Continued)  
Non-Major Governmental Funds  
April 30, 2022

	<b>Capital Projects Funds</b>				<b>Debt Service Funds</b>	
	<b>TIF #2</b>	<b>TIF #3</b>	<b>QMEA Cap Reserve</b>	<b>Fire Equip Improvement</b>	<b>Total Capital Projects Funds</b>	<b>2017 GO Bond</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 809,320	\$ 306,299	\$ 141,668	\$ 145,216	\$ 1,402,503	\$ -
Restricted cash	-	-	-	-	-	10,448
Receivables, net	602,305	147,886	-	-	750,191	658,627
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,411,625</b>	<b>\$ 454,185</b>	<b>\$ 141,668</b>	<b>\$ 145,216</b>	<b>\$ 2,152,694</b>	<b>\$ 669,075</b>
<b>Liabilities</b>						
Accounts payable	\$ 3,404	\$ -	\$ -	\$ -	\$ 3,404	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 3,404</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,404</b>	<b>\$ -</b>
<b>Deferred Inflows - Property taxes</b>	<b>\$ 602,305</b>	<b>\$ 147,886</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 750,191</b>	<b>\$ 658,627</b>
<b>Fund Balances</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,448
Economic development loans	-	-	-	-	-	-
Capital projects	805,916	306,299	141,668	-	1,253,883	-
911 System	-	-	-	-	-	-
Motor fuel tax projects	-	-	-	-	-	-
Public safety projects	-	-	-	145,216	145,216	-
Other projects	-	-	-	-	-	-
Committed for:						
Economic growth	-	-	-	-	-	-
Assigned for:						
Green projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 805,916</b>	<b>\$ 306,299</b>	<b>\$ 141,668</b>	<b>\$ 145,216</b>	<b>\$ 1,399,099</b>	<b>\$ 10,448</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 1,411,625</b>	<b>\$ 454,185</b>	<b>\$ 141,668</b>	<b>\$ 145,216</b>	<b>\$ 2,152,694</b>	<b>\$ 669,075</b>



**City of Quincy, Illinois**  
Combining Balance Sheet (Concluded)  
Non-Major Governmental Funds  
April 30, 2022

	<b>Debt Service Funds</b>				<b>Total Debt Service Funds</b>	<b>Total Non-Major Governmental Funds</b>
	<b>2009 OLC G/O Bond</b>	<b>2019A Library GO Bond</b>	<b>2019B GO Bond</b>	<b>2014 GO Note</b>		
<b>Assets</b>						
Cash and cash equivalents	\$ 54,369	\$ -	\$ -	\$ -	\$ 54,369	\$ 12,040,986
Restricted cash	-	228,041	357,895	-	596,384	596,384
Receivables, net	-	444,418	691,911	-	1,794,956	2,855,745
Due from other funds	-	-	-	-	-	115,500
Due from other governments	-	-	-	-	-	242,473
<b>Total Assets</b>	<b>\$ 54,369</b>	<b>\$ 672,459</b>	<b>\$ 1,049,806</b>	<b>\$ -</b>	<b>\$ 2,445,709</b>	<b>\$ 15,851,088</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,952
Accrued expenses	-	-	-	-	-	18,670
Due to other funds	-	-	-	-	-	119,480
Unearned revenue	-	-	-	-	-	2,060
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 174,162</b>
<b>Deferred Inflows - Property taxes</b>	<b>\$ -</b>	<b>\$ 444,418</b>	<b>\$ 691,911</b>	<b>\$ -</b>	<b>\$ 1,794,956</b>	<b>\$ 2,545,147</b>
<b>Fund Balances</b>						
Restricted for:						
Debt service	\$ 54,369	\$ 228,041	\$ 357,895	\$ -	\$ 650,753	\$ 650,753
Economic development loans	-	-	-	-	-	2,810,814
Capital projects	-	-	-	-	-	1,253,883
911 System	-	-	-	-	-	2,129,073
Motor fuel tax projects	-	-	-	-	-	3,657,469
Public safety projects	-	-	-	-	-	368,008
Other projects	-	-	-	-	-	581,971
Committed for:						
Economic growth	-	-	-	-	-	1,509,856
Assigned for:						
Green projects	-	-	-	-	-	171,343
Unassigned	-	-	-	-	-	(1,391)
<b>Total Fund Balances</b>	<b>\$ 54,369</b>	<b>\$ 228,041</b>	<b>\$ 357,895</b>	<b>\$ -</b>	<b>\$ 650,753</b>	<b>\$ 13,131,779</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 54,369</b>	<b>\$ 672,459</b>	<b>\$ 1,049,806</b>	<b>\$ -</b>	<b>\$ 2,445,709</b>	<b>\$ 15,851,088</b>

**City of Quincy, Illinois**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non-Major Governmental Funds  
 For the Year Ended April 30, 2022

	<b>Special Revenue Funds</b>								
	<b>State and Federal Grants</b>	<b>911 System</b>	<b>Arts Commission</b>	<b>Motor Fuel Tax</b>	<b>Mid Town Bus Dist</b>	<b>Town Road Tax</b>	<b>Police Contributions</b>	<b>Fire Contributions</b>	<b>Economic Growth</b>
<b>Revenues</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,852	\$ -	\$ -	\$ -
Public service taxes	-	951,076	-	1,619,823	175,934	-	-	-	1,536,658
Franchise taxes	-	-	-	-	-	-	-	-	-
Grants and contributions	284,216	30,750	-	956,625	-	-	72,670	6,147	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	48,873	-	-
Intergovernmental	-	347,327	-	-	-	-	-	-	-
Investment earnings	14	6,137	32	7,044	140	291	699	65	3,184
Miscellaneous	-	43	-	32,835	-	-	35	-	925
<b>Total Revenues</b>	<b>\$ 284,230</b>	<b>\$ 1,335,333</b>	<b>\$ 32</b>	<b>\$ 2,616,327</b>	<b>\$ 176,074</b>	<b>\$ 6,143</b>	<b>\$ 122,277</b>	<b>\$ 6,212</b>	<b>\$ 1,540,767</b>
<b>Expenditures</b>									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,006	\$ -	\$ -
911 system	-	1,531,807	-	-	-	-	-	-	-
Engineering services	-	-	-	374,651	-	-	-	-	-
Culture and recreation	-	-	700	-	-	-	-	-	-
Community development	294,491	-	-	-	-	-	-	-	460,389
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	227,989	-	1,562,900	-	-	22,524	-	-
<b>Total Expenditures</b>	<b>\$ 294,491</b>	<b>\$ 1,759,796</b>	<b>\$ 700</b>	<b>\$ 1,937,551</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 149,530</b>	<b>\$ -</b>	<b>\$ 460,389</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (10,261)</b>	<b>\$ (424,463)</b>	<b>\$ (668)</b>	<b>\$ 678,776</b>	<b>\$ 176,074</b>	<b>\$ 6,143</b>	<b>\$ (27,253)</b>	<b>\$ 6,212</b>	<b>\$ 1,080,378</b>
<b>Other Financing Sources (Uses)</b>									
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	518,500	-	21,400	-	-	4,124	-	-
Operating transfers out	(7,316)	-	-	-	(25,000)	-	(6,724)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (7,316)</b>	<b>\$ 518,500</b>	<b>\$ -</b>	<b>\$ 21,400</b>	<b>\$ (25,000)</b>	<b>\$ -</b>	<b>\$ (2,600)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Change in Fund Balances</b>	<b>\$ (17,577)</b>	<b>\$ 94,037</b>	<b>\$ (668)</b>	<b>\$ 700,176</b>	<b>\$ 151,074</b>	<b>\$ 6,143</b>	<b>\$ (29,853)</b>	<b>\$ 6,212</b>	<b>\$ 1,080,378</b>
Fund Balances, May 1, 2021	16,186	2,035,036	11,051	2,957,293	-	88,805	227,468	18,965	429,478
<b>Fund Balances, April 30, 2022</b>	<b>\$ (1,391)</b>	<b>\$ 2,129,073</b>	<b>\$ 10,383</b>	<b>\$ 3,657,469</b>	<b>\$ 151,074</b>	<b>\$ 94,948</b>	<b>\$ 197,615</b>	<b>\$ 25,177</b>	<b>\$ 1,509,856</b>

**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, 2022

	Special Revenue Funds								Total Special Revenue Funds
	Franchise Fee "Green"	Economic Development Loan	CDAP Loan	CBD Loan	Neighborhood Rehab Loan	Small Business Emergency	Bridge Lighting	Tourism Tax	
<b>Revenues</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,852
Public service taxes	-	-	-	-	-	-	-	1,080,697	5,364,188
Franchise taxes	500,220	-	-	-	-	-	-	-	500,220
Grants and contributions	-	-	-	-	-	-	-	-	1,350,408
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	48,873
Intergovernmental	-	-	-	-	-	-	-	-	347,327
Investment earnings	1,215	15,800	2,401	12,335	917	681	198	532	51,685
Miscellaneous	-	178,228	31,577	30,561	2,565	6,177	-	-	282,946
<b>Total Revenues</b>	<b>\$ 501,435</b>	<b>\$ 194,028</b>	<b>\$ 33,978</b>	<b>\$ 42,896</b>	<b>\$ 3,482</b>	<b>\$ 6,858</b>	<b>\$ 198</b>	<b>\$ 1,081,229</b>	<b>\$ 7,951,499</b>
<b>Expenditures</b>									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,006
911 system	-	-	-	-	-	-	-	-	1,531,807
Engineering services	-	-	-	-	-	-	-	-	374,651
Culture and recreation	-	-	-	-	-	-	1,927	803,081	805,708
Community development	-	70,323	-	56,257	-	-	-	-	881,460
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	1,813,413
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 70,323</b>	<b>\$ -</b>	<b>\$ 56,257</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,927</b>	<b>\$ 803,081</b>	<b>\$ 5,534,045</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 501,435</b>	<b>\$ 123,705</b>	<b>\$ 33,978</b>	<b>\$ (13,361)</b>	<b>\$ 3,482</b>	<b>\$ 6,858</b>	<b>\$ (1,729)</b>	<b>\$ 278,148</b>	<b>\$ 2,417,454</b>
<b>Other Financing Sources (Uses)</b>									
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,062)	\$ (21,062)
Operating transfers in	-	1,174,049	-	25,000	-	-	-	-	1,743,073
Operating transfers out	(500,220)	-	(685,526)	(60,000)	-	(488,523)	-	(222,960)	(1,996,269)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (500,220)</b>	<b>\$ 1,174,049</b>	<b>\$ (685,526)</b>	<b>\$ (35,000)</b>	<b>\$ -</b>	<b>\$ (488,523)</b>	<b>\$ -</b>	<b>\$ (244,022)</b>	<b>\$ (274,258)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,215</b>	<b>\$ 1,297,754</b>	<b>\$ (651,548)</b>	<b>\$ (48,361)</b>	<b>\$ 3,482</b>	<b>\$ (481,665)</b>	<b>\$ (1,729)</b>	<b>\$ 34,126</b>	<b>\$ 2,143,196</b>
Fund Balances, May 1, 2021	170,128	409,571	651,548	937,650	210,718	481,665	65,110	228,059	8,938,731
<b>Fund Balances, April 30, 2022</b>	<b>\$ 171,343</b>	<b>\$ 1,707,325</b>	<b>\$ -</b>	<b>\$ 889,289</b>	<b>\$ 214,200</b>	<b>\$ -</b>	<b>\$ 63,381</b>	<b>\$ 262,185</b>	<b>\$ 11,081,927</b>

**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, 2022

	Capital Projects Funds				Debt Service Funds	
	TIF #2	TIF #3	QMEA Cap Reserve	Fire Equip Improvement	Total Capital Projects Funds	2017 GO Bond
<b>Revenues</b>						
Property taxes	\$ 525,491	\$ 126,801	\$ -	\$ -	\$ 652,292	\$ 661,398
Public service taxes	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-
Charges for services	-	-	-	80,512	80,512	-
Fines and forfeitures	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Investment earnings	2,443	941	437	194	4,015	381
Miscellaneous	-	-	-	-	-	205
<b>Total Revenues</b>	<b>\$ 527,934</b>	<b>\$ 127,742</b>	<b>\$ 437</b>	<b>\$ 80,706</b>	<b>\$ 736,819</b>	<b>\$ 661,984</b>
<b>Expenditures</b>						
Public Safety						
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 system	-	-	-	-	-	-
Engineering services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community development	153,555	300	-	-	153,855	-
Debt Service						
Principal retirement	-	-	-	-	-	555,000
Interest and charges	-	-	-	-	-	107,750
Capital Outlay	82,715	51,788	-	-	134,503	-
<b>Total Expenditures</b>	<b>\$ 236,270</b>	<b>\$ 52,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 288,358</b>	<b>\$ 662,750</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 291,664</b>	<b>\$ 75,654</b>	<b>\$ 437</b>	<b>\$ 80,706</b>	<b>\$ 448,461</b>	<b>\$ (766)</b>
<b>Other Financing Sources (Uses)</b>						
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	136,970	136,970	5,000
Operating transfers out	-	-	-	(22,300)	(22,300)	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 114,670</b>	<b>\$ 114,670</b>	<b>\$ 5,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ 291,664</b>	<b>\$ 75,654</b>	<b>\$ 437</b>	<b>\$ 195,376</b>	<b>\$ 563,131</b>	<b>\$ 4,234</b>
Fund Balances, May 1, 2021	514,252	230,645	141,231	(50,160)	835,968	6,214
<b>Fund Balances, April 30, 2022</b>	<b>\$ 805,916</b>	<b>\$ 306,299</b>	<b>\$ 141,668</b>	<b>\$ 145,216</b>	<b>\$ 1,399,099</b>	<b>\$ 10,448</b>

**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, 2022

	Debt Service Funds				Total Debt Service Funds	Total Non-Major Governmental Funds
	2009 OLC G/O Bond	2019A Library GO Bond	2019B GO Bond	2014 GO Note		
<b>Revenues</b>						
Property taxes	\$ -	\$ 432,588	\$ 692,828	\$ -	\$ 1,786,814	\$ 2,444,958
Public service taxes	-	-	-	-	-	5,364,188
Franchise taxes	-	-	-	-	-	500,220
Grants and contributions	-	-	-	-	-	1,350,408
Charges for services	-	-	-	-	-	80,512
Fines and forfeitures	-	-	-	-	-	48,873
Intergovernmental	-	-	-	-	-	347,327
Investment earnings	330	600	-	3	1,314	57,014
Miscellaneous	-	-	-	-	205	283,151
<b>Total Revenues</b>	<b>\$ 330</b>	<b>\$ 433,188</b>	<b>\$ 692,828</b>	<b>\$ 3</b>	<b>\$ 1,788,333</b>	<b>\$ 10,476,651</b>
<b>Expenditures</b>						
Public Safety						
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,006
911 system	-	-	-	-	-	1,531,807
Engineering services	-	-	-	-	-	374,651
Culture and recreation	-	-	-	-	-	805,708
Community development	-	-	-	-	-	1,035,315
Debt Service						
Principal retirement	225,000	305,000	-	97,586	1,182,586	1,182,586
Interest and charges	16,562	128,925	685,125	896	939,258	939,258
Capital Outlay	-	-	-	-	-	1,947,916
<b>Total Expenditures</b>	<b>\$ 241,562</b>	<b>\$ 433,925</b>	<b>\$ 685,125</b>	<b>\$ 98,482</b>	<b>\$ 2,121,844</b>	<b>\$ 7,944,247</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (241,232)</b>	<b>\$ (737)</b>	<b>\$ 7,703</b>	<b>\$ (98,479)</b>	<b>\$ (333,511)</b>	<b>\$ 2,532,404</b>
<b>Other Financing Sources (Uses)</b>						
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,062)
Operating transfers in	222,960	-	-	98,278	326,238	2,206,281
Operating transfers out	-	-	-	-	-	(2,018,569)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 222,960</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 98,278</b>	<b>\$ 326,238</b>	<b>\$ 166,650</b>
<b>Net Change in Fund Balances</b>	<b>\$ (18,272)</b>	<b>\$ (737)</b>	<b>\$ 7,703</b>	<b>\$ (201)</b>	<b>\$ (7,273)</b>	<b>\$ 2,699,054</b>
Fund Balances, May 1, 2021	72,641	228,778	350,192	201	658,026	10,432,725
<b>Fund Balances, April 30, 2022</b>	<b>\$ 54,369</b>	<b>\$ 228,041</b>	<b>\$ 357,895</b>	<b>\$ -</b>	<b>\$ 650,753</b>	<b>\$ 13,131,779</b>

**City of Quincy, Illinois**  
Combining Statement of Net Position  
Non-Major Proprietary Funds  
April 30, 2022

	Enterprise Funds				Total Non-Major Proprietary Funds
	Quincy Municipal Dock	Garbage Fund	Recycling Fund	Regional Firefighters Training Center	
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 760,638	\$ 89,865	\$ 67,334	\$ 95	\$ 917,932
Receivables, net	21,956	118,133	37,068	-	177,157
<b>Total Current Assets</b>	<b>\$ 782,594</b>	<b>\$ 207,998</b>	<b>\$ 104,402</b>	<b>\$ 95</b>	<b>\$ 1,095,089</b>
<b>Noncurrent Assets</b>					
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	(362,471)	(768,595)	(307,944)	(537,013)	(1,976,023)
Net pension asset	-	431,644	166,948	-	598,592
<b>Total Noncurrent Assets</b>	<b>\$ 44,312</b>	<b>\$ 823,137</b>	<b>\$ 398,948</b>	<b>\$ 624,725</b>	<b>\$ 1,891,122</b>
<b>Total Assets</b>	<b>\$ 826,906</b>	<b>\$ 1,031,135</b>	<b>\$ 503,350</b>	<b>\$ 624,820</b>	<b>\$ 2,986,211</b>
<b>Deferred Outflows of Resources - Pension</b>	<b>\$ -</b>	<b>\$ 74,945</b>	<b>\$ 29,998</b>	<b>\$ -</b>	<b>\$ 104,943</b>
<b>Deferred Outflows of Resources - OPEB</b>	<b>\$ -</b>	<b>\$ 32,103</b>	<b>\$ 21,402</b>	<b>\$ -</b>	<b>\$ 53,505</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 74	\$ 21,553	\$ 468	\$ 1,163	\$ 23,258
Accrued expenses	-	4,909	4,164	-	9,073
Accrued compensated absences	-	16,837	6,695	-	23,532
<b>Total Current Liabilities</b>	<b>\$ 74</b>	<b>\$ 43,299</b>	<b>\$ 11,327</b>	<b>\$ 1,163</b>	<b>\$ 55,863</b>
<b>Noncurrent Liabilities</b>					
Accrued compensated absences	\$ -	\$ 9,614	\$ 3,882	\$ -	\$ 13,496
Net OPEB liability	-	81,328	54,219	-	135,547
<b>Total Noncurrent Liabilities</b>	<b>\$ -</b>	<b>\$ 90,942</b>	<b>\$ 58,101</b>	<b>\$ -</b>	<b>\$ 149,043</b>
<b>Total Liabilities</b>	<b>\$ 74</b>	<b>\$ 134,241</b>	<b>\$ 69,428</b>	<b>\$ 1,163</b>	<b>\$ 204,906</b>
<b>Deferred Inflows of Resources - Pension</b>	<b>\$ -</b>	<b>\$ 395,649</b>	<b>\$ 153,026</b>	<b>\$ -</b>	<b>\$ 548,675</b>
<b>Deferred Inflows of Resources - OPEB</b>	<b>\$ -</b>	<b>\$ 49,083</b>	<b>\$ 32,722</b>	<b>\$ -</b>	<b>\$ 81,805</b>
<b>Net Position</b>					
Invested in capital assets, net of debt	\$ 44,312	\$ 391,493	\$ 232,000	\$ 624,725	\$ 1,292,530
Unrestricted	782,520	167,717	67,574	(1,068)	1,016,743
<b>Total Net Position</b>	<b>\$ 826,832</b>	<b>\$ 559,210</b>	<b>\$ 299,574</b>	<b>\$ 623,657</b>	<b>\$ 2,309,273</b>

**City of Quincy, Illinois**

Combining Statement of Revenues, Expenses and Changes in Net Position  
 Non-Major Proprietary Funds  
 For the Year Ended April 30, 2022

	Enterprise Funds			Regional Firefighters Training Center	Total Non-Major Proprietary Funds
	Quincy Municipal Dock	Garbage Fund	Recycling Fund		
<b>Operating Revenues</b>					
Charges for services	\$ 376,960	\$ 1,253,067	\$ 349,465	\$ 52,424	\$ 2,031,916
Miscellaneous	-	1,026	33,489	1,500	36,015
<b>Total Revenues</b>	<b>\$ 376,960</b>	<b>\$ 1,254,093</b>	<b>\$ 382,954</b>	<b>\$ 53,924</b>	<b>\$ 2,067,931</b>
<b>Operating Expenses</b>					
Salaries and wages	\$ -	\$ 380,067	\$ 203,592	\$ 11,131	\$ 594,790
Benefits	-	(32,613)	(96,667)	1,797	(127,483)
Purchased services	50,944	503,396	287,484	33,217	875,041
Supplies	943	44,466	14,943	8,321	68,673
Other objects	13,944	24,401	14,628	3,000	55,973
Depreciation expense	3,093	20,605	-	31,388	55,086
<b>Total Operating Expenses</b>	<b>\$ 68,924</b>	<b>\$ 940,322</b>	<b>\$ 423,980</b>	<b>\$ 88,854</b>	<b>\$ 1,522,080</b>
<b>Operating Income</b>	<b>\$ 308,036</b>	<b>\$ 313,771</b>	<b>\$ (41,026)</b>	<b>\$ (34,930)</b>	<b>\$ 545,851</b>
<b>Nonoperating Revenues (Expenses)</b>					
Interest revenue	\$ 1,435	\$ 400	\$ 23	\$ 139	\$ 1,997
Operating transfers in	-	-	263,000	4,200	267,200
Operating transfers out	-	(180,369)	(51,908)	-	(232,277)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 1,435</b>	<b>\$ (179,969)</b>	<b>\$ 211,115</b>	<b>\$ 4,339</b>	<b>\$ 36,920</b>
<b>Change in Net Position</b>	<b>\$ 309,471</b>	<b>\$ 133,802</b>	<b>\$ 170,089</b>	<b>\$ (30,591)</b>	<b>\$ 582,771</b>
Net Position at beginning of year	517,361	425,408	129,485	654,248	1,726,502
<b>Net Position at end of year</b>	<b>\$ 826,832</b>	<b>\$ 559,210</b>	<b>\$ 299,574</b>	<b>\$ 623,657</b>	<b>\$ 2,309,273</b>

## City of Quincy, Illinois

Combining Statement of Cash Flows  
Non-Major Proprietary Funds  
For the Year Ended April 30, 2022

	Enterprise Funds				Total Non-Major Proprietary Funds
	Quincy Municipal Dock	Garbage Fund	Recycling Fund	Regional Firefighters Training Center	
<b>Cash Flows from Operating Activities</b>					
Receipts from customers	\$ 355,004	\$ 1,245,768	\$ 388,804	\$ 53,924	\$ 2,043,500
Payments to suppliers	(65,823)	(570,518)	(316,839)	(45,614)	(998,794)
Payments to employees	-	(534,491)	(277,500)	(12,928)	(824,919)
<b>Net Cash Provided (Used) by Operations</b>	<u>\$ 289,181</u>	<u>\$ 140,759</u>	<u>\$ (205,535)</u>	<u>\$ (4,618)</u>	<u>\$ 219,787</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Operating subsidies and transfers	\$ -	\$ (180,369)	\$ 211,092	\$ 4,200	\$ 34,923
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchases of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash Flows from Investing Activities</b>					
Interest received	\$ 1,435	\$ 400	\$ 23	\$ 139	\$ 1,997
<b>Net Cash Provided by Investing Activities</b>	<u>\$ 1,435</u>	<u>\$ 400</u>	<u>\$ 23</u>	<u>\$ 139</u>	<u>\$ 1,997</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$ 290,616	\$ (39,210)	\$ 5,580	\$ (279)	\$ 256,707
Cash and Cash Equivalents, May 1, 2021	470,022	129,075	61,754	374	661,225
<b>Cash and Cash Equivalents, April 30, 2022</b>	<u>\$ 760,638</u>	<u>\$ 89,865</u>	<u>\$ 67,334</u>	<u>\$ 95</u>	<u>\$ 917,932</u>
<b>Operating Income</b>	\$ 308,036	\$ 313,771	\$ (41,026)	\$ (34,930)	\$ 545,851
Adjustments to reconcile Operating Income:					
Amortization and depreciation	3,093	20,605	-	31,388	55,086
(Increase) Decrease in:					
Accounts receivable	(21,956)	(8,325)	5,850	-	(24,431)
Net pension asset	-	(235,938)	(43,279)	-	(279,217)
Deferred outflows	-	69,990	82,784	-	152,774
Increase (Decrease) in:					
Accounts payable	8	1,745	216	(1,076)	893
Accrued expenses	-	(1,102)	121	-	(981)
Accrued compensated absences	-	(1,608)	3,267	-	1,659
Net pension liability	-	-	-	-	-
Net OPEB liability	-	(123,249)	(184,454)	-	(307,703)
Deferred inflows	-	104,870	(29,014)	-	75,856
<b>Cash flows from operating activities</b>	<u>\$ 289,181</u>	<u>\$ 140,759</u>	<u>\$ (205,535)</u>	<u>\$ (4,618)</u>	<u>\$ 219,787</u>



**City of Quincy, Illinois**

Combining Statement of Net Position - Governmental-Type Activities

Internal Service Funds

April 30, 2022

	Internal Service Funds				Total Internal Service Funds
	Central Garage	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 1,138,871	\$ 181,068	\$ 1,294,235	\$ 528,707	\$ 3,142,881
Investments	-	-	-	-	-
Receivables, net	798	-	168	7,160	8,126
Inventories	38,669	-	-	-	38,669
Due from other funds	-	-	840,000	-	840,000
<b>Total Current Assets</b>	<b>\$ 1,178,338</b>	<b>\$ 181,068</b>	<b>\$ 2,134,403</b>	<b>\$ 535,867</b>	<b>\$ 4,029,676</b>
<b>Noncurrent Assets</b>					
Capital assets:					
Vehicles and equipment	\$ 3,269,927	\$ -	\$ 7,469	\$ -	\$ 3,277,396
Less: Accumulated depreciation	(2,662,145)	-	(7,469)	-	(2,669,614)
Net pension asset	681,249	-	295,772	-	977,021
<b>Total Noncurrent Assets</b>	<b>\$ 1,289,031</b>	<b>\$ -</b>	<b>\$ 295,772</b>	<b>\$ -</b>	<b>\$ 1,584,803</b>
<b>Total Assets</b>	<b>\$ 2,467,369</b>	<b>\$ 181,068</b>	<b>\$ 2,430,175</b>	<b>\$ 535,867</b>	<b>\$ 5,614,479</b>
<b>Deferred Outflows of Resources - Pension</b>	<b>\$ 114,076</b>	<b>\$ -</b>	<b>\$ 47,793</b>	<b>\$ -</b>	<b>\$ 161,869</b>
<b>Deferred Outflows of Resources - OPEB</b>	<b>\$ 53,504</b>	<b>\$ -</b>	<b>\$ 10,701</b>	<b>\$ -</b>	<b>\$ 64,205</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 81,986	\$ -	\$ 12,231	\$ 385,792	\$ 480,009
Accrued expenses	9,837	-	3,004	73,000	85,841
Compensated absences	21,591	-	5,153	-	26,744
Due to other funds	-	-	-	840,000	840,000
<b>Total Current Liabilities</b>	<b>\$ 113,414</b>	<b>\$ -</b>	<b>\$ 20,388</b>	<b>\$ 1,298,792</b>	<b>\$ 1,432,594</b>
<b>Noncurrent Liabilities</b>					
Compensated absences	\$ 10,360	\$ -	\$ 1,012	\$ -	\$ 11,372
Net OPEB liability	135,546	-	27,109	-	162,655
<b>Total Noncurrent Liabilities</b>	<b>\$ 145,906</b>	<b>\$ -</b>	<b>\$ 28,121</b>	<b>\$ -</b>	<b>\$ 174,027</b>
<b>Total Liabilities</b>	<b>\$ 259,320</b>	<b>\$ -</b>	<b>\$ 48,509</b>	<b>\$ 1,298,792</b>	<b>\$ 1,606,621</b>
<b>Deferred Inflows of Resources - Pension</b>	<b>\$ 624,438</b>	<b>\$ -</b>	<b>\$ 271,105</b>	<b>\$ -</b>	<b>\$ 895,543</b>
<b>Deferred Inflows of Resources - OPEB</b>	<b>\$ 81,804</b>	<b>\$ -</b>	<b>\$ 16,361</b>	<b>\$ -</b>	<b>\$ 98,165</b>
<b>Net Position</b>					
Invested in capital assets, net of debt	\$ 607,782	\$ -	\$ -	\$ -	\$ 607,782
Unrestricted	1,061,605	181,068	2,152,694	(762,925)	2,632,442
<b>Total Net Position</b>	<b>\$ 1,669,387</b>	<b>\$ 181,068</b>	<b>\$ 2,152,694</b>	<b>\$ (762,925)</b>	<b>\$ 3,240,224</b>

**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, 2022

	Internal Service Funds				Total Internal Service Funds
	Central Garage	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Operating Revenues</b>					
Charges for services	\$ 1,956,604	\$ 34,050	\$ 2,206,893	\$ 5,490,627	\$ 9,688,174
Miscellaneous	309	-	12,488	-	12,797
<b>Total Revenues</b>	<b>\$ 1,956,913</b>	<b>\$ 34,050</b>	<b>\$ 2,219,381</b>	<b>\$ 5,490,627</b>	<b>\$ 9,700,971</b>
<b>Operating Expenses</b>					
Salaries and wages	\$ 433,230	\$ -	\$ 144,437	\$ -	\$ 577,667
Benefits	(132,936)	-	(22,999)	-	(155,935)
Purchased services	254,687	-	91,903	-	346,590
Supplies	1,107,554	-	21,258	-	1,128,812
Claims	-	3,338	1,822,425	5,449,695	7,275,458
Other	531	-	1,593	-	2,124
Depreciation expense	62,199	-	-	-	62,199
<b>Total Operating Expenses</b>	<b>\$ 1,725,265</b>	<b>\$ 3,338</b>	<b>\$ 2,058,617</b>	<b>\$ 5,449,695</b>	<b>\$ 9,236,915</b>
<b>Operating Income</b>	<b>\$ 231,648</b>	<b>\$ 30,712</b>	<b>\$ 160,764</b>	<b>\$ 40,932</b>	<b>\$ 464,056</b>
<b>Nonoperating Revenues (Expenses)</b>					
Interest and investment revenue	\$ 3,780	\$ 546	\$ 4,576	\$ 2,556	\$ 11,458
Operating transfers in	105,600	-	-	-	105,600
Operating transfers out	(211,272)	-	-	-	(211,272)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ (101,892)</b>	<b>\$ 546</b>	<b>\$ 4,576</b>	<b>\$ 2,556</b>	<b>\$ (94,214)</b>
<b>Change in Net Position</b>	<b>\$ 129,756</b>	<b>\$ 31,258</b>	<b>\$ 165,340</b>	<b>\$ 43,488</b>	<b>\$ 369,842</b>
Net Position at beginning of year	1,539,631	149,810	1,987,354	(806,413)	2,870,382
<b>Net Position at end of year</b>	<b>\$ 1,669,387</b>	<b>\$ 181,068</b>	<b>\$ 2,152,694</b>	<b>\$ (762,925)</b>	<b>\$ 3,240,224</b>

**City of Quincy, Illinois**

Combining Statement of Cash Flows - Governmental-Type Activities  
Internal Service Funds  
For the Year Ended April 30, 2022

	Internal Service Funds				Total Internal Service Funds
	Central Garage	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Cash Flows from Operating Activities</b>					
Receipts from customers	\$ 1,956,182	\$ -	\$ -	\$ 1,894,979	\$ 3,851,161
Payments to suppliers	(1,177,246)	-	(91,550)	-	(1,268,796)
Payments to employees	(732,712)	-	(257,099)	-	(989,811)
Internal activity-payments from other funds	-	34,050	2,206,917	3,596,386	5,837,353
Claims paid	-	(3,338)	(1,822,425)	(5,495,729)	(7,321,492)
Other receipts (payments)	(222)	-	10,895	-	10,673
<b>Net Cash Provided (Used) by Operations</b>	<b>\$ 46,002</b>	<b>\$ 30,712</b>	<b>\$ 46,738</b>	<b>\$ (4,364)</b>	<b>\$ 119,088</b>
<b>Cash Flows from Noncapital Financing Activities</b>					
Operating subsidies and transfers	\$ (105,672)	\$ -	\$ -	\$ -	\$ (105,672)
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchases of capital assets	\$ (16,495)	\$ -	\$ -	\$ -	\$ (16,495)
Disposal of capital assets	50,000	-	-	-	50,000
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>\$ 33,505</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,505</b>
<b>Cash Flows from Investing Activities</b>					
Interest received	\$ 3,780	\$ 546	\$ 4,576	\$ 2,556	\$ 11,458
<b>Net Cash Provided by Investing Activities</b>	<b>\$ 3,780</b>	<b>\$ 546</b>	<b>\$ 4,576</b>	<b>\$ 2,556</b>	<b>\$ 11,458</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ (22,385)</b>	<b>\$ 31,258</b>	<b>\$ 51,314</b>	<b>\$ (1,808)</b>	<b>\$ 58,379</b>
Cash and Cash Equivalents, May 1, 2021	1,161,256	149,810	1,242,921	530,515	3,084,502
<b>Cash and Cash Equivalents, April 30, 2022</b>	<b>\$ 1,138,871</b>	<b>\$ 181,068</b>	<b>\$ 1,294,235</b>	<b>\$ 528,707</b>	<b>\$ 3,142,881</b>

**City of Quincy, Illinois**

Combining Statement of Cash Flows - Governmental-Type Activities (Concluded)

Internal Service Funds

For the Year Ended April 30, 2022

	Internal Service Funds				Total Internal Service Funds
	Central Garage	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Reconciliation of operating income to net cash flows from operating activities</b>					
<b>Operating Income</b>	\$ 231,648	\$ 30,712	\$ 160,764	\$ 40,932	\$ 464,056
Adjustments to reconcile Operating Income:					
Amortization and depreciation	62,199	-	-	-	62,199
(Increase) Decrease in:					
Accounts receivable	(422)	-	24	738	340
Inventories	(7,031)	-	-	-	(7,031)
Net pension asset	(404,053)	-	(144,500)	-	(548,553)
Deferred outflows	91,353	-	55,080	-	146,433
Increase (Decrease) in:					
Accounts payable	59,090	-	(1,388)	2,601	60,303
Accrued expenses	296	-	141	(48,635)	(48,198)
Accrued compensated absences	(6,526)	-	(7,070)	-	(13,596)
Net pension liability	-	-	-	-	-
Net OPEB liability	(205,416)	-	(41,083)	-	(246,499)
Deferred inflows	224,864	-	24,770	-	249,634
<b>Cash flows from operating activities</b>	<u>\$ 46,002</u>	<u>\$ 30,712</u>	<u>\$ 46,738</u>	<u>\$ (4,364)</u>	<u>\$ 119,088</u>

**City of Quincy, Illinois**

Combining Statement of Fiduciary Net Position - Pension Funds  
 April 30, 2022

	<b>Police Retirement Fund</b>	<b>Firefighter Retirement Fund</b>	<b>Total Pension Funds</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 1,649,495	\$ 1,682,018	\$ 3,331,513
Investments	45,778,266	41,416,682	87,194,948
Receivables, net	2,487,581	2,645,720	5,133,301
<b>Total Assets</b>	<b>\$ 49,915,342</b>	<b>\$ 45,744,420</b>	<b>\$ 95,659,762</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accrued expenses	\$ 36,872	\$ 33,730	\$ 70,602
<b>Total Liabilities</b>	<b>\$ 36,872</b>	<b>\$ 33,730</b>	<b>\$ 70,602</b>
<b>Deferred Inflows of Resources</b>			
Unearned property taxes	\$ 2,487,581	\$ 2,645,720	\$ 5,133,301
<b>Net Position</b>			
Held in trust for pension benefits	\$ 47,390,889	\$ 43,064,970	\$ 90,455,859
<b>Total Net Position</b>	<b>\$ 47,390,889</b>	<b>\$ 43,064,970</b>	<b>\$ 90,455,859</b>

**City of Quincy, Illinois**

Combining Statement of Changes in Fiduciary Net Position - Pension Funds  
For the Year Ended April 30, 2022

	<b>Police Retirement Fund</b>	<b>Firefighter Retirement Fund</b>	<b>Total Pension Funds</b>
<b>Additions</b>			
Taxes:			
Property taxes	\$ 2,382,545	\$ 2,581,404	\$ 4,963,949
Personal Property Replacement tax	797,682	1,148,594	1,946,276
Total Taxes	<u>\$ 3,180,227</u>	<u>\$ 3,729,998</u>	<u>\$ 6,910,225</u>
Contributions:			
Plan members	\$ 584,645	\$ 467,934	\$ 1,052,579
Other	1,224,313	1,091,560	2,315,873
	<u>\$ 1,808,958</u>	<u>\$ 1,559,494</u>	<u>\$ 3,368,452</u>
Investment earnings:			
Net increase (decrease) in fair value	\$ (2,240,877)	\$ (1,037,579)	\$ (3,278,456)
Realized gain (loss) on sale of investments	(1,307,468)	(1,564,594)	(2,872,062)
Interest	318,024	52,458	370,482
Dividends	1,213,026	397,800	1,610,826
Less: Investment expense	(52,480)	(67,239)	(119,719)
Total Investment earnings	<u>\$ (2,069,775)</u>	<u>\$ (2,219,154)</u>	<u>\$ (4,288,929)</u>
Total Additions	<u>\$ 2,919,410</u>	<u>\$ 3,070,338</u>	<u>\$ 5,989,748</u>
<b>Deductions</b>			
Benefits	\$ 4,189,553	\$ 4,441,152	\$ 8,630,705
Administrative expenses	24,559	28,410	52,969
Total Deductions	<u>\$ 4,214,112</u>	<u>\$ 4,469,562</u>	<u>\$ 8,683,674</u>
Change in net position	\$ (1,294,702)	\$ (1,399,224)	\$ (2,693,926)
Net position at beginning of year	48,685,591	44,464,194	93,149,785
<b>Net position at end of year</b>	<u><u>\$ 47,390,889</u></u>	<u><u>\$ 43,064,970</u></u>	<u><u>\$ 90,455,859</u></u>

**City of Quincy, Illinois**

Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds  
 April 30, 2022

	<b>Sister City Commission</b>	<b>Lincoln Bicentennial Commission</b>	<b>Human Rights Commission</b>	<b>Animal Rescue Fund</b>	<b>Total Private Purpose</b>
<b>Assets</b>					
<b>Current Assets</b>					
Cash and equivalents	\$ 79,935	\$ 2,811	\$ 376	\$ 34,604	\$ 117,726
<b>Total Assets</b>	<b>\$ 79,935</b>	<b>\$ 2,811</b>	<b>\$ 376</b>	<b>\$ 34,604</b>	<b>\$ 117,726</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 358	\$ -	\$ -	\$ -	\$ 358
<b>Total Liabilities</b>	<b>\$ 358</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 358</b>
<b>Net Position</b>					
Restricted for future expenditures	\$ 79,577	\$ 2,811	\$ 376	\$ 34,604	\$ 117,368
<b>Total Net Position</b>	<b>\$ 79,577</b>	<b>\$ 2,811</b>	<b>\$ 376</b>	<b>\$ 34,604</b>	<b>\$ 117,368</b>

**City of Quincy, Illinois**

Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds  
For the Year Ended April 30, 2022

	<b>Sister City Commission</b>	<b>Lincoln Bicentennial Commission</b>	<b>Human Rights Commission</b>	<b>Animal Rescue Fund</b>	<b>Total Private Purpose</b>
<b>Additions</b>					
Contributions:					
Outside agencies	\$ 25,725	\$ 300	\$ -	\$ -	\$ 26,025
	<u>\$ 25,725</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,025</u>
Investment earnings:					
Interest	\$ 204	\$ 12	\$ 1	\$ 108	\$ 325
Total Investment earnings	<u>\$ 204</u>	<u>\$ 12</u>	<u>\$ 1</u>	<u>\$ 108</u>	<u>\$ 325</u>
Total Additions	<u>\$ 25,929</u>	<u>\$ 312</u>	<u>\$ 1</u>	<u>\$ 108</u>	<u>\$ 26,350</u>
<b>Deductions</b>					
Payments to others	\$ 12,990	\$ 1,918	\$ -	\$ 900	\$ 15,808
Total Deductions	<u>\$ 12,990</u>	<u>\$ 1,918</u>	<u>\$ -</u>	<u>\$ 900</u>	<u>\$ 15,808</u>
Change in net position	\$ 12,939	\$ (1,606)	\$ 1	\$ (792)	\$ 10,542
Net position at beginning of year	66,638	4,417	375	35,396	106,826
<b>Net position at end of year</b>	<u><u>\$ 79,577</u></u>	<u><u>\$ 2,811</u></u>	<u><u>\$ 376</u></u>	<u><u>\$ 34,604</u></u>	<u><u>\$ 117,368</u></u>



## **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, 2022

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
2023	\$ -	\$ 685,000	\$ 330,000	\$ 116,600	\$ 570,000	\$ 90,600
2024	-	685,000	365,000	103,400	585,000	73,500
2025	-	685,000	395,000	88,800	605,000	55,950
2026	-	685,000	435,000	73,000	620,000	37,800
2027	-	685,000	470,000	55,600	640,000	19,200
2028	630,000	685,000	515,000	36,800	-	-
2029	805,000	659,800	405,000	16,200	-	-
2030	1,280,000	627,600	-	-	-	-
2031	1,350,000	576,400	-	-	-	-
2032	1,425,000	522,400	-	-	-	-
2033	1,505,000	465,400	-	-	-	-
2034	1,585,000	405,200	-	-	-	-
2035	1,670,000	341,800	-	-	-	-
2036	1,755,000	275,000	-	-	-	-
2037	1,850,000	204,800	-	-	-	-
2038	1,935,000	130,800	-	-	-	-
2039	2,015,000	72,750	-	-	-	-
2040	410,000	12,300	-	-	-	-
	<u>\$ 18,215,000</u>	<u>\$ 8,404,250</u>	<u>\$ 2,915,000</u>	<u>\$ 490,400</u>	<u>\$ 3,020,000</u>	<u>\$ 277,050</u>

Year Ending April 30	General Obligation Bonds Series 2009B		Total General Obligation Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 185,000	\$ 7,400	\$ 1,085,000	\$ 899,600
2024	-	-	950,000	861,900
2025	-	-	1,000,000	829,750
2026	-	-	1,055,000	795,800
2027	-	-	1,110,000	759,800
2028	-	-	1,145,000	721,800
2029	-	-	1,210,000	676,000
2030	-	-	1,280,000	627,600
2031	-	-	1,350,000	576,400
2032	-	-	1,425,000	522,400
2033	-	-	1,505,000	465,400
2034	-	-	1,585,000	405,200
2035	-	-	1,670,000	341,800
2036	-	-	1,755,000	275,000
2037	-	-	1,850,000	204,800
2038	-	-	1,935,000	130,800
2039	-	-	2,015,000	72,750
2040	-	-	410,000	12,300
	<u>\$ 185,000</u>	<u>\$ 7,400</u>	<u>\$ 24,335,000</u>	<u>\$ 9,179,100</u>

## City of Quincy, Illinois

Principal Taxpayers in the City

April 30, 2022

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

<b>Taxpayer</b>	<b>2011 EAV (Approximate)</b>	<b>% of City's EAV</b>
QP&S Properties	\$ 8,255,830	1.46%
Quincy-Cullinan LLC	6,960,360	1.23%
Orix Sansone Quincy Venture	4,321,500	0.77%
Charles & Kathie Marx Trust	3,261,980	0.58%
Blessing Hospital	3,210,170	0.57%
Menard, Inc.	3,153,970	0.56%
Wal-Mart Real Estate Business Trust	2,916,210	0.52%
Mercantile Bank	2,677,150	0.47%
Walmart	2,664,920	0.47%
Lowes Home Centers	2,341,830	0.41%
Total of Top 10 EAV's	<u>\$ 39,763,920</u>	<u>7.04%</u>
Total for City of Quincy	<u>\$ 564,491,890</u>	

Source: Adams County, Illinois, Clerk's Office

<b>Taxpayer</b>	<b>2021 EAV (Approximate)</b>	<b>% of City's EAV</b>
Charles & Kathie Marx, Tr	\$ 7,288,170	1.02%
Quincy Cullinan, LLC	6,448,910	0.90%
The Blessing Foundation, Inc.	5,103,140	0.71%
1118 Hampshire, LLC	4,274,890	0.60%
Walmart Real Estate Business Tr	3,448,350	0.48%
Koontz Properties, LLC	3,445,060	0.48%
Menard, Inc	3,034,070	0.42%
Walmart	2,990,720	0.42%
1025 Maine, LLC	2,814,490	0.39%
Wis-Pak of Quincy, Inc.	2,474,430	0.35%
Total of Top 10 EAV's	<u>\$ 41,322,230</u>	<u>5.79%</u>
Total for City of Quincy	<u>\$ 714,268,037</u>	

Source: Adams County, Illinois, Clerk's Office

**City of Quincy, Illinois**

Revenue Base, Revenue Rates and Property Tax Levies  
April 30, 2022

**Revenue Base:**

**Computation of Equalized Assessed Valuation**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential	\$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	\$503,703,898
Farm	378,270	382,850	390,920	473,770	490,350	509,640	520,200	604,330	622,900	683,730
Commercial	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	192,951,012
Industrial	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	14,442,264
Railroads	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	2,487,133
Total (Incl. TIF)	<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>	<u>\$714,268,037</u>

Source: Adams County, Illinois, Clerk's Office

**Revenue Rates:**

**Tax Rate Trends**

Purpose	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Corporate	-	-	-	-	-	-	-	-	0.00574	0.00561
Fire Pension	0.33511	0.34214	0.32564	0.33675	0.32085	0.34516	0.35644	0.36954	0.36982	0.37041
Police Pension	0.24693	0.26093	0.27390	0.30148	0.29928	0.30395	0.35456	0.34263	0.34133	0.34827
Library	0.12939	0.12844	0.12276	0.12064	0.11642	0.11299	0.11112	0.10688	0.10500	0.10250
GOCP Bonds	0.28216	0.28500	0.27540	0.23836	0.29182	0.26640	0.26150	0.25816	0.25594	0.24880
Total	<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>	<u>1.07559</u>

Source: Adams County, Illinois, Clerk's Office

**Property Tax Levy:**

**Tax Extensions**

Levy Year	Assessed Valuation	Tax Extension (Excl. TIF)
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
2021	714,268,037	7,700,452

Source: Adams County, Illinois, Clerk's Office

**City of Quincy, Illinois**  
Debt Capacity and Debt Ratios  
April 30, 2022

**Debt Capacity:**  
**Direct General Obligation Debt**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Obligation	\$ 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	\$ 24,335,000
Notes Payable - Bank	1,741,764	605,599	439,122	279,983	178,928	162,500	150,000	412,450	316,552	242,555	166,234
<b>Total</b>	<b>\$ 19,929,293</b>	<b>\$ 18,460,128</b>	<b>\$ 16,780,855</b>	<b>\$ 15,963,341</b>	<b>\$ 12,962,480</b>	<b>\$ 15,304,622</b>	<b>\$ 13,270,429</b>	<b>\$ 11,266,624</b>	<b>\$ 26,944,971</b>	<b>\$ 25,760,141</b>	<b>\$ 24,501,234</b>

Source: Annual Comprehensive Financial Report

**Debt Ratios:**  
**Direct Debt**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Est. Full Value of Taxable Property	\$ 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	\$ 2,142,804,111
Equalized Assessed Valuation (incl. TIF)	\$ 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	\$ 714,268,037
Population, Census	40,633	40,633	40,633	40,633	40,633	40,633	40,633	40,633	40,633	39,463	39,463

Source: Adams County, Illinois, Clerk's Office

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Per Capita	\$ 490.47	\$ 454.31	\$ 412.99	\$ 392.87	\$ 319.01	\$ 376.65	\$ 326.59	\$ 277.28	\$ 663.13	\$ 652.77	\$ 620.87
Percent of Estimated Full Value	1.18%	1.09%	0.98%	0.89%	0.71%	0.81%	0.68%	0.57%	1.31%	1.23%	1.14%
Percent of Equalized Assessed Value	3.53%	3.26%	2.94%	2.68%	2.14%	2.43%	2.05%	1.71%	3.93%	3.69%	3.43%

**The City has no debt limit.**

**City of Quincy, Illinois**

Number of Employees and Level of Service  
April 30, 2022

**Number of Employees**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Full-time	327	315	297	311	308	310	310	299	296
Part-time	42	40	19	55	59	60	59	65	59
<b>Total</b>	<b>369</b>	<b>355</b>	<b>316</b>	<b>366</b>	<b>367</b>	<b>370</b>	<b>369</b>	<b>364</b>	<b>355</b>

**Level of Service**

**Employee Count by Function**

**Full-time Employees Only**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police sworn	75	71	70	74	73	74	73	70	64
Fire sworn	63	60	58	60	60	60	60	58	58
911 (all)	22	20	19	20	20	20	20	18	18
Transit (Union only)	21	20	15	15	15	14	16	16	17
822 Union only (Water, Sewer, Airport, Central Services)	79	77	76	79	78	79	78	75	79
Administration (no legal)	67	67	59	63	62	63	63	62	60
<b>Total</b>	<b>327</b>	<b>315</b>	<b>297</b>	<b>311</b>	<b>308</b>	<b>310</b>	<b>310</b>	<b>299</b>	<b>296</b>

**City of Quincy, Illinois**

Employment Rates for Quincy and Adams County  
April 30, 2022

**Demographics  
Employment Rates for City of Quincy**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Labor Force	21,654	21,403	19,446	19,406	19,251	19,161	19,528	19,252	17,970	18,416
Employed	20,214	19,902	18,332	18,366	18,279	18,391	18,742	18,558	17,142	17,651
Unemployed	1,440	1,501	1,114	1,040	972	770	786	694	828	765
Rate	6.7%	7.0%	5.7%	5.4%	5.0%	4.0%	4.0%	3.6%	4.6%	4.2%

Source: Illinois Department of Employment Security

**Employment Rates for Adams County**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Labor Force	36,751	36,179	32,629	32,588	32,390	32,237	32,893	32,358	30,144	30,856
Employed	34,469	33,841	30,872	30,947	30,832	31,008	31,616	31,249	28,821	29,647
Unemployed	2,282	2,338	1,757	1,641	1,558	1,229	1,277	1,109	1,323	1,209
Rate	6.2%	6.5%	5.4%	5.0%	4.8%	3.8%	3.9%	3.4%	4.4%	3.9%

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, 2022, 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 November 15, 2022.

**Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

**Report on 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 financial statement. 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)**

**City of Quincy, Illinois' Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Quincy, Illinois' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Quincy, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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*

November 15, 2022  
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**

***Opinion on Each Major Federal Program***

We have audited City of Quincy, Illinois' compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, City of Quincy, Illinois, complied, in all material respects, with the 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, 2022.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Quincy, Illinois, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Quincy, Illinois' compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Quincy, Illinois' federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Quincy, Illinois' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Quincy, Illinois' compliance with the requirements of each major federal program as a whole.

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Quincy, Illinois' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Quincy, Illinois' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City of Quincy, Illinois' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on City of Quincy, Illinois' response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. City of Quincy, Illinois' response was not subjected to the other 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 1, 2022  
Quincy, Illinois

**City of Quincy, Illinois**

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended April 30, 2022

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Program Number	Expenditures
<b>U.S. Department of Housing &amp; Urban Development</b>			
Illinois Department of Commerce and Economic Opportunity Community Development Block Grants	14.228		\$ 159,254
<b>Total U.S. Department of Housing &amp; Urban Development</b>			<b>\$ 159,254</b>
<b>U.S. Department of Justice</b>			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0433	\$ 1,393
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0734	10,623
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01464-JAGX	3,085
<i>Total JAG Program Cluster</i>			<u>\$ 15,101</u>
COVID-19 Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-1141	\$ 44,032
Public Safety Partnership and Community Policing Grants	16.607	5JCOPS-21-GG-02143-SLEM	\$ 1,850
<b>Total U.S. Department of Justice</b>			<b>\$ 60,983</b>
<b>U.S. Department of Transportation</b>			
Airport Improvement Program	20.106	3-17-0085-043-2021	\$ 535,906
Illinois Department of Transportation			
Airport Improvement Program	20.106	UIN-4899-000	\$ 98,902
Airport Improvement Program	20.106	UIN-4869-000	178,340
Airport Improvement Program	20.106	UIN-4754-000	12,492
Airport Improvement Program	20.106	UIN-4852-000	653,373
Airport Improvement Program	20.106	UIN-4834-000	69,140
COVID-19 Airport Improvement Program	20.106	UIN-4862-000 CARES	269,538
			<u>\$ 1,281,785</u>
Total Airport Improvement Program	20.106		<u>\$ 1,817,691</u>
Formula Grants for Rural Areas	20.509	OP-21-32-FED	\$ 105,666
Formula Grants for Rural Areas	20.509	OP-22-32-FED	600,253
COVID-19 Formula Grants for Rural Areas	20.509	OP-21-32-CARE	949,648
			<b>M \$ 1,655,567</b>
State and Community Highway Safety	20.600	HS-21-0120	\$ 23,023
State and Community Highway Safety	20.600	HS-22-0109	14,434
			<u>\$ 37,457</u>
<b>Total U.S. Department of Transportation</b>			<b>\$ 3,510,715</b>
<b>U.S. Department of the Treasury</b>			
Illinois Department of Commerce and Economic Opportunity COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA22	\$ 2,718,223
<b>Total U.S. Department of the Treasury</b>			<b>M \$ 2,718,223</b>
<b>U.S. Environmental Protection Agency</b>			
Illinois Environmental Protection Agency			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	L175618	<b>M \$ 1,184,898</b>
Capitalization Grants for Clean Water State Revolving Funds	66.458	L174136	\$ 266,971
Capitalization Grants for Clean Water State Revolving Funds	66.458	L175620	1,097,600
			<u>\$ 1,364,571</u>
<b>Total U.S. Environmental Protection Agency</b>			<b>\$ 2,549,469</b>
<b>U.S. Department of Homeland Security</b>			
Illinois Law Enforcement Alarm System			
Homeland Security Grant Program	97.067	20ILEASSRT	\$ 13,605
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 13,605</b>
<b>Total Federal Expenditures</b>			<b>\$ 9,012,249</b>

**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, 2022, the City did not receive any non-monetary assistance.

**4. Insurance**

As of and for the year ended April 30, 2022, the City had no federal insurance in effect.

**5. Federal Loans or Loan Guarantees**

As of and for the year ended April 30, 2022, the City had loans with the Illinois EPA Infrastructure Financial Assistance Section Clean Water Revolving Fund and Drinking Water Revolving Fund. The balance of those loans at April 30, 2022 was \$15,292,096. A portion of these loans were federally funded in the amount of \$3,886,484.

**6. Indirect Cost Rate**

For the year ended April 30, 2022, 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 material weaknesses and one significant deficiency 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 significant deficiency 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. No audit findings relative to the major federal award programs for the City of Quincy, Illinois, were noted.
- G. The programs tested as major programs included the following programs:
  - Formula Grants for Rural Areas (Federal Assistance Listing #20.509)
  - Coronavirus State and Local Fiscal Recovery Funds (Federal Assistance Listing #21.027)
  - Capitalization Grants for Drinking Water State Revolving Funds (Federal Assistance Listing #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**

**Finding 2022-001 – Grant Reporting and Monitoring**

**Criteria:**

The City is required to maintain a listing of all federal and state grant funding in order to prepare its required annual reporting. It is also imperative to have monitoring procedures in place to ensure compliance to all grant requirements. To ensure the correctness and completeness of the City's various grant revenue, receivables and reporting, it is critical to have a process in place to regularly reconcile underlying financial records with the grant reports to ensure the correct revenue is being recorded and to ensure the underlying costs in the financial records can be supported. Proper accounting is also a requirement in the City's various grant agreements.

**Condition:**

The City receives many grants from various federal, state and local agencies. These grants relate to several different departments within the City. Each grant is unique to its compliance requirements and these can get cumbersome. During the course of our audit, we noted that the City does not have a central location that accumulates these grants and their requirements, including tracking the status of each grant. Each department is maintaining their own documentation for their respective grants. Some of those grants are shared with the Comptroller's office so they can be included on a master list of grants but not all are shared. Therefore, the oversight for grant compliance and reconciliation to the general ledger and grant reporting varies depending on the department receiving the grant funds.

During the year ended April 30, 2022, the City received significant funding for airport improvements from the Illinois Department of Transportation. We obtained the grant reports required for each airport grant along with a tracking sheet that airport management uses to monitor each grant's funding. However, this tracking sheet does not reconcile amounts to the general ledger. In addition, in many instances, there are invoices from contractors for work performed in previous periods that have not yet been paid to the contractor because funding has not been received. These invoices are not included with the monitoring and are not shown in the general ledger.

**2. Findings – Financial Statement Audit (Continued)**

**Finding 2022-001 – Grant Reporting and Monitoring (Continued)**

There are also matching requirements on many of these grants that are required to be funded at the beginning of the grant. The state will then reimburse the City for their match. Therefore, the match paid to the state for that project is not an expenditure, but more properly recorded as an asset on the City's general ledger. The match along with the state and federal funding will be paid to the City and then the contractor will be paid. This was originally shown as an expenditure and needed to be reclassified. This asset is also not being monitored or reconciled to the general ledger. Due to the magnitude of grant funding being received for airport improvements, it is very important to have controls in place to monitor proper accounting and compliance for these grant funds.

We also noted that the transit grant reporting and reconciliation process had improved from the prior year. However, we found that the state had not yet paid the City \$42,839.47 for the April 5311 transit grant. This was an oversight by both the City and the state, however, this oversight indicates that City management is not monitoring the payments received on these grants with the amounts requested. Although the City improved their expenditure reporting, this area still needs addressed. Once this oversight was discovered, the state was notified and will be forwarding payment. In addition, we noted five months of grant reports that did not claim the correct indirect cost allowance of 10%.

**Cause:**

The nature of the City's departments and their autonomy lends itself to a varied approach in some accounting functions. Grants are often specific to certain departments such as an Assistance for Firefighters Grant for fire equipment or a Justice Assistance Grant for police equipment as well as airport grants for airport improvements. While it is important for these departments to ensure all grant requirements are met, it is also important for another party to monitor these grants for compliance.

**Effect:**

Without a process in place where all grants are centrally collected and maintained, the schedule of expenditures of federal awards and/or state awards may not be complete. Also, without oversight, the grant compliance requirements may not be met. Without timely reconciliations and monitoring, grant revenue can be misstated and other grant noncompliance could occur. This results in misleading financial information and could allow for erroneous grant funding, resulting in both over and underfunding.

**Recommendation:**

We recommend that the City implement a policy requiring all grants to be forwarded to an appointed grant manager to collect and maintain a list of all grants outstanding. This list should include the grantor, date of grant, grant period, amount of grant, source of funds and deadline. They should also receive a copy of all grant agreements and any further grant reporting required. This grant reporting should then be reconciled to the general ledger to ensure accuracy and completeness for each grant. Also, having a central receptacle for all grant funding, will allow for a complete grant listing for reporting purposes and all grants can be additionally monitored for compliance. Also, a policy requiring review of all grant reporting prior to submission would detect incorrect reporting and improper grant funding requests. We also recommend a policy to monitor grant payments against grants receivable to ensure timely payments are received.

**Response:**

The City of Quincy did implement Grant Procedures on August 21, 2019. This procedure checklist was prefaced by a Grant Identification Notice (GIN) that required approval from the City Treasurer, City Comptroller, and Mayor prior to applying for the grant. The Grant process as implemented has created a centralized location for grant documents which is the Comptroller's Office. Each grant is assigned a project code and a grant budget (if applicable) so that all revenues and expenses related to the grant can be easily monitored. The system is modified cash basis in most cases. We believe the process has failed at grant reconciliation to the State sources and the issue is isolated to the Transit Grants and Airport Grants.



**2. Findings – Financial Statement Audit (Concluded)**

**Finding 2022-001 – Grant Reporting and Monitoring (Concluded)**

***Response (Concluded):***

The City has several significant positions who are responsible for grant filing and or grant reporting: Transit Director, Transit Grant Administrator, and the Assistant Airport Director. In my opinion we need to define those roles and ensure that each position understands how to use the general ledger project accounting. If the grant reconciliation is the problem, the City has plans to implement additional procedures within each department to enhance the reconciliation process.

For example, the Transit grants filed on-line through Black Cat have not been verified. We will add another layer of verification for those grants. Additionally, the Transit grant staff and Airport grant staff will be responsible for monitoring the grant payments from the state to ensure timely payments are received. The Comptroller's office can oversee this reconciliation.

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

**Finding 2022-002 – Allowable Costs**

**Federal Agency: U.S. Department of Treasury**

**Passthrough Entity: Illinois Department of Revenue**

**Assistance Listing Number and Federal Program: 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds**

***Criteria:***

Internal controls should be in place to reduce the risk of noncompliance with grant requirements. Specifically, costs need to be reviewed and approved by qualified personnel to ensure they are allowable costs. In a memo dated January 24, 2017, and approved by the Council, the City implemented procedures that requires all non-union, non-exempt personnel to clock in and out for each shift. Police and Fire employees have their own sign-in and sign-out sheets that are to be approved daily by their respective supervisors.

***Statement of Condition:***

Salaries paid to essential workers to perform essential work during the COVID-19 public health emergency were used for reimbursement under this grant. Selected employees' timesheets did not have the proper supervisor approval.

***Statement of Cause:***

Personnel are not properly following the policy put in place by the above-mentioned memo.

***Statement of Effect:***

Without proper review and approval, employees may not be compensated correctly which can lead to erroneous payroll tax documents and additional administrative time to correct misstatements. Additionally, if qualified personnel are not reviewing costs associated with the grant to ensure they are allowable, there is a great possibility that unallowable costs could be claimed for reimbursement. This may lead to the City being responsible for reimbursing the grant funding to the awarding agency.

***Questioned Costs:***

No questioned costs were identified.

**3. Findings and Questioned Costs – Major Federal Award Programs Audit (Concluded)**

**Finding 2022-002 – Allowable Costs (Concluded)**

***Perspective Information:***

This appears to be a systemic problem. Payroll for essential workers from the 911, Police, and Fire departments from May 14, 2021 to October 1, 2021 was claimed for reimbursement under this grant. We haphazardly selected 5 employees from the pay periods during that time frame and reviewed the daily timesheets for supervisor approval. There were no supervisor approvals on the 911 timesheets and supervisor approvals were consistently missing for Police and Fire departments.

***Identification of Repeat Findings:***

Not a repeat finding.

***Recommendation:***

Timesheets need to be approved by the supervisor before submission to Comptroller's office. If the timesheets do not have the proper approvals, then they should not be processed until the signature is obtained.

***Views of Responsible Officials:***

The public safety officials include Police Chief Adam Yates, Fire Chief Bernie Vahlkamp, and 9-1-1 Director Jessica Douglas. These directors do agree with the finding that the daily sign-in sheets do not always get the supervisor's written approval. However, they do believe the supervisor in each case is aware of the documented time, even though it is not a written approval. These City officials all agree that each daily time sheet should have a supervisor's approval prior to the hours being submitted for payroll entry. The City Comptroller has issued a memo that directs the administrative person responsible for time entry to look for any missing approvals on sign-in sheets, time cards, or on daily rosters. The Police Chief, Fire Chief, and 9-1-1 Director will also be reviewing compliance on this. Lastly, the Comptroller's staff position of Accountant/Payroll Manager (currently vacant) has the responsibility of auditing time cards; this position can also verify that time cards have appropriate supervisor approval.

**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.

***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.

***Status of Finding:***

The current process is evolving. The City is now implementing another verification where the Transit Director prints out all of the Black Cat system "Budget Summaries" which are DOAP, 5311, and 5311 CARES for both the Transit Grant Administrator and Comptroller's Office. Both will ensure that the amounts reported to the State do, in fact, match the monthly general ledger. Finally, a separate reconciliation will be maintained to account for the revenue. Each Black Cat request for funds will be maintained to ensure the entire amounts are not only paid to the City by the State, but also to ensure that the City Treasurer posts the revenue to the correct grant revenue account. The City did implement a reconciliation process as recommended above. However, after review of the reconciliations there were new discrepancies that were found and included in finding 2022-001.



# CITY OF QUINCY

## Comptroller's Office

Sheri L. Ray  
Comptroller

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

### Findings and Questioned Costs – Major Federal Award Programs Audit

#### Finding 2022-002 – Allowable Costs

**Federal Agency: U.S. Department of Treasury**

**Passthrough Entity: Illinois Department of Revenue**

**Assistance Listing Number and Federal Program: 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds**

#### *Recommendation:*

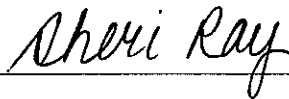
Timesheets need to be approved by the supervisor before submission to Comptroller's office. If the timesheets do not have the proper approvals, then they should not be processed until the signature is obtained.

#### *Views of Responsible Officials:*

The public safety officials include Police Chief Adam Yates, Fire Chief Bernie Vahlkamp, and 9-1-1 Director Jessica Douglas. These directors do agree with the finding that the daily sign-in sheets do not always get the supervisor's written approval. However, they do believe the supervisor in each case is aware of the documented time, even though it is not a written approval. These City officials all agree that each daily time sheet should have a supervisor's approval prior to the hours being submitted for payroll entry. The Police Chief, Fire Chief, and 9-1-1 Director will also be reviewing compliance on this. Lastly, the Comptroller's Accountant/Payroll Manager (currently vacant) has the responsibility of auditing time cards; this position can also verify that time cards have appropriate supervisor approval.

The City Comptroller, Sheri Ray, as the responsible official of the payroll process has issued a memo dated December 1, 2022 that directs the administrative person responsible for time entry in every department to look for any missing approvals on sign-in sheets, manual time cards, or on daily rosters. We expect enforcement of this no later than January 1, 2023.

Responsible Official: Sheri Ray, City Comptroller



Date 12/1/2022