

# City of Quincy, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2018

---

	<u>Page</u>
<b><i>INTRODUCTORY SECTION</i></b>	
Elected Officials and Department Heads	
<b><i>FINANCIAL SECTION</i></b>	
<b>Independent Auditor's Report</b>	1 - 2
<b>Management's Discussion and Analysis</b>	3 - 12
<b><i>BASIC FINANCIAL STATEMENTS</i></b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position	13
Statement of Activities	14
<b>Governmental Funds' Financial Statements</b>	
Balance Sheet	15
Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances	17 - 18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
<b>Proprietary Funds Financial Statements</b>	
Statement of Net Position	20
Statement of Revenues, Expenses, and Changes in Net Position	21
Statement of Cash Flows	22 - 23
<b>Fiduciary Funds</b>	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
<b>Notes to the Basic Financial Statements</b>	26 - 61
<b><i>REQUIRED SUPPLEMENTARY INFORMATION</i></b>	
<b>Budgetary Comparison Schedules – Major Governmental Funds</b>	
General Fund	62
Fire Equipment/Replacement Fund	63
Quincy Transit Lines Fund	64
Capital Projects Fund	65
Budget - to - GAAP Reconciliation	66
<b>Combining Statement of Net Position – Component Units</b>	67
<b>Schedule of Changes in the Net Pension Liability and Related Ratios</b>	
Illinois Municipal Retirement Fund	68
Firefighters' Pension Fund	69
Police Pension Fund	70

**REQUIRED SUPPLEMENTARY INFORMATION (Continued)**

**Schedule of Employer Contributions & Notes**

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

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

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

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

**STATISTICAL SECTION**

Schedule of Long-Term Debt Service Requirements	99 - 100
Principal Taxpayers in the City	101
Revenue Base, Revenue Rates, and Property Tax Levies	102
Debt Capacity and Debt Ratios	103
Number of Employees and Level of Service	104
Employment Rates – City of Quincy and Adams County	105

**COMPLIANCE SECTION**

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	106 - 107
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	108 - 109
Schedule of Expenditures of Federal Awards	110
Notes to Schedule of Expenditures of Federal Awards	111
Schedule of Findings and Questioned Costs	112
Status of Prior Year Findings and Questioned Costs	113

# City of Quincy, Illinois

## A Home Rule City

### Council/Mayor Form of Government

(As of April 30, 2018)

MAYOR

Kyle A. Moore

#### CITY COUNCIL

1 <sup>st</sup> Ward	Virgil E. Goehl Eric M. Entrup	5 <sup>th</sup> Ward	John M. (Mike) Rein Jennifer M. Lepper
2 <sup>nd</sup> Ward	Jeffrey W. Bergman David A. Bauer	6 <sup>th</sup> Ward	Richard C. Reis Jeff Vancamp
3 <sup>rd</sup> Ward	Gregory P. (Paul) Havermale Thomas E. Ernst	7 <sup>th</sup> Ward	Jack E. Holtschlag Terri L. Heinecke
4 <sup>th</sup> Ward	Michael H. Farha Anthony E. Sassen		

CITY CLERK

Virginia Hayden

CITY TREASURER

Dr. Linda K. Moore

DIRECTOR OF ADMINISTRATIVE SERVICES

John "Skip" Bright

#### DEPARTMENT DIRECTORS

Corporation Counsel	Lonnie Dunn
Comptroller	Sheri Ray
Engineering	Jeffrey Conte
Utilities	Jeffrey Conte
Police	Robert R. Copley
Planning and Development	Charles T. Bevelheimer
Central Services	Kevin McClean
Fire	Joe Henning
Quincy Transit Lines	Marty Stegeman
Quincy Regional Airport	Terrance Ward
Purchasing	John "Skip" Bright
911 System	Steven D. Rowlands
MIS	James E. Murphy
Human Resources	John "Skip" Bright

## Financial Section



## Independent Auditor's Report

The Honorable Mayor  
and City Council  
City of Quincy, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Quincy, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Quincy, Illinois' basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Quincy, Illinois, as of April 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Independent Auditor's Report (Concluded)

### Change in Accounting Principle

The City adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended April 30, 2018. These standards changed the accounting for the City's net OPEB liability and disclosures. Our opinion is not modified with respect to this matter.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, combining statement of financial position – component units, schedule of funding progress, schedules of changes in the net pension liability and schedule of employer contributions on pages 3 through 12 and 62 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2018, on our consideration of the City of Quincy, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Quincy, Illinois' internal control over financial reporting and compliance.

*Wade Stables P.C.*  
**Wade Stables P.C.**  
*Certified Public Accountants*

October 19, 2018  
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, 2018, by \$49.1 million (net position).
- The City of Quincy's total net position decreased by \$11.8 million for the year ended April 30, 2018. The decrease in net position can be attributed to the governmental activities' decrease of \$2.7 million and the decrease in business-type activities of \$2.2 million in addition to the prior period adjustment of \$6.9 million due to the adoption of GASB 75 for the OPEB liability.
- As of April 30, 2018, the City of Quincy's governmental funds reported combined ending fund balances of \$21.8 million, a decrease of \$2.3 million in comparison with the prior fiscal year.
- The City's general fund balance decreased from a balance of \$11.4 million last year to a balance of \$10.8 million at April 30, 2018. This decrease of \$0.7 million is mainly due to an increase in total public safety expenditures compared to prior year.
- On a budgetary basis, the general fund balance decreased by \$0.7 million. The budgetary fund balance is 22.5% of the charges to appropriations for the fiscal year ended April 30, 2018.

### **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

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

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

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

## Reporting the City's Most Significant Funds

### Fund Financial Statements

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

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

While the Total column on the Business-type Fund Financial Statements is the same as the Business-type column in the Government-Wide Financial Statements, the Governmental Fund Financial Statements require reconciliation because of 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 \$60.9 million as of April 30, 2018. Analyzing the net position and net income of governmental and business-type activities separately, the business type activities' net position is \$75.2 million and the governmental activities' net position is a deficit of \$26.1 million.

By far the largest portion of the City's net position (\$120.0 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, 2018  
(Unaudited)

Table 1  
Summary of Net Position  
at April 30, 2018 and 2017  
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 33.5	\$ 35.1	\$ 8.5	\$ 9.6	\$ 42.0	\$ 44.7
Capital assets - net of depreciation	53.8	52.8	70.3	70.8	124.1	123.6
<b>Total Assets</b>	<b>\$ 87.3</b>	<b>\$ 87.9</b>	<b>\$ 78.8</b>	<b>\$ 80.4</b>	<b>\$ 166.1</b>	<b>\$ 168.3</b>
Deferred Outflows of Resources	\$ 8.6	\$ 10.1	\$ 0.7	\$ 1.0	\$ 9.3	\$ 11.1
Current liabilities	\$ 6.3	\$ 6.1	\$ 0.7	\$ 0.7	\$ 7.0	\$ 6.8
Long-term liabilities and debt	107.1	106.9	1.3	1.9	108.4	108.8
<b>Total Liabilities</b>	<b>\$ 113.4</b>	<b>\$ 113.0</b>	<b>\$ 2.0</b>	<b>\$ 2.6</b>	<b>\$ 115.4</b>	<b>\$ 115.6</b>
Deferred Inflows of Resources	\$ 8.6	\$ 2.6	\$ 2.3	\$ 0.3	\$ 10.9	\$ 2.9
Net position:						
Invested in capital assets, net of related debt	\$ 49.0	\$ 48.1	\$ 71.0	\$ 69.2	\$ 120.0	\$ 117.3
Restricted	12.5	13.6	-	-	12.5	13.6
Unrestricted (deficit)	(87.6)	(79.3)	4.2	9.3	(83.4)	(70.0)
<b>Total Net Position</b>	<b>\$ (26.1)</b>	<b>\$ (17.6)</b>	<b>\$ 75.2</b>	<b>\$ 78.5</b>	<b>\$ 49.1</b>	<b>\$ 60.9</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 FY2018 was a decrease of \$11.8 million compared to the decrease of \$4.0 million in FY2017. \$6.9 million of this decrease is due to the prior period adjustment made to conform to the new GASB 75 accounting principle relating to OPEB benefits. The City's total revenues decreased in 2018 by \$1.8 million to \$52.7 million. Of this amount, the Governmental revenues decreased by \$0.7 million while Business-type revenues decreased by \$1.1 million.

The cost of all City programs decreased by \$1.0 million with the Business-type costs increasing by \$0.4 million and the Governmental costs decreasing by \$1.4 million. In Governmental Activities' expenses, Public Safety expenses decreased by \$1.4 million due to the changes in the Net Pension liability of the Police and Fire pension liabilities. Public Works/Engineering increased by \$0.3 million and General Government decreased by \$0.3 million. Health/Culture/Community Development remained the same along with interest on long-term debt.

City of Quincy, Illinois  
Management's Discussion and Analysis  
For the Fiscal Year Ended April 30, 2018  
(Unaudited)

The Business-type net position decrease (before the prior period adjustment) of \$2.2 million is due to the \$1.4 million decrease in the sewer department and \$0.6 decrease in the water department along with a decrease of \$0.4 million in the airport fund. Expenses in the water department increased by \$0.2 million over last year mainly in salaries and benefits. The sewer department expenses decreased by just \$0.1 million over last year.

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

Table 2  
Changes in Net Position  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 5.0	\$ 5.2	\$ 11.0	\$ 10.6	\$ 16.0	\$ 15.8
Operating grants and contributions	3.4	3.0	-	-	3.4	3.0
Capital grants and contributions	-	0.9	0.3	1.8	0.3	2.7
<b>General Revenues:</b>						
Property taxes	2.4	2.0	-	-	2.4	2.0
Other taxes	29.9	30.3	-	-	29.9	30.3
Other	0.4	0.4	0.3	0.3	0.7	0.7
<b>Total revenues</b>	<b>\$ 41.1</b>	<b>\$ 41.8</b>	<b>\$ 11.6</b>	<b>\$ 12.7</b>	<b>\$ 52.7</b>	<b>\$ 54.5</b>
<b>Expenses:</b>						
General government	\$ 5.2	\$ 5.5	\$ -	\$ -	\$ 5.2	\$ 5.5
Public safety	21.9	23.3	-	-	21.9	23.3
Public works and engineering	12.4	12.1	-	-	12.4	12.1
Water, Sewer, Airport, Barge Dock	-	-	14.3	13.9	14.3	13.9
Health, Culture, Community Dev	3.2	3.2	-	-	3.2	3.2
Interest on long-term debt	0.5	0.5	-	-	0.5	0.5
<b>Total expenses</b>	<b>\$ 43.2</b>	<b>\$ 44.6</b>	<b>\$ 14.3</b>	<b>\$ 13.9</b>	<b>\$ 57.5</b>	<b>\$ 58.5</b>
Increase (decrease) in net position before transfers and special items	\$ (2.1)	\$ (2.8)	\$ (2.7)	\$ (1.2)	\$ (4.8)	\$ (4.0)
Transfers	(0.6)	(0.3)	0.5	0.3	(0.1)	-
Increase (decrease) in net position	\$ (2.7)	\$ (3.1)	\$ (2.2)	\$ (0.9)	\$ (4.9)	\$ (4.0)
Net Position at beginning of year	(17.6)	(14.5)	78.5	79.4	60.9	64.9
Prior Period Adjustment	(5.8)	-	(1.1)	-	(6.9)	-
<b>Net Position at end of year</b>	<b>\$ (26.1)</b>	<b>\$ (17.6)</b>	<b>\$ 75.2</b>	<b>\$ 78.5</b>	<b>\$ 49.1</b>	<b>\$ 60.9</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.

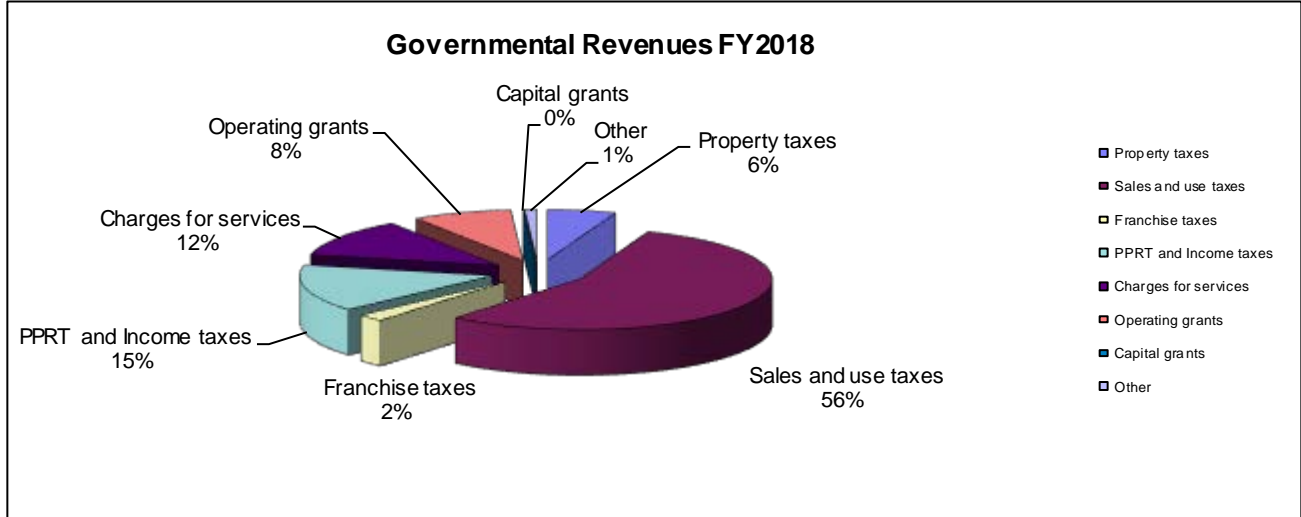
*Inflation* – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuel and parts. Some functions may experience unusual commodity-specific increases.

**Current Year Impacts (Budgetary Basis)**

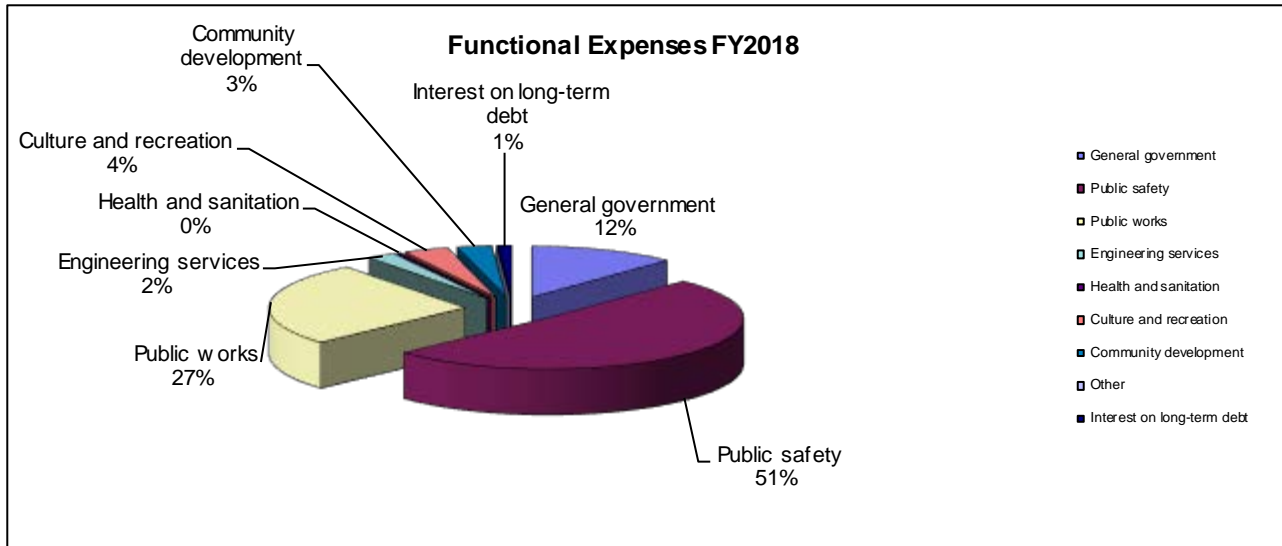
In fiscal year 2018, city-wide salaries & wages grew slightly by over \$1.5 million, or approximately 8%. This increase was due to a \$650,000 sick pay buy down initiative which affected the Fire union, 822 laborers union, and non-union personnel. The initiative is to decrease future liability of sick pay accruals. The City hopes to buydown the police union sick pay in fiscal year 2019. Health insurance contribution rates were flat; while the workers compensation/general liability insurance contribution rates decreased by approximately 17%. The IMRF pension contribution rate decreased from calendar year 2016 rate of 11.36% to the calendar year 2017 rate of 11.28%. Police and Fire pension fund payments increased over previous year by \$771,620 or 15%. Police pension increased \$418,297 or 17%, while Fire pension contributions increased \$353,323 or 13%.

The EAV for the 2016 year (collected in FY2018) grew by 3%. The property tax rate increased about 3% from 0.99723 to 1.02837. The City relies heavily on sales tax dollars to meet its obligations. Sales tax alone (municipal sales tax and home rule) make up a significant portion of the City's operating revenues. FY2018 municipal sales tax revenues were down \$107,000 to budget (-1.11%) and only \$18,274 ahead of previous year. Home Rule Purchase Tax was also down \$335,000 to budget (-3.46%) and behind last year by about \$275,000 (-2.86%). The state of Illinois budget incorporated an "administrative fee" of 2% of our Home Rule Purchase tax revenues beginning July 2018. While the Amazon effect is blamed for local declining sales tax collections, we have seen an increase in use tax. The City has entered into 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. The state budget also impacted Income Tax disbursements with a 10% reduction effective July. This decline was offset by two accelerated payments: the City received 14 disbursements rather than 12. The FY2018 income tax receipts were \$304,000 ahead of budget (7.6%) and \$435,000 ahead of last year (11.25%). PPRT revenues also experienced a significant decline, down \$428,000 to budget (-13%) and behind last year by \$651,000 (-18.49%).

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

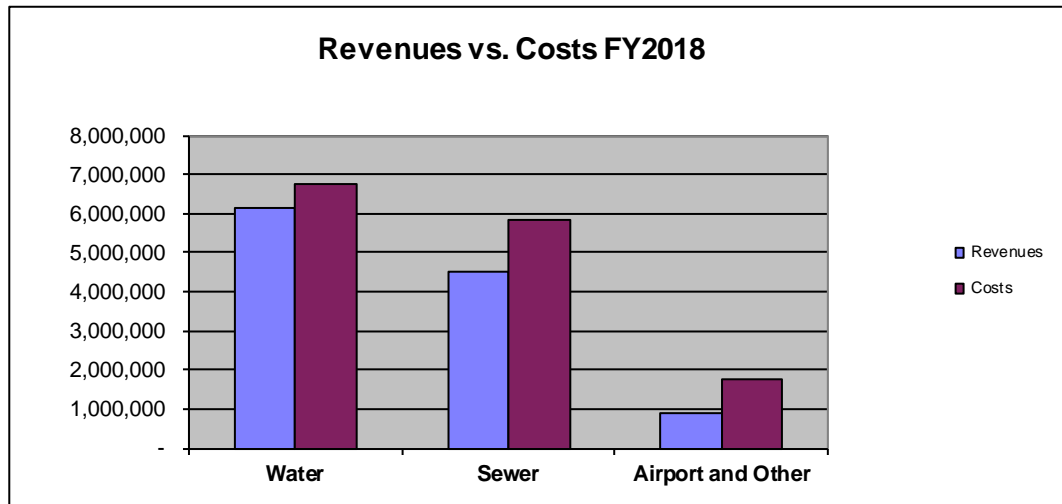


The following graph depicts the different expense categories and the percentage of resources provided for each category:



**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 FY2018, the governmental funds of the City reported a combined fund balance of \$21.8 million. This is a decrease of 9.8%, or \$2.4 million from last year's combined fund balance of \$24.2 million. Of this fund balance, \$9.8 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 ending balance includes a decrease in fund balance of \$0.7 million in the City's General Fund, the chief operating fund of the City. The General fund balance at April 30, 2018, is \$10.8 million with \$10.1 as unassigned. The Police Department and Fire Department make up the majority of the expenditures in the General Fund of 39.7% and 31.4%, 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 Capital Projects Fund had a decrease in fund balance of \$1.4 million. This fund is used to accumulate resources to fund various capital projects. Grants and contributions along with transfers from other funds increased this fund balance while various capital outlay expenditures decreased this fund balance.

For FY2018, the enterprise funds showed net position of \$75.2 million, a decrease of \$3.4 million from the prior year. The components of this change was discussed earlier.

**General Fund Budgeting Highlights**

For FY2018, actual expenditures on a budgetary basis were \$30.8 million compared to the final budget amount of \$32.0 million. The \$1.2 million variance was due to spending less than budgeted in various areas, especially public works and operating transfers out. The largest variances were in public works of \$0.2 million and operating transfers out of \$0.7 million with budgeted transfers being more than actual.

The City's actual amounts available for appropriation on a budgetary basis were \$37.7 million as compared to the budget amount of \$37.7 million. This resulted in a slight variance.

### Capital Assets

At the end of FY2018, the City had \$124.1 million invested in its funds for capital assets. This amount represents an increase of \$0.5 million or 0.4%. The increase is due to current year additions slightly exceeding depreciation.

Table 3  
Capital Assets  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Non-Depreciable Assets</b>						
Land	\$ 2.8	\$ 2.8	\$ 1.8	\$ 1.8	\$ 4.6	\$ 4.6
Construction in Progress	6.5	4.9	2.4	0.4	8.9	5.3
<b>Depreciable Assets</b>						
Vehicles	10.2	10.4	3.3	3.2	13.5	13.6
Buildings and improvements	17.4	17.2	161.6	160.5	179.0	177.7
Equipment and furniture	8.0	7.9	5.6	5.4	13.6	13.3
Infrastructure	133.2	130.5	-	-	133.2	130.5
Accumulated depreciation	(124.3)	(120.9)	(104.4)	(100.5)	(228.7)	(221.4)
	<u>\$ 53.8</u>	<u>\$ 52.8</u>	<u>\$ 70.3</u>	<u>\$ 70.8</u>	<u>\$ 124.1</u>	<u>\$ 123.6</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 \$13,120,429 in long-term bond obligations comprised of the following issues:

Table 4  
Outstanding Debt

	Issued	Outstanding
GORB 2015A	\$ 5,075,000	\$ 2,745,000
GORB 2017	4,115,000	4,115,000
GORN 2014	973,518	527,488
GORN 2013B	907,000	272,941
GORB 2010	1,552,000	160,000
GOB 2009B	1,245,000	1,045,000
GOB 2009C	5,533,000	4,255,000
Total	<u>\$ 19,400,518</u>	<u>\$ 13,120,429</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, 2018, 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 City continues to try to control budget growth by controlling salary and benefit costs. The City negotiated a three-year contract with the International Association of Fire Fighters that expires on April 30, 2020. During 2019, the City will negotiate with the Policemen's Benevolent and Protective Labor Association (Patrol and Supervisor Chapters), the International Association of Machinists and Aerospace Workers #822, and the Amalgamated Transit Union.

The City had used the \$762,300 of reserves to assist with funding the rising pension costs; thus maintaining a lower property tax rate. During the 2017 tax levy, the City committed an additional \$650,000 of reserves to fund pensions in order to keep a stable property tax rate. Additionally, the City will continue to explore options to maintain sustainable healthcare costs.

Quincy is located in west central Illinois, adjacent to the Mississippi River and covers approximately 15.39 square miles. The City of Quincy is the economic hub for the region. The City is served by the Quincy Public School system and several institutions of higher learning including John Wood Community College, Quincy University, and Blessing-Reiman College of Nursing. The presence of health care providers and retail shopping in our City creates a regional draw. Blessing Hospital is the largest employer in the City, employing over 2,600 people. Housing and construction saw a decline in residential growth, with the number of permits down over 30%. The permits for new residential construction were valued at nearly \$10 million which is about a 20% decline from last year's new residential permit value. Commercial growth saw significant growth with the number of new commercial permits increasing by 64% with new commercial values estimated at nearly \$49 million.

All of these factors were considered in preparing the City's budget for the 2018 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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 23,618,368	\$ 6,081,852	\$ 29,700,220	\$ 818,630
Investments	-	-	-	2,753,304
Receivables, net	8,329,555	1,393,681	9,723,236	740,716
Inventories	44,633	234,442	279,075	-
Prepaid items	-	234,217	234,217	-
Net pension asset	1,487,389	598,769	2,086,158	245,563
Capital assets, net	53,819,382	70,354,386	124,173,768	6,020,542
<b>Total Assets</b>	<b>\$ 87,299,327</b>	<b>\$ 78,897,347</b>	<b>\$ 166,196,674</b>	<b>\$ 10,578,755</b>
<b>Deferred Outflows of Resources</b>				
Pension obligations - IMRF	\$ 1,786,569	\$ 719,804	\$ 2,506,373	\$ 316,642
Pension obligations - pension trust funds	6,841,983	-	6,841,983	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 8,628,552</b>	<b>\$ 719,804</b>	<b>\$ 9,348,356</b>	<b>\$ 316,642</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,056,004	\$ 356,824	\$ 1,412,828	\$ 12,425
Accrued expenses	1,303,993	72,000	1,375,993	107,068
Unearned revenue	-	169,240	169,240	44,097
Non-current liabilities:				
Accrued interest	137,976	-	137,976	-
Net pension liability - IMRF	-	-	-	-
Net pension liability - pension trust funds	85,390,243	-	85,390,243	-
Net OPEB liability	7,002,739	1,139,981	8,142,720	508,920
Unamortized bond premium	186,650	-	186,650	-
Due within one year	3,915,800	123,476	4,039,276	-
Due in more than one year	14,471,332	206,826	14,678,158	-
<b>Total Liabilities</b>	<b>\$ 113,464,737</b>	<b>\$ 2,068,347</b>	<b>\$ 115,533,084</b>	<b>\$ 672,510</b>
<b>Deferred Inflows of Resources</b>				
Unearned property taxes	\$ 1,726,055	\$ -	\$ 1,726,055	\$ 732,081
Pension obligations - IMRF	5,818,324	2,340,147	8,158,471	954,513
Pension obligations - Pension Trust Funds	1,006,133	-	1,006,133	-
<b>Total Deferred Inflows of Resources</b>	<b>\$ 8,550,512</b>	<b>\$ 2,340,147</b>	<b>\$ 10,890,659</b>	<b>\$ 1,686,594</b>
<b>Net Position</b>				
Invested in capital assets, net of related debt	\$ 49,038,591	\$ 70,953,155	\$ 119,991,746	\$ 6,020,542
Restricted for:				
Debt service	693,355	-	693,355	-
Capital projects	3,119,609	-	3,119,609	-
Economic development loans	3,978,913	-	3,978,913	-
Motor fuel tax projects	2,471,438	-	2,471,438	-
911 system	1,114,236	-	1,114,236	-
Transit	473,458	-	473,458	-
Other purposes	662,880	-	662,880	458,747
Unrestricted	(87,639,850)	4,255,502	(83,384,348)	2,057,004
<b>Total Net Position</b>	<b>\$ (26,087,370)</b>	<b>\$ 75,208,657</b>	<b>\$ 49,121,287</b>	<b>\$ 8,536,293</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, 2018

Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	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	\$ 5,231,590	\$ 697,390	\$ -	\$ -	\$ (4,534,200)	\$ -	\$ (4,534,200)	\$ -
Public safety	21,912,366	723,032	658,115	-	(20,531,219)	-	(20,531,219)	-
Public works	11,434,831	3,311,197	2,692,132	-	(5,431,502)	-	(5,431,502)	-
Engineering services	1,011,551	-	-	-	(1,011,551)	-	(1,011,551)	-
Health and sanitation	116,887	2,500	-	-	(114,387)	-	(114,387)	-
Culture and recreation	1,583,785	-	-	-	(1,583,785)	-	(1,583,785)	-
Community development	1,234,630	300,701	95,000	-	(838,929)	-	(838,929)	-
Interest on long-term debt	483,794	-	-	-	(483,794)	-	(483,794)	-
<b>Total Governmental Activities</b>	<b>\$ 43,009,434</b>	<b>\$ 5,034,820</b>	<b>\$ 3,445,247</b>	<b>\$ -</b>	<b>\$ (34,529,367)</b>	<b>\$ -</b>	<b>\$ (34,529,367)</b>	<b>\$ -</b>
Business-type Activities:								
Water	\$ 6,728,363	\$ 6,154,085	\$ -	\$ -	\$ -	\$ (574,278)	\$ (574,278)	\$ -
Sewer	5,840,759	4,498,651	-	-	-	(1,342,108)	(1,342,108)	-
Airport	1,679,417	152,725	-	175,888	-	(1,350,804)	(1,350,804)	-
Other	86,028	202,555	25,542	-	-	142,069	142,069	-
<b>Total Business-type Activities</b>	<b>\$ 14,334,567</b>	<b>\$ 11,008,016</b>	<b>\$ 25,542</b>	<b>\$ 175,888</b>	<b>\$ -</b>	<b>\$ (3,125,121)</b>	<b>\$ (3,125,121)</b>	<b>\$ -</b>
<b>Total Primary Government</b>	<b>\$ 57,344,001</b>	<b>\$ 16,042,836</b>	<b>\$ 3,470,789</b>	<b>\$ 175,888</b>	<b>\$ (34,529,367)</b>	<b>\$ (3,125,121)</b>	<b>\$ (37,654,488)</b>	<b>\$ -</b>
<b>Component Units:</b>								
Woodland Cemetery	\$ 220,528	\$ 8,511	\$ 6,078	\$ -	\$ -	\$ -	\$ -	\$ (205,939)
Quincy Public Library	2,783,946	312,094	907,224	-	-	-	-	(1,564,628)
<b>Total Component Units</b>	<b>\$ 3,004,474</b>	<b>\$ 320,605</b>	<b>\$ 913,302</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,770,567)</b>
<b>General Revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					\$ 549,843	\$ -	\$ 549,843	\$ 730,236
Property taxes, levied for debt service					1,831,280	-	1,831,280	-
Personal property replacement tax					1,934,457	-	1,934,457	315,237
Sales and public service taxes					22,803,599	-	22,803,599	-
Income taxes					4,241,962	-	4,241,962	-
Franchise taxes					909,244	-	909,244	-
Payment from City of Quincy					(233,000)	-	(233,000)	233,000
Investment earnings (loss)					200,148	42,076	242,224	7,400
Miscellaneous					219,969	277,322	497,291	5,309
Transfers					(609,324)	542,525	(66,799)	-
<b>Total General Revenues and Transfers</b>					<b>\$ 31,848,178</b>	<b>\$ 861,923</b>	<b>\$ 32,710,101</b>	<b>\$ 1,291,182</b>
<b>Change in Net Position</b>					<b>\$ (2,681,189)</b>	<b>\$ (2,263,198)</b>	<b>\$ (4,944,387)</b>	<b>\$ (479,385)</b>
Net Position at beginning of year					(17,634,134)	78,586,210	60,952,076	9,513,158
Prior period adjustment					(5,772,047)	(1,114,355)	(6,886,402)	(497,480)
<b>Net Position at end of year</b>					<b>\$ (26,087,370)</b>	<b>\$ 75,208,657</b>	<b>\$ 49,121,287</b>	<b>\$ 8,536,293</b>

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

City of Quincy, Illinois  
Balance Sheet  
Governmental Funds  
April 30, 2018

	General Fund	Quincy Transit Lines	Capital Projects Fund	Fire Equipment/ Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 6,793,835	\$ 508,370	\$ 1,323,351	\$ 3,340	\$ 9,398,338	\$ 18,027,234
Receivables, net	112,157	5,629	-	-	208,861	326,647
Inventories	-	-	-	-	-	-
Due from other funds	340,300	-	-	-	140,354	480,654
Due from other governments	4,390,573	-	-	-	252,456	4,643,029
<b>Total Assets</b>	<b>\$ 11,636,865</b>	<b>\$ 513,999</b>	<b>\$ 1,323,351</b>	<b>\$ 3,340</b>	<b>\$ 10,000,009</b>	<b>\$ 23,477,564</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 164,876	\$ 3,180	\$ 6,986	\$ -	\$ 244,716	\$ 419,758
Accrued expenses	710,782	37,361	-	-	39,371	787,514
Due to other funds	-	-	-	337,700	142,954	480,654
<b>Total Liabilities</b>	<b>\$ 875,658</b>	<b>\$ 40,541</b>	<b>\$ 6,986</b>	<b>\$ 337,700</b>	<b>\$ 427,041</b>	<b>\$ 1,687,926</b>
<b>Fund Balances</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 794,521	\$ 794,521
Economic development loans	-	-	-	-	2,594,895	2,594,895
Capital projects	-	-	1,316,365	-	1,803,244	3,119,609
911 System	-	-	-	-	1,114,236	1,114,236
Motor fuel tax projects	-	-	-	-	2,471,438	2,471,438
Public safety projects	-	-	-	-	256,639	256,639
Other projects	14,932	-	-	-	391,311	406,243
Transit	-	473,458	-	-	-	473,458
Committed for:						
Pension funds	578,415	-	-	-	-	578,415
Assigned for:						
Green projects	-	-	-	-	146,684	146,684
Unassigned	10,167,860	-	-	(334,360)	-	9,833,500
<b>Total Fund Balances</b>	<b>\$ 10,761,207</b>	<b>\$ 473,458</b>	<b>\$ 1,316,365</b>	<b>\$ (334,360)</b>	<b>\$ 9,572,968</b>	<b>\$ 21,789,638</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,636,865</b>	<b>\$ 513,999</b>	<b>\$ 1,323,351</b>	<b>\$ 3,340</b>	<b>\$ 10,000,009</b>	<b>\$ 23,477,564</b>

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

City of Quincy, Illinois

Reconciliation of the Governmental Funds' Balance Sheet to Statement of Net Position  
April 30, 2018

---

Total governmental fund balances	\$ 21,789,638
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	50,372,518
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet maintenance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position	
Current assets	5,848,763
Capital assets	3,842,197
Deferred outflows	474,812
Current liabilities	(1,216,191)
Long-term liabilities	(1,044,207)
Deferred inflows	(1,545,068)
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.	3,146,883
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	(81,423,836)
Long term liabilities including bonds payable with related interest and accretion, and deferred compensation are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	<u>(26,332,879)</u>
Net position of governmental activities	<u><u>\$ (26,087,370)</u></u>

City of Quincy, Illinois  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended April 30, 2018

	General Fund	Quincy Transit Lines	Capital Projects Fund	Fire Equipment/ Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 75,372	\$ -	\$ -	\$ -	\$ 2,305,751	\$ 2,381,123
Franchise taxes	486,744	-	-	-	422,500	909,244
Public service taxes	26,241,609	-	-	-	2,738,409	28,980,018
Grants and contributions	148,995	-	-	-	204,687	353,682
Charges for services	713,273	82,701	-	96,883	20,963	913,820
Fines and forfeitures	339,661	-	-	-	77,583	417,244
Intergovernmental	14,527	2,570,956	-	-	506,081	3,091,564
Investment earnings	45,978	2,960	15,000	2,562	92,979	159,479
Miscellaneous	31,151	2,000	-	-	496,299	529,450
<b>Total Revenues</b>	<b>\$ 28,097,310</b>	<b>\$ 2,658,617</b>	<b>\$ 15,000</b>	<b>\$ 99,445</b>	<b>\$ 6,865,252</b>	<b>\$ 37,735,624</b>
<b>Expenditures</b>						
General Government						
Aldermen	\$ 228,967	\$ -	\$ -	\$ -	\$ -	\$ 228,967
Mayor	218,211	-	-	-	-	218,211
City Treasurer	257,973	-	-	-	-	257,973
City Clerk	222,550	-	-	-	-	222,550
Director of Administration	106,571	-	-	-	-	106,571
Purchasing	74,932	-	-	-	-	74,932
Building maintenance	186,058	-	-	-	-	186,058
Comptroller	321,052	-	-	-	-	321,052
Legal department	247,911	-	-	-	-	247,911
Boards and commissions	29,804	-	-	-	-	29,804
Information technology	696,050	-	-	-	-	696,050
Public Safety						
Police Department	9,570,764	-	-	-	92,025	9,662,789
Fire Department	7,575,662	-	-	-	-	7,575,662
911 System	-	-	-	-	1,514,550	1,514,550
Public Works	1,221,546	2,743,251	525,633	-	1,501	4,491,931
Engineering Services	674,690	-	-	-	155,775	830,465
Health and Sanitation	116,066	-	-	-	-	116,066
Cemetery	233,000	-	-	-	-	233,000
Culture and Recreation	751,376	-	-	-	803,513	1,554,889
Community Development	812,124	-	-	-	408,616	1,220,740
Debt Service						
Principal retirement	-	-	12,500	-	2,021,693	2,034,193
Interest and charges	-	-	-	-	484,861	484,861
Capital outlay	568,873	6,000	2,272,344	961,900	1,126,486	4,935,603
<b>Total Expenditures</b>	<b>\$ 24,114,180</b>	<b>\$ 2,749,251</b>	<b>\$ 2,810,477</b>	<b>\$ 961,900</b>	<b>\$ 6,609,020</b>	<b>\$ 37,244,828</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, 2018

	General Fund	Quincy Transit Lines	Capital Projects Fund	2017 GO Bond	Other Governmental Funds	Total Governmental Funds
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 3,983,130	\$ (90,634)	\$ (2,795,477)	\$ (862,455)	\$ 256,232	\$ 490,796
<b>Other Financing Sources (Uses)</b>						
Cost share transfers, net	\$ 647,659	\$ (213,514)	\$ -	\$ -	\$ (20,622)	\$ 413,523
Sale of assets	1,887	-	-	-	-	1,887
Operating transfers in	1,425,856	286,974	2,332,894	-	1,481,002	5,526,726
Operating transfers out	(6,744,809)	-	(985,000)	-	(1,077,221)	(8,807,030)
<b>Total Other Financing Sources (Uses)</b>	\$ (4,669,407)	\$ 73,460	\$ 1,347,894	\$ -	\$ 383,159	\$ (2,864,894)
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	\$ (686,277)	\$ (17,174)	\$ (1,447,583)	\$ (862,455)	\$ 639,391	\$ (2,374,098)
Fund Balances, May 1, 2017	11,447,484	490,632	2,763,948	528,095	8,933,577	24,163,736
<b>Fund Balances, April 30, 2018</b>	<u>\$ 10,761,207</u>	<u>\$ 473,458</u>	<u>\$ 1,316,365</u>	<u>\$ (334,360)</u>	<u>\$ 9,572,968</u>	<u>\$ 21,789,638</u>

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

City of Quincy, Illinois  
 Reconciliation of the Statement of Revenues, Expenditures and  
 Changes in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Year Ended April 30, 2018

---

Net change in fund balances - total governmental funds	\$ (2,374,098)
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.	803,087
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.	2,035,260
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.	407,939
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.	(396,730)
Some expenses reported in the statement of net activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(3,156,647)</u>
Change in net position of governmental activities	<u>\$ (2,681,189)</u>

City of Quincy, Illinois  
Statement of Net Position  
Proprietary Funds  
April 30, 2018

	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Regional Training Facility	Other Enterprise Funds		
<b>Assets</b>							
Current Assets							
Cash and cash equivalents	\$ 3,662,067	\$ 1,153,557	\$ 794,947	\$ 523	\$ 470,758	\$ 6,081,852	\$ 5,591,134
Receivables, net	803,662	491,199	84,784	-	14,036	1,393,681	212,996
Inventories	234,442	-	-	-	-	234,442	44,633
Prepaid expenses	18,451	27,676	188,090	-	-	234,217	-
<b>Total Current Assets</b>	<b>\$ 4,718,622</b>	<b>\$ 1,672,432</b>	<b>\$ 1,067,821</b>	<b>\$ 523</b>	<b>\$ 484,794</b>	<b>\$ 7,944,192</b>	<b>\$ 5,848,763</b>
Noncurrent Assets							
Land	\$ 242,946	\$ 861,374	\$ 453,124	\$ 220,390	\$ 19,945	\$ 1,797,779	\$ 488,071
Systems	32,744,195	86,095,186	19,969,283	-	145,556	138,954,220	665,167
Building and equipment	4,669,843	14,204,932	5,060,285	911,964	241,282	25,088,306	2,210,394
Vehicles and equipment	3,987,945	2,860,232	2,015,070	29,384	-	8,892,631	5,482,951
Less: Accumulated depreciation	(21,797,344)	(68,268,289)	(13,581,848)	(403,502)	(327,567)	(104,378,550)	(5,399,719)
Net pension asset	367,193	158,930	72,646	-	-	598,769	395,333
<b>Total Noncurrent Assets</b>	<b>\$ 20,214,778</b>	<b>\$ 35,912,365</b>	<b>\$ 13,988,560</b>	<b>\$ 758,236</b>	<b>\$ 79,216</b>	<b>\$ 70,953,155</b>	<b>\$ 3,842,197</b>
<b>Total Assets</b>	<b>\$ 24,933,400</b>	<b>\$ 37,584,797</b>	<b>\$ 15,056,381</b>	<b>\$ 758,759</b>	<b>\$ 564,010</b>	<b>\$ 78,897,347</b>	<b>\$ 9,690,960</b>
<b>Deferred Outflows of Resources - Pension</b>	<b>\$ 448,317</b>	<b>\$ 184,190</b>	<b>\$ 87,297</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 719,804</b>	<b>\$ 474,812</b>
<b>Liabilities</b>							
Current Liabilities							
Accounts payable	\$ 154,160	\$ 74,929	\$ 127,268	\$ 386	\$ 81	\$ 356,824	\$ 636,246
Accrued expenses	47,201	16,485	8,314	-	-	72,000	516,479
Customer deposits	169,240	-	-	-	-	169,240	-
Compensated absences	80,629	26,139	16,708	-	-	123,476	63,466
Bonds, notes and loans payable	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>\$ 451,230</b>	<b>\$ 117,553</b>	<b>\$ 152,290</b>	<b>\$ 386</b>	<b>\$ 81</b>	<b>\$ 721,540</b>	<b>\$ 1,216,191</b>
Noncurrent Liabilities							
Compensated absences	\$ 152,797	\$ 39,577	\$ 14,452	\$ -	\$ -	\$ 206,826	\$ 107,795
Net pension liability	-	-	-	-	-	-	-
Net OPEB liability	692,131	305,352	142,498	-	-	1,139,981	936,412
<b>Total Noncurrent Liabilities</b>	<b>\$ 844,928</b>	<b>\$ 344,929</b>	<b>\$ 156,950</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,346,807</b>	<b>\$ 1,044,207</b>
<b>Total Liabilities</b>	<b>\$ 1,296,158</b>	<b>\$ 462,482</b>	<b>\$ 309,240</b>	<b>\$ 386</b>	<b>\$ 81</b>	<b>\$ 2,068,347</b>	<b>\$ 2,260,398</b>
<b>Deferred Inflows of Resources - Pension</b>	<b>\$ 1,435,087</b>	<b>\$ 621,139</b>	<b>\$ 283,921</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,340,147</b>	<b>\$ 1,545,068</b>
<b>Net Position</b>							
Invested in capital assets, net of related debt	\$ 20,214,778	\$ 35,912,365	\$ 13,988,560	\$ 758,236	\$ 79,216	\$ 70,953,155	\$ 3,842,197
Unrestricted	2,435,694	773,001	561,957	137	484,713	4,255,502	2,518,109
<b>Total Net Position</b>	<b>\$ 22,650,472</b>	<b>\$ 36,685,366</b>	<b>\$ 14,550,517</b>	<b>\$ 758,373</b>	<b>\$ 563,929</b>	<b>\$ 75,208,657</b>	<b>\$ 6,360,306</b>

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, 2018

	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Regional Training Facility	Other Enterprise Funds		
<b>Operating Revenues</b>							
Charges for services	\$ 6,154,085	\$ 4,498,651	\$ 152,725	\$ 12,827	\$ 189,728	\$ 11,008,016	\$ 10,364,288
Miscellaneous	41,447	238	235,376	261	-	277,322	83,989
<b>Total Operating Revenues</b>	<u>\$ 6,195,532</u>	<u>\$ 4,498,889</u>	<u>\$ 388,101</u>	<u>\$ 13,088</u>	<u>\$ 189,728</u>	<u>\$ 11,285,338</u>	<u>\$ 10,448,277</u>
<b>Operating Expenses</b>							
Salaries and wages	\$ 1,747,664	\$ 525,065	\$ 396,947	\$ 2,144	\$ -	\$ 2,671,820	\$ 1,761,146
Benefits	867,774	485,213	168,113	265	-	1,521,365	1,047,472
Purchased services	872,451	1,870,677	215,194	17,960	1,783	2,978,065	3,345,026
Supplies	1,935,408	684,784	171,998	8,108	1,515	2,801,813	826,398
Claims and judgments	-	-	-	-	-	-	6,194,206
Noncapitalized equipment	47,210	3,933	6,670	-	-	57,813	-
Other objects	229,693	151,305	27,623	583	-	409,204	63,292
Depreciation	1,028,163	2,119,782	692,872	33,780	19,890	3,894,487	319,116
<b>Total Operating Expenses</b>	<u>\$ 6,728,363</u>	<u>\$ 5,840,759</u>	<u>\$ 1,679,417</u>	<u>\$ 62,840</u>	<u>\$ 23,188</u>	<u>\$ 14,334,567</u>	<u>\$ 13,556,656</u>
<b>Operating Income (Loss)</b>	<u>\$ (532,831)</u>	<u>\$ (1,341,870)</u>	<u>\$ (1,291,316)</u>	<u>\$ (49,752)</u>	<u>\$ 166,540</u>	<u>\$ (3,049,229)</u>	<u>\$ (3,108,379)</u>
<b>Non-Operating Revenues (Expenses)</b>							
Interest income	\$ 22,700	\$ 10,893	\$ 4,925	\$ 46	\$ 3,512	\$ 42,076	\$ 40,669
Grants and contributions	-	-	175,888	25,542	-	201,430	-
Sale of assets	-	-	-	-	-	-	-
<b>Total Non-operating Revenues (Expenses)</b>	<u>\$ 22,700</u>	<u>\$ 10,893</u>	<u>\$ 180,813</u>	<u>\$ 25,588</u>	<u>\$ 3,512</u>	<u>\$ 243,506</u>	<u>\$ 40,669</u>
<b>Income (Loss) Before Transfers and Contributions</b>	<u>\$ (510,131)</u>	<u>\$ (1,330,977)</u>	<u>\$ (1,110,503)</u>	<u>\$ (24,164)</u>	<u>\$ 170,052</u>	<u>\$ (2,805,723)</u>	<u>\$ (3,067,710)</u>
Transfers in	-	-	748,424	51,725	-	800,149	2,820,500
Transfers out	(53,812)	(53,812)	-	-	(150,000)	(257,624)	(149,520)
<b>Change in Net Position</b>	<u>\$ (563,943)</u>	<u>\$ (1,384,789)</u>	<u>\$ (362,079)</u>	<u>\$ 27,561</u>	<u>\$ 20,052</u>	<u>\$ (2,263,198)</u>	<u>\$ (396,730)</u>
<b>Net Position at beginning of year</b>	23,890,988	38,368,643	15,051,890	730,812	543,877	78,586,210	7,672,400
Prior Period Adjustment	(676,573)	(298,488)	(139,294)	-	-	(1,114,355)	(915,364)
<b>Net Position at year end</b>	<u>\$ 22,650,472</u>	<u>\$ 36,685,366</u>	<u>\$ 14,550,517</u>	<u>\$ 758,373</u>	<u>\$ 563,929</u>	<u>\$ 75,208,657</u>	<u>\$ 6,360,306</u>

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, 2018

	<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>Regional Training Facility</b>	<b>Other Enterprise Funds</b>		
<b>Cash Flows from Operating Activities:</b>							
Receipts from customers	\$ 6,254,730	\$ 4,641,676	\$ 152,834	\$ 12,827	\$ 202,250	\$ 11,264,317	\$ 4,874,286
Payments to suppliers	(2,916,136)	(2,705,064)	(557,804)	(26,708)	(3,281)	(6,208,993)	(5,217,273)
Payments to employees	(2,654,888)	(895,080)	(517,699)	(2,409)	-	(4,070,076)	(1,728,615)
Internal activity - payments to other funds	-	-	-	-	-	-	5,561,436
Claims paid	-	-	-	-	-	-	(6,117,494)
Other receipts (payments)	41,447	238	235,376	261	-	277,322	(17,851)
Net Cash Provided (Used) by Operating Activities	<u>\$ 725,153</u>	<u>\$ 1,041,770</u>	<u>\$ (687,293)</u>	<u>\$ (16,029)</u>	<u>\$ 198,969</u>	<u>\$ 1,262,570</u>	<u>\$ (2,645,511)</u>
<b>Cash Flows from NonCapital Financing Activities:</b>							
Operating subsidies and transfers	<u>\$ (53,812)</u>	<u>\$ (53,812)</u>	<u>\$ 748,424</u>	<u>\$ 51,725</u>	<u>\$ (150,000)</u>	<u>\$ 542,525</u>	<u>\$ 2,670,980</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>							
Purchases of capital assets	\$ (725,190)	\$ (2,533,722)	\$ (138,060)	\$ (12,549)	\$ -	\$ (3,409,521)	\$ (503,991)
Disposal of capital assets	-	-	-	-	-	-	38,548
Principal paid on capital debt	-	-	-	(50,000)	-	(50,000)	-
Other receipts (payments)	-	-	175,888	25,542	-	201,430	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (725,190)</u>	<u>\$ (2,533,722)</u>	<u>\$ 37,828</u>	<u>\$ (37,007)</u>	<u>\$ -</u>	<u>\$ (3,258,091)</u>	<u>\$ (465,443)</u>
<b>Cash Flows from Investing Activities:</b>							
Interest received	<u>\$ 22,700</u>	<u>\$ 10,893</u>	<u>\$ 4,925</u>	<u>\$ 46</u>	<u>\$ 3,512</u>	<u>\$ 42,076</u>	<u>\$ 40,669</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 22,700</u>	<u>\$ 10,893</u>	<u>\$ 4,925</u>	<u>\$ 46</u>	<u>\$ 3,512</u>	<u>\$ 42,076</u>	<u>\$ 40,669</u>
<b>Net Increase (Decrease) in Cash and Cash Investments</b>	<u>\$ (31,149)</u>	<u>\$ (1,534,871)</u>	<u>\$ 103,884</u>	<u>\$ (1,265)</u>	<u>\$ 52,481</u>	<u>\$ (1,410,920)</u>	<u>\$ (399,305)</u>
Cash and Cash Equivalents, May 1, 2017	<u>3,693,216</u>	<u>2,688,428</u>	<u>691,063</u>	<u>1,788</u>	<u>418,277</u>	<u>7,492,772</u>	<u>5,990,439</u>
<b>Cash and Cash Equivalents, April 30, 2018</b>	<u><u>\$ 3,662,067</u></u>	<u><u>\$ 1,153,557</u></u>	<u><u>\$ 794,947</u></u>	<u><u>\$ 523</u></u>	<u><u>\$ 470,758</u></u>	<u><u>\$ 6,081,852</u></u>	<u><u>\$ 5,591,134</u></u>

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, 2018

	<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>Regional Training Facility</b>	<b>Other Enterprise Funds</b>		
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>							
Income (loss) from operations	\$ (532,831)	\$ (1,341,870)	\$ (1,291,316)	\$ (49,752)	\$ 166,540	\$ (3,049,229)	\$ (3,108,379)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:							
Amortization and depreciation	1,028,163	2,119,782	692,872	33,780	19,890	3,894,487	319,116
(Gain)/Loss on sale of fixed assets	-	-	-	-	-	-	(37,048)
(Increase) Decrease in:							
Accounts receivable	151,210	143,025	109	-	12,522	306,866	69,934
Inventories	110,578	-	-	-	-	110,578	(6,088)
Prepaid items	9,225	13,838	(188,090)	-	-	(165,027)	-
Net pension asset	(367,193)	(158,930)	(72,646)	-	-	(598,769)	(395,333)
Deferred outflows	231,163	11,325	12,022	-	-	254,510	191,348
Increase (Decrease) in:							
Accounts payable	48,823	(8,203)	51,771	(57)	17	92,351	4,106
Accrued expenses	(1,225)	1,396	333	-	-	504	82,348
Customer deposits	(50,565)	-	-	-	-	(50,565)	-
Compensated absences	(35,574)	10,645	9,036	-	-	(15,893)	(53,634)
Net pension liability	(1,137,954)	(325,889)	(162,848)	-	-	(1,626,691)	(1,104,030)
Net OPEB liability	15,558	6,864	3,204	-	-	25,626	21,048
Deferred inflows	1,255,775	569,787	258,260	-	-	2,083,822	1,371,101
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 725,153</b>	<b>\$ 1,041,770</b>	<b>\$ (687,293)</b>	<b>\$ (16,029)</b>	<b>\$ 198,969</b>	<b>\$ 1,262,570</b>	<b>\$ (2,645,511)</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, 2018

	<b>Pension Trust Funds</b>	<b>Private Purpose Trusts</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,078,863	\$ 98,789
Investments	65,301,868	-
Receivables, net	4,364,009	-
<b>Total Assets</b>	<b>\$ 72,744,740</b>	<b>\$ 98,789</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ -	\$ 901
Accrued expenses	64,200	-
<b>Total Liabilities</b>	<b>\$ 64,200</b>	<b>\$ 901</b>
<b>Deferred Inflows of Resources</b>		
Unearned property taxes	\$ 4,205,692	-
<b>Net Position</b>		
Held in trust for pension benefits	\$ 68,474,848	\$ -
Restricted for future expenditures	-	97,888
<b>Total Net Position</b>	<b>\$ 68,474,848</b>	<b>\$ 97,888</b>

City of Quincy, Illinois  
Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
For the Year Ended April 30, 2018

	<b>Pension Trust Funds</b>	<b>Private Purpose Trusts</b>
<b>Additions</b>		
Taxes:		
Property taxes	\$ 3,889,735	\$ -
Personal Property Replacement tax	653,522	-
Total taxes	<u>\$ 4,543,257</u>	<u>\$ -</u>
Contributions:		
Plan members	\$ 949,120	\$ -
Outside agencies	-	48,058
Transfers from City	1,393,819	66,800
Total contributions	<u>\$ 2,342,939</u>	<u>\$ 114,858</u>
Investment earnings:		
Net increase (decrease) in fair value	\$ 3,918,569	\$ -
Realized gain (loss) on sale of investments	676,012	-
Interest	588,929	603
Dividends	906,713	-
Total investment earnings	<u>\$ 6,090,223</u>	<u>\$ 603</u>
Total Additions	<u>\$ 12,976,419</u>	<u>\$ 115,461</u>
<b>Deductions</b>		
Benefits	\$ 7,205,753	\$ -
Administrative expenses	238,095	-
Payments to others	-	108,160
Total Deductions	<u>\$ 7,443,848</u>	<u>\$ 108,160</u>
Change in net position	\$ 5,532,571	\$ 7,301
Net position, May 1, 2017	<u>62,942,277</u>	<u>90,587</u>
<b>Net position, April 30, 2018</b>	<u><u>\$ 68,474,848</u></u>	<u><u>\$ 97,888</u></u>



Notes to the  
Financial Statements

## 1) Summary of Significant Accounting Policies

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

### A. Financial Reporting Entity

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

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

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

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

### B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

**1. Governmental Funds**

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

**General Fund**

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

**Quincy Transit Lines Fund**

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

**Capital Projects Fund**

The Capital Projects Fund accounts for the acquisition or construction of capital projects not included in other Capital Project funds.

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

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

1. **Governmental Funds (Concluded)**

**Fire Equipment/Improvement Fund**

The Fire Equipment/Improvement Fund accounts for the accumulation and expenditure of resources to acquire equipment and improve the Fire Department.

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, Motor Fuel Tax, Town Road Tax, Police Contributions, Fire Contributions, Franchise Fee “Green”, Tourism Tax, and the City’s Revolving Loan funds. These loan funds include the Economic Development Revolving Loan Fund, which was established from an Urban Development Action Grant (UDAG); the Community Development Action Program (CDAP) Revolving Loan Fund; the Central Business District Loan Fund; the Neighborhood Housing Rehab Loan Fund; and the Energy Grant Loan Fund.

**Capital Project Funds** – used to account for the acquisition and construction of capital facilities other than those being financed by proprietary funds. The Capital Projects Funds use General Obligation or Certificates of Obligation Bonds proceeds, grants, or transfers from other funds. These funds include Sanitation Connection, TIF #2, TIF #3, 2009 OLC Capital Projects, Sewer Equipment Replacement, and QMEA Cap Reserve.

**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.

**Firefighters Regional Training Center** – used to account for the operation of the fire training center.

The other enterprise fund of the City, Quincy Regional Dock, is considered non-major.

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

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

**2. Proprietary Funds (Concluded)**

**Internal Service Funds**

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

**3. Fiduciary Funds**

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

**Pension Trust Funds**

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

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

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

**Private Purpose Trust Funds**

Private Purpose Trust Funds are used to accumulate assets for other purposes. These funds consist of the Sister City Commission Fund, the Lincoln Bicentennial Commission, the Human Rights Commission, the City Tree Board and the Bridge Lighting 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 2017 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. P

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

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

---

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

**D. Cash and Cash Equivalents**

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

**E. Investments**

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

**F. Statement of Cash Flows**

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

**G. Accounts Receivable**

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

**H. Inventories**

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

**I. Capital Assets**

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

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

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

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

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

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

**J. Unearned Revenue**

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

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

**K. Interfund Transactions**

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

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

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

**L. Compensated Absences**

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

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

**M. Net Position**

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



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

### N. Fund Balances

Fund balances are classified as follows:

**Nonspendable-** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City had no nonspendable fund balances as of April 30, 2018.

**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 \$11,231,039 in restricted fund balances that consisted of various funds.

**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 \$578,415 as of April 30, 2018.

**Assigned-** This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council through budgetary process. The City had assigned resources of \$146,684 as of April 30, 2018.

**Unassigned-** All amounts not included in other spendable classifications.

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

### O. Bond Premium and Issuance Costs

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

### P. Properties Held for Resale

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

## 1) Summary of Significant Accounting Policies (Concluded)

### Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### R. Deferred Outflows/Inflows of Resources

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

### S. Pension Reporting

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

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

## 2) Budgets and Budgetary Accounting

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

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

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

### 3) Deposits and Investments

#### Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City follows a policy of required collateralization of all deposits in excess of federally insured amounts. At April 30, 2018, the carrying amount of the City's deposits (excluding component units) was \$32,875,947 and the respective bank balances totaled \$33,669,167. Included in the bank balances are Certificates of Deposit totaling \$21,742,500. The insured and collateral status of the bank balances, by category risk, was as follows:

	<b>Primary Government</b>
FDIC Insured	\$ 12,406,441
Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	18,401,861
Invested in Money Market Funds	2,848,931
Invested in Illinois Funds	-
Uncollateralized	11,934
	<b>\$ 33,669,167</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. Pension fund investments are authorized by state statute and include, in addition to the previously mentioned investments, marketable equity securities.

#### Interest Rate Risk

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

#### Credit Risk

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

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

### 3) Deposits and Investments (Concluded)

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

	<b>Amortized Cost</b>	<b>Fair Value</b>
Investments Available for Sale:		
U.S. Government Agencies	\$ 13,646,502	\$ 13,320,761
Corporate bonds	8,105,104	7,830,911
Mutual Funds	22,476,801	25,914,299
Common and Preferred Stocks	14,448,948	18,235,897
	\$ 58,677,355	\$ 65,301,868
Investment Maturities (in years):		
Maturing 2018-2045	\$ 21,751,606	\$ 21,151,672
	\$ 21,751,606	\$ 21,151,672
Equity Securities	36,925,749	44,150,196
	\$ 58,677,355	\$ 65,301,868

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

	\$ 1,925		
Cash on hand	32,875,947		
Deposits with financial institutions	65,301,868		
Investments	\$ 98,179,740		
<b>Total Cash and Investments</b>			
	<b>Cash and Equivalents</b>	<b>Investments</b>	<b>Total</b>
Government-wide Statement of Net Assets	\$ 29,700,220	\$ -	\$ 29,700,220
Statement of Fiduciary Net Assets	3,177,652	65,301,868	68,479,520
	\$ 32,877,872	\$ 65,301,868	\$ 98,179,740

### 4) Capital Assets

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

<b>Governmental Activities</b>	
General government	\$ 117,475
Public safety	495,217
Public works	3,326,334
Other governmental activities	480,960
Total Governmental activities	\$ 4,419,986
<b>Business-Type Activities</b>	
Water	\$ 1,028,163
Sewer	2,119,782
Airport	692,873
Other enterprise	53,670
Total Business-type activities	\$ 3,894,488

**4) Capital Assets (Concluded)**

The following is a summary of Capital Asset transactions for the year ended April 30, 2018:

Governmental Activities

	<b>Balance, April 30, 2017</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance, April 30, 2018</b>
Buildings	\$ 15,393,228	\$ 205,738	\$ -	\$ 15,598,966
Improvements	1,826,107	-	-	1,826,107
Infrastructure	130,524,990	2,704,197	-	133,229,187
Machinery and equipment	7,339,680	295,629	(206,327)	7,428,982
Vehicles	10,362,254	636,835	(773,181)	10,225,908
Furniture and intangibles	572,867	27,705	-	600,572
Total assets being depreciated	<u>\$ 166,019,126</u>	<u>\$ 3,870,104</u>	<u>\$ (979,508)</u>	<u>\$ 168,909,722</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (6,718,624)	\$ (366,419)	\$ -	\$ (7,085,043)
Improvements	(943,189)	(60,184)	-	(1,003,373)
Infrastructure	(100,726,765)	(2,856,383)	-	(103,583,148)
Machinery and equipment	(5,173,576)	(363,948)	206,327	(5,331,197)
Vehicles	(6,987,675)	(706,306)	740,538	(6,953,443)
Furniture and intangibles	(326,787)	(66,746)	-	(393,533)
Total accumulated depreciation	<u>\$ (120,876,616)</u>	<u>\$ (4,419,986)</u>	<u>\$ 946,865</u>	<u>\$ (124,349,737)</u>
Net total of capital assets being depreciated	\$ 45,142,510	\$ (549,882)	\$ (32,643)	\$ 44,559,985
Land	2,761,072	-	(500)	2,760,572
Construction in Progress	4,929,338	2,462,191	(892,704)	6,498,825
<b>Governmental Activities Capital Assets</b>	<u><u>\$ 52,832,920</u></u>	<u><u>\$ 1,912,309</u></u>	<u><u>\$ (925,847)</u></u>	<u><u>\$ 53,819,382</u></u>

Business-Type Activities

	<b>Balance, April 30, 2017</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance, April 30, 2018</b>
Buildings	\$ 25,080,799	\$ 7,507	\$ -	\$ 25,088,306
Systems	135,379,614	1,151,348	-	136,530,962
Machinery and equipment	5,461,282	161,447	-	5,622,729
Vehicles	3,173,353	96,550	-	3,269,903
Total assets being depreciated	<u>\$ 169,095,048</u>	<u>\$ 1,416,852</u>	<u>\$ -</u>	<u>\$ 170,511,900</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (12,065,727)	\$ (657,069)	\$ -	\$ (12,722,796)
Systems	(84,539,571)	(2,943,355)	-	(87,482,926)
Machinery and equipment	(1,599,987)	(174,163)	-	(1,774,150)
Vehicles	(2,278,779)	(119,901)	-	(2,398,680)
Total accumulated depreciation	<u>\$ (100,484,064)</u>	<u>\$ (3,894,488)</u>	<u>\$ -</u>	<u>\$ (104,378,552)</u>
Net total of capital assets being depreciated	\$ 68,610,984	\$ (2,477,636)	\$ -	\$ 66,133,348
Land	1,797,779	-	-	1,797,779
Construction in Progress	430,589	2,236,636	(243,967)	2,423,258
<b>Business-Type Activities Capital Assets</b>	<u><u>\$ 70,839,352</u></u>	<u><u>\$ (241,000)</u></u>	<u><u>\$ (243,967)</u></u>	<u><u>\$ 70,354,385</u></u>

**5) Non-current Liabilities**

For the Year Ended April 30, 2018, the changes in non-current liabilities are as follows:

Governmental Activities

	<b>Balance April 30, 2017</b>	<b>(Retirements) Additions</b>	<b>Balance April 30, 2018</b>
General Obligation Bonds	\$ 15,142,122	\$ (2,021,693)	\$ 13,120,429
Accrued interest on bonds	124,642	13,334	137,976
Notes Payable - Bank	162,500	(12,500)	150,000
Compensated absences	3,329,278	(461,574)	2,867,704
Net pension liability	88,447,027	(3,056,784)	85,390,243
Unamortized bond premium	201,051	(14,401)	186,650
Net OPEB obligation	6,845,328	157,411	7,002,739
Landfill post-closure	2,249,000	-	2,249,000
	<u>\$ 116,500,948</u>	<u>\$ (5,396,207)</u>	<u>\$ 111,104,741</u>

Business-Type Activities

	<b>Balance April 30, 2017</b>	<b>(Retirements) Additions</b>	<b>Balance April 30, 2018</b>
Loan from Econ Development	\$ 50,000	\$ (50,000)	\$ -
Compensated absences	346,196	(15,893)	330,303
Net OPEB obligation	1,114,355	25,626	1,139,981
Net pension liability	1,626,691	(1,626,691)	-
	<u>\$ 3,137,242</u>	<u>\$ (1,666,958)</u>	<u>\$ 1,470,284</u>

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

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

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

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

**General Obligation Bonds**

At April 30, 2018, bonds payable consisted of the following individual issues:

\$1,552,000 General Obligation Refunding Bonds, Series 2010, dated May 1, 2010, due in annual installments ranging from \$50,000 to \$382,000 through 2020, with interest from 2.25% to 3.60%, payable April 15 and October 15.	\$ 160,000
\$4,115,000 General Obligation Bonds, Series 2017, dated February 28, 2017, due in annual installments ranging from \$540,000 to \$640,000 through December 1, 2026, with interest at 3.0%, payable June 1 and December 1.	4,115,000
\$907,000 General Obligation (Limited Tax) Notes, Series 2013B, dated April 24, 2013, due in monthly installments of \$11,612.09 each through April 24, 2020, with interest at 2.08%, payable the 24th of each month.	272,941
\$5,075,000 General Obligation Refunding Bonds, Series 2015A, dated July 16, 2015, due in annual installments ranging from \$125,000 to \$1,330,000 through 2020, with interest at 2.0%, payable April 15 and October 15.	2,745,000
\$973,518 General Obligation (Limited Tax) Notes, Series 2015, dated December 31, 2015, due in monthly installments of \$12,459.41 each through December 31, 2021, with interest at 2.07%, payable monthly.	527,488
\$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.	1,045,000
\$5,533,000 Taxable General Obligation Bonds, Series 2009C (Recovery Zone Economic Development Bonds (Direct Payment)), dated November 20, 2009, due in annual installments ranging from \$58,000 through \$420,000 through 2029, with interest from 2.2% to 6.1%, payable January 1 and July 1.	4,255,000
Total	\$ 13,120,429
Less: Current portion of bonds payable	(2,264,949)
Net Long-Term Bonds Payable	<u>\$ 10,855,480</u>

On May 1, 2010, the City issued \$1,552,000 in 2010 General Obligation Refunding Bonds to advance refund the Series 1999 Bonds. The net proceeds of \$1,533,133 (after payment of \$18,867 in issuance costs) were deposited with an escrow agent to provide for future debt service payments on the 1999 Series bonds. As a result, the 1999 Series bonds are considered to be defeased and the liability for those bonds has been removed from the Government-wide Statement of Net Position. This refinancing is expected to produce an overall cash flow savings of \$52,759 over the ten years following the refunding and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$69,926.

## 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%. 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 April 24, 2013, the City issued General Obligation (Limited Tax) Notes in the amount of \$907,000 to currently refund the loan agreement with Bank of America originally issued to provide financing for City Hall heating and air conditioning upgrades.

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

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

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

On July 30, 2015, the City issued General Obligation Refunding Bonds, Series 2015A, in the amount of \$5,075,000 with an interest rate of 2%. Interest is payable semi-annually on April 15 and October 15 of each year, commencing October 15, 2015. Principal is payable on October 15 of each year through 2019. The bond proceeds will be used to currently refund the balance of the City's outstanding General Obligation Refunding Bonds, Series 2005A, and pay for costs of issuance associated with the Bonds. 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.

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, 2018, 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 \$442,315 has been included as a direct function expense. No interest was required to be capitalized during the year ended April 30, 2018.

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



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

**General Obligation Bonds (Concluded)**

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

Year Ending April 30	Principal	Interest	Total
2019	\$ 2,264,949	\$ 465,651	\$ 2,730,600
2020	2,155,749	409,340	2,565,089
2021	1,215,825	367,831	1,583,656
2022	1,213,906	323,522	1,537,428
2023	1,115,000	278,680	1,393,680
2024-2028	4,735,000	743,960	5,478,960
2029	420,000	25,620	445,620
	<u>\$ 13,120,429</u>	<u>\$ 2,614,604</u>	<u>\$ 15,735,033</u>

**Notes Payable – Bank**

The City entered into a loan agreement with the Illinois Finance Authority for the Fire Truck Revolving Loan Program on April 7, 2009. This program allows the Authority to make no interest loans to fire departments for the purpose of purchasing fire trucks and related equipment. This loan calls for 20 annual payments of \$12,500 each beginning November 1, 2011 and ending November 1, 2029. The balance outstanding at April 30, 2018, was \$150,000.

The annual requirements to amortize the outstanding loans as of April 30, 2018, are as follows:

**Governmental Activities**

Year Ending April 30	Principal	Interest	Total
2019	\$ 12,500	\$ -	\$ 12,500
2020	12,500	-	12,500
2021	12,500	-	12,500
2022	12,500	-	12,500
2023	12,500	-	12,500
2024-2028	62,500	-	62,500
2029-2030	25,000	-	25,000
	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>

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

**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, 2018.

A summary of the liability for compensated absences by function at April 30, 2018, 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	\$ 74,309	\$ 62,697	\$ -	\$ 137,006	\$ 60,216
Public safety	1,086,235	641,414	606,278	2,333,927	1,321,665
Public works	171,713	100,702	30,132	302,547	132,028
Engineering services	25,765	27,211	-	52,976	27,766
Community development	20,571	20,677	-	41,248	20,677
	<u>\$ 1,378,593</u>	<u>\$ 852,701</u>	<u>\$ 636,410</u>	<u>\$ 2,867,704</u>	<u>\$ 1,562,352</u>
<b>Business-type activities:</b>					
Water	\$ 156,073	\$ 77,353	\$ -	\$ 233,426	\$ 80,629
Sewer	39,577	26,140	-	65,717	26,140
Airport	14,667	16,493	-	31,160	16,708
	<u>\$ 210,317</u>	<u>\$ 119,986</u>	<u>\$ -</u>	<u>\$ 330,303</u>	<u>\$ 123,477</u>
Total Compensated Absences	<u>\$ 1,588,910</u>	<u>\$ 972,687</u>	<u>\$ 636,410</u>	<u>\$ 3,198,007</u>	<u>\$ 1,685,829</u>

Accrued interest on bonds is comprised of the following:

	<u>Next Interest Payment Due</u>	<u>Accrued Interest April 30, 2018</u>
GOB 2009B	\$ 19,108	\$ 12,738
GOB 2015A	27,450	2,288
GOB 2009C	122,700	81,800
GOB 2017	61,725	41,150
	<u>\$ 230,983</u>	<u>\$ 137,976</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. \$2,249,000 has been accrued as a landfill post-closure liability at April 30, 2018, 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, 2017 for the 2016 levy). An asset for property taxes receivable is recorded when an unenforceable legal claim arises. At that point, the City has an enforceable legal claim, even though actual payment is not required until a later date. Property taxes of \$1,726,055 in the Governmental activities and \$4,205,692 in the Pension Trust funds, levied for 2017, 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, 2018, were 100% of the 2016 tax levy.

## 7) Pension Plans

### Illinois Municipal Retirement Fund (IMRF)

#### *Plan Description*

The City of Quincy's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this footnote. Details of all benefits are available from the IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at [www.imrf.org](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, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	308
Inactive employees entitled to but not yet receiving benefits	94
Active employees	<u>230</u>
Total	<u><u>632</u></u>

***Contributions***

As set by statute, the regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual required contribution rate for calendar year 2017 was 11.28 percent. For the fiscal year ended April 30, 2018, the City contributed \$1,054,423 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, 2017, 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, 2017 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	3.50%
Salary Increase	3.75% to 14.50% including inflation
Investment rate of return	7.50%
 Retirement Age	 Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
 Mortality	 For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**7) Pension Plans (Continued)**

**Illinois Municipal Retirement Fund (IMRF) (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	37.00%	6.85%
International Equities	18.00%	6.75%
Fixed Income	28.00%	3.00%
Real Estate	9.00%	5.75%
Alternatives	7.00%	2.65-7.35%
Cash Equivalents	1.00%	2.25%

**Single Discount Rate**

A Single Discount Rate of 7.50% 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 7.50%; the municipal bond rate is 3.31%; and the resulting single discount rate is 7.50%.

**Changes in the Net Position Liability**

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net Pension Liability</u> (a)-(b)
Balances at 4/30/2017	<u>\$ 75,302,875</u>	<u>\$ 69,352,518</u>	<u>\$ 5,950,357</u>
Changes for the year:			
Service cost	\$ 984,502	\$ -	
Interest	5,528,552	-	
Difference between expected and actual experience	(216,989)	-	
Contributions-employer	-	1,037,407	
Contributions-employee	-	414,574	
Net investment income	-	12,452,198	
Benefits payments, including refunds	(4,180,583)	(4,180,583)	
Assumption changes	(2,120,438)	-	
Other changes	-	(1,692,037)	
Net changes	<u>\$ (4,956)</u>	<u>\$ 8,031,559</u>	<u>\$ (8,036,515)</u>
Balances at 4/30/2018	<u>\$ 75,297,919</u>	<u>\$ 77,384,077</u>	<u>\$ (2,086,158)</u>

**7) Pension Plans (Continued)**

**Illinois Municipal Retirement Fund (IMRF) (Concluded)**

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

The following presents the Net Pension Liability of the City, calculated using the discount rate of 7.50%, 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.

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 83,703,095	\$ 75,297,919	\$ 68,330,191
Plan Fiduciary Net Position	77,394,599	77,384,077	77,394,599
Net Pension Liability/(Asset)	<u>\$ 6,308,496</u>	<u>\$ (2,086,158)</u>	<u>\$ (9,064,408)</u>

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

For the year ended April 30, 2018, the City recognized pension expense of \$238,809. 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	\$ -	\$ 630,198
Changes in assumptions	30,860	1,595,677
Net difference between projected and actual earnings on pension plan investments	2,139,500	5,932,596
Contributions subsequent to measurement date *	336,013	-
Total	<u>\$ 2,506,373</u>	<u>\$ 8,158,471</u>

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized a reduction in the Net Pension Liability for the year ending April 30, 2018.

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

Year Ending April 30	Net Deferred Inflows of Resources
2018	\$(1,111,164)
2019	(1,283,203)
2020	(1,774,581)
2021	(1,483,150)
2022	-
Thereafter	-
Total	<u>\$ (5,652,098)</u>

## 7) Pension Plans (Continued)

### Police and Firefighter's Pension Funds

#### ***Plan Description***

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

The most recent actuary for both the Police and Firefighter's Pension plans was completed as of April 30, 2018.

#### ***Benefits Provided***

##### **Police:**

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

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

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

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

##### **Firefighters:**

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

**7) Pension Plans (Continued)**

**Police and Firefighter's Pension Funds (Continued)**

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

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

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

***Employees Covered by Benefit Terms:***

At April 30, 2018, the following employees were covered by the benefit terms:

<b>Police Pension Plan</b>	
Inactive employees or beneficiaries currently receiving benefits	78
Inactive employees entitled to but not yet receiving benefits	5
Active employees	73
Total	156
 <b>Firefighters' Pension Plan</b>	
Inactive employees or beneficiaries currently receiving benefits	84
Inactive employees entitled to but not yet receiving benefits	1
Active employees	60
Total	145

***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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 30, 2018.



**7) Pension Plans (Continued)**

**Police and Firefighter's Pension Funds (Continued)**

***Actuarial Assumptions***

The total pension liability in the April 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	May 1, 2018
Asset Valuation Method	5-year Average Market Value (PA 096-1495)
Inflation	2.50%
Salary Increase	3.50%-12.50% (GRS 2017 Experience Study)
Investment rate of return	6.50%, net of expenses
Mortality	RP 2014 Mortality Tabel (BCHA) projected to 2018 using improvement scale MP-2017
Withdrawal	GRS 2017 Experience Study
Disability	GRS 2017 Experience Study
Retirement	GRS Experience Study (100% by age 70)
Marital Status	80% Married, Female spouses 3 years younger

***Discount Rate***

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

**7) Pension Plans (Continued)**

**Police and Firefighter's Pension Funds (Continued)**

**Changes in the Net Position Liability**

**Police Pension Fund**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 4/30/2017	\$ 74,708,301	\$ 33,404,476	\$ 41,303,825
Changes for the year:			
Service Cost	\$ 1,272,089	\$ -	
Interest	4,923,227	-	
Difference between expected and actual experience	899,300	-	
Changes of assumptions	483,232	-	
Contributions-employer	-	2,822,719	
Contributions-employee	-	543,001	
Net investment income	-	2,761,046	
Benefits payments, including refunds	(3,543,220)	(3,543,220)	
Administrative expense	-	(32,539)	
Other changes	-	-	
Net changes	<u>\$ 4,034,628</u>	<u>\$ 2,551,007</u>	<u>\$ 1,483,621</u>
Balances at 4/30/2018	<u>\$ 78,742,929</u>	<u>\$ 35,955,483</u>	<u>\$ 42,787,446</u>

**Firefighters' Pension Plan**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 4/30/2017	\$ 72,357,337	\$ 29,537,801	\$ 42,819,536
Changes for the year:			
Service Cost	\$ 1,222,758	\$ -	
Interest	4,760,510	-	
Difference between expected and actual experience	51,770	-	
Changes of assumptions	392,320	-	
Contributions-employer	-	3,116,182	
Contributions-employee	-	406,119	
Net investment income	-	3,145,858	
Benefits payments, including refunds	(3,662,533)	(3,662,533)	
Administrative expense	-	(24,062)	
Other changes	-	-	
Net changes	<u>\$ 2,764,825</u>	<u>\$ 2,981,564</u>	<u>\$ (216,739)</u>
Balances at 4/30/2018	<u>\$ 75,122,162</u>	<u>\$ 32,519,365</u>	<u>\$ 42,602,797</u>

**7) Pension Plans (Continued)**

**Police and Firefighter's Pension Funds (Continued)**

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

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

**Police Pension Fund**

	1% Decrease 5.50%	Current Single Discount Rate Assumption 6.50%	1% Increase 7.50%
Net Pension Liability/(Asset)	\$ 53,962,991	\$ 42,787,446	\$ 33,683,868

**Firefighters' Pension Plan**

	1% Decrease 5.50%	Current Single Discount Rate Assumption 6.50%	1% Increase 7.50%
Net Pension Liability/(Asset)	\$ 52,174,189	\$ 42,602,797	\$ 34,664,707

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

For the year ended April 30, 2018, the City recognized pension expense of \$1,667,562 for the Firefighters Plan and \$1,145,151 for Police. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

**Police Pension Fund**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 940,969	\$ -
Changes in assumptions	2,360,997	-
Net difference between projected and actual earnings on pension plan investments	1,251,397	-
Total	\$ 4,553,363	\$ -

**Firefighters' Pension Plan**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 34,238
Changes in assumptions	2,288,620	-
Net difference between projected and actual earnings on pension plan investments	-	971,895
Total	\$ 2,288,620	\$ 1,006,133

**7) Pension Plans (Concluded)**

**Police and Firefighter's Pension Funds (Concluded)**

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

<b>Police Pension Fund</b>		
Year Ending April 30	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2019	\$ 1,188,841	\$ -
2020	1,188,841	-
2021	1,188,843	-
2022	897,747	-
2023	(101,601)	-
Thereafter	190,692	-
<b>Total</b>	<b>\$ 4,553,363</b>	<b>\$ -</b>

<b>Firefighters' Pension Plan</b>		
Year Ending April 30	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2019	\$ 625,271	\$ 113,925
2020	625,271	113,925
2021	625,271	113,923
2022	354,375	440,549
2023	58,432	223,811
Thereafter	-	-
<b>Total</b>	<b>\$ 2,288,620</b>	<b>\$ 1,006,133</b>

**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.

**Employees Covered by Benefit Terms**

At April 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	246
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>386</u>
<b>Total</b>	<b><u>632</u></b>

**Contributions**

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

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

***Net OPEB Liability***

The OPEB liability was measured as of April 30, 2018, with an actuarial valuation date of May 1, 2018. This is the implementation year of GASB 74/75. The total OPEB liability for the prior fiscal year has been developed based on the current actuarial valuation date and assumptions shown in this report. The total OPEB liabilities are an unfunded obligation. The employer does not have a trust dedicated exclusively to the payment of OPEB benefits.

***Actuarial assumptions***

The total OPEB liability in the April 30, 2018 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	3.97%		
Salary Increase	3.00%		
Healthcare Trend Rates	<u>Year</u>	<u>PPO - Pre-65</u>	<u>PPO - Post-65</u>
	FY 18	7.00%	3.00%
	FY 19	7.00%	3.00%
	FY 20	6.50%	3.00%
	FY 21	6.50%	3.00%
	FY 22	6.00%	3.00%
	FY 23	6.00%	3.00%
	FY 24	5.50%	3.00%
	FY 25	5.50%	3.00%
	FY 26 and later	5.00%	3.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.		
Mortality	and disabled follow the Sex Distinct Raw Rates as Developed in the RP-2014 Study with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement rates. The retiree firefighter and retiree police follow the L&A Assumption Study as developed in the RP-2014 Study, with Blue Collar Adjustment and improved generationally using MP-2016 Improvement Rates.		

***Discount Rate***

The discount rate used to measure the total OPEB liability is 3.97%. 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.

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The 20-Bond GO Index consists of 20 general obligation municipal bonds maturing in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Aa2 rating and Standard & Poor's Corp.'s AA. The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

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

***Changes in the Net Position Liability***

	Increase (Decrease)		
	Total OPEB Liability (a)	OPEB Plan Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 4/30/2017	\$ 7,959,684	\$ -	\$ 7,959,684
Changes for the year:			
Service cost	\$ 166,349	\$ -	
Interest	310,171	-	
Difference between expected and actual experienc	-	-	
Contributions-employer	-	293,484	
Contributions-employee	-	-	
Net investment income	-	-	
Benefits payments, including refunds	(293,484)	(293,484)	
Assumption changes	-	-	
Other changes	-	-	
Net changes	<u>\$ 183,036</u>	<u>\$ -</u>	<u>\$ 183,036</u>
Balances at 4/30/2018	<u>\$ 8,142,720</u>	<u>\$ -</u>	<u>\$ 8,142,720</u>

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

The following presents the Net OPEB Liability of the City, calculated using the discount rate of 3.97%, 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 2.97%	Current Single Discount Rate Assumption 3.97%	1% Increase 4.97%
Employer Net OPEB Liability	\$ 9,448,773	\$ 8,142,720	\$ 7,111,419

***OPEB Expense***

For the year ended April 30, 2018, the City recognized OPEB expense of \$183,038.

**9) Individual Fund Disclosures**

For the year ended April 30, 2018, no major funds, for which budgets were adopted, had an excess of expenditures over budgeted amounts.

**10) Self Insurance Funds**

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

**Health Insurance**

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

**Unemployment Compensation**

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

**Liabilities, Worker’s Compensation and Property Damage**

The City participates in the Municipal Insurance Cooperative Association (MICA) for excess coverage of liability and property damage claims. The City pays an annual premium to MICA, which includes its share of excess coverage premium costs, administrative fees and contributions to the joint loss fund from which each individual city’s claims are paid. The City’s annual premium for the year ended April 30, 2018, was \$1,722,231. Limits of liability are as follows:

Type of Coverage	Maintenance Deductible	Self Insured Retention	Excess Insurance Coverage Limits
Property Insurance	\$ 5,000	\$ 200,000	\$ 400,000,000
Third Party Liability	\$ 5,000	\$ 200,000	\$ 15,000,000
Worker’s Compensation	N/A	\$ 650,000	Statutory limits
Crime Coverage	\$ 5,000	\$ 50,000	\$ 500,000

**11) Internal Balances**

Interfund transfers during the year ended April 30, 2018, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
General Fund	\$ 1,425,856	\$ 6,744,809
State and Federal Grants Fund	-	-
Quincy Transit Lines	286,974	-
Capital Projects Fund	2,332,894	985,000
Other governmental funds	1,481,002	1,077,221
	<u>\$ 5,526,726</u>	<u>\$ 8,807,030</u>
Water Department	\$ -	\$ 53,812
Sewer Department	-	53,812
Quincy Regional Airport	748,424	-
Regional Training Facility	51,725	-
Other enterprise funds	-	150,000
	<u>\$ 800,149</u>	<u>\$ 257,624</u>
Central Garage	\$ 294,500	\$ -
Central Services	2,526,000	149,520
	<u>\$ 2,820,500</u>	<u>\$ 149,520</u>
Private Purpose Trust Funds:		
Sister City Commission	\$ 5,000	\$ -
Animal Rescue Fund	61,799	-
	<u>\$ 66,799</u>	<u>\$ -</u>
	<u>\$ 9,214,174</u>	<u>\$ 9,214,174</u>

Interfund receivables and payables at April 30, 2018, were as follows:

<u>Due to</u>	<u>Due from</u>		<u>Total</u>
	<u>General Fund</u>	<u>Neighborhood Stabilization</u>	
State and Federal Grants	\$ 2,600	\$ 140,354	\$ 142,954
Fire Equip/Improvement	337,700	-	337,700
Total	<u>\$ 340,300</u>	<u>\$ 140,354</u>	<u>\$ 480,654</u>

The HUD Grant Fund incurred expenses relating to a housing grant that has yet to be received. Therefore, the Neighborhood Stabilization Fund was used to supplement these expenses until the grant money is received from the state. During the year ended April 30, 2018, the Fire Equipment/Improvement Fund borrowed from the General Fund for the purchase of Fire equipment. The balance at April 30, 2018 was \$337,700.

**12) Contingent Liabilities**

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.



### 13) Deferred Compensation

#### Internal Revenue Code Section 457 Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plans are administered by AIG Valic and Nationwide Retirement Solutions, Inc. The plans, available to all full-time City employees, permit them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. City employees deferred \$778,184 into the plans for the year ended April 30, 2018.

### 14) Segment Information Disclosure

The City maintains five Enterprise Funds. The Water Department and Sewer Department provide water and wastewater treatment services, respectively, to residents of the City. The Municipal Airport fund provides for the operations and maintenance of the Quincy Municipal Airport and Baldwin Field. The Regional Training Facility Fund accounts for the operation of the City's firefighter training center. The Municipal Dock Fund accounts for the operation of the City's river dock.

Key financial information as of and for the year ended April 30, 2018 for these funds is as follows:

	<b>Water Department</b>	<b>Sanitation Department</b>	<b>Quincy Regional Airport</b>	<b>Regional Training Facility</b>	<b>Other Enterprise Funds</b>	<b>Total</b>
Operating revenues	\$ 6,195,532	\$ 4,498,889	\$ 388,101	\$ 13,088	\$ 189,728	\$11,285,338
Operating expenses (excluding depreciation)	5,700,200	3,720,977	986,545	29,060	3,298	10,440,080
Depreciation	1,028,163	2,119,782	692,872	33,780	19,890	3,894,487
Operating income	<u>\$ (532,831)</u>	<u>\$ (1,341,870)</u>	<u>\$ (1,291,316)</u>	<u>\$ (49,752)</u>	<u>\$ 166,540</u>	<u>\$ (3,049,229)</u>
Non-operating revenues/ (expenses)	22,700	10,893	180,813	25,588	3,512	243,506
Capital contributions	-	-	-	-	-	-
Operating transfers	(53,812)	(53,812)	748,424	51,725	(150,000)	542,525
Net income (loss)	<u>\$ (563,943)</u>	<u>\$ (1,384,789)</u>	<u>\$ (362,079)</u>	<u>\$ 27,561</u>	<u>\$ 20,052</u>	<u>\$ (2,263,198)</u>
Capital asset additions	\$ (725,189)	\$ (2,533,723)	\$ (138,060)	\$ (12,549)	\$ -	\$ (3,409,521)
Net working capital	\$ 4,267,392	\$ 1,554,879	\$ 915,531	\$ 137	\$ 484,713	\$ 7,222,652
Total assets	\$24,933,400	\$37,584,797	\$15,056,381	\$ 758,759	\$ 564,010	\$78,897,347
Notes payable from operating revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total equity	\$22,650,472	\$36,685,366	\$14,550,517	\$ 758,373	\$ 563,929	\$75,208,657

**15) 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, 2018, follows:

	<b>Loans Outstanding</b>
Revolving Loan Fund	\$ 434,392
CDBG Revolving Loan Fund	626,484
Business and Housing Loans	466,064
Total	\$ 1,526,940

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, 2018, is not recorded in these financial statements.

**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 April 1, 2008, the City renewed a lease with Abbott Supply, LLC for the property located at 1016 Vermont. This lease expired on March 31, 2011 and a new lease agreement was executed as of April 1, 2011. For the year ended April 30, 2018, the City received rental income in the amount of \$34,743.

On November 1, 2015, the City executed a lease with Great River Aviation for property at the airport. This lease calls for monthly payments of \$1,530 and expires October 31, 2035. For the year ended April 30, 2018, the City received \$18,801 in rental income.

The City also leases ground for communication services. This lease, dated October 19, 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 \$16,297 in rental income from this property for the year ended April 30, 2018.

**17) 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, 2018. The lease calls for monthly payments of \$585 each, adjusted for inflation, bringing the payment to \$626 for this renewal period. The future minimum rentals are as follows:

<b>Year Ending April 30</b>	<b>Total</b>
2019	\$ 3,757
2020	-
	\$ 3,757

**18) 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.

**19) Commitments and Contingencies**

Effective April 20, 2015, the City entered into a Wastewater Operation and Maintenance Agreement with Severn Trent Environmental Services, Inc. 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. 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 following table depicts the future minimum fees under this agreement:

<b>Year Ending April 30</b>	<b>Total</b>
2019	\$ 734,050
2020	734,050
2021	-
	<u>\$ 1,468,100</u>

**19) Commitments and Contingencies (Concluded)**

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

Year Ending April 30	Total
2019	\$ 138,700
2020	34,675
2021	-
	\$ 173,375

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

As in prior years, the City also has entered into various construction contracts that are in progress or have not yet begun at April 30, 2018. These projects include: a radio tower project of \$1,200,000 that was 24.9% complete; a screw pump replacement project of \$1,674,200 that was 94.8% complete; a clarifier replacement project of \$533,222 that was 75.7% complete; lift station projects of \$341,799 and \$164,978 that are 87.8% and 81.9% complete, respectively; and other street and sewer projects totaling \$1,019,545 that are in various stages of completion. There were also two projects that had not been started at April 30, 2018: a sewer lining project for \$112,151 and Curved Creek Phase I for \$498,955.

**20) 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, 2018, was \$276,730.

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, 2018, was \$459,358.

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, 2018, Adams County abated property taxes in the County which would have totaled \$106,230 of property tax revenue for the City of Quincy.

**20) Tax Abatements (Concluded)**

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 \$66,827 for the year ended April 30, 2018.

**21) Prior Period Adjustment**

During the year ended April 30, 2018, the City adopted Government Accounting Standards Board (GASB) Statement No. 75, to recognize the effect of recording the net OPEB liability resulting in its participation in other postemployment benefits. As such, the City has reported a prior period adjustment for the net OPEB liability in the amounts of \$5,772,047 in the governmental activities and \$1,114,355 in the business-type activities. This total prior period adjustment of \$6,886,402 is shown in the Government-wide Statement of Activities and the Statement of Revenues, Expenses, and Changes in Net Fund Position - Proprietary Funds.

**22) Subsequent Events**

Subsequent events have been evaluated through October 19, 2018, which is the date the financial statements were available to be issued.

## 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, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, May 1, 2017</b>	\$ 7,597,495	\$ 7,597,495	\$ 7,597,495	\$ -
Resources (inflows):				
Property taxes	77,000	77,000	75,372	(1,628)
Franchise taxes	514,724	514,724	503,801	(10,923)
Charges for services	750,100	750,100	713,004	(37,096)
Fines and forfeitures	362,000	362,000	339,661	(22,339)
Intergovernmental	26,658,635	26,658,635	26,267,935	(390,700)
Grants and contributions	78,000	78,000	130,030	52,030
Investment earnings	22,675	22,675	45,979	23,304
Miscellaneous	43,370	43,370	30,599	(12,771)
Sale of assets	10,000	10,000	1,887	(8,113)
Cost share transfers, net	539,109	539,109	647,659	108,550
Operating transfers in	911,547	1,033,188	1,362,650	329,462
Amounts Available for Appropriation	<u>\$ 37,564,655</u>	<u>\$ 37,686,296</u>	<u>\$ 37,716,072</u>	<u>\$ 29,776</u>
Charges to Appropriations (outflows)				
General Government				
Aldermen	\$ 236,857	\$ 236,857	\$ 229,950	\$ 6,907
Mayor	226,560	226,560	218,003	8,557
City Treasurer	281,097	283,288	258,021	25,267
City Clerk	225,852	229,530	222,642	6,888
Director of Administration	112,925	112,925	106,503	6,422
Purchasing	71,794	75,667	74,885	782
Building Maintenance	200,706	281,021	251,832	29,189
Comptroller	325,247	340,736	322,743	17,993
Legal Department	238,768	238,768	247,621	(8,853)
Boards and Commissions	73,598	73,598	29,804	43,794
Information Technology	640,817	662,671	659,464	3,207
Public Safety				
Police Department	9,567,390	9,584,573	9,555,614	28,959
Fire Department	7,171,722	7,640,059	7,640,153	(94)
Public Works	1,464,774	1,482,125	1,273,675	208,450
Engineering Services	652,435	734,672	697,072	37,600
Health and sanitation	216,196	161,118	147,675	13,443
Community development	790,943	899,791	811,571	88,220
Culture and recreation	765,076	765,076	751,376	13,700
Cemetery	233,000	233,000	233,000	-
Capital outlay	300,000	300,000	300,000	-
Nondepartmental				
Operating transfers out	6,962,788	7,425,504	6,744,810	680,694
Total Charges to Appropriations	<u>\$ 30,758,545</u>	<u>\$ 31,987,539</u>	<u>\$ 30,776,414</u>	<u>\$ 1,211,125</u>
<b>Budgetary Balance, April 30, 2018</b>	<u><u>\$ 6,806,110</u></u>	<u><u>\$ 5,698,757</u></u>	<u><u>\$ 6,939,658</u></u>	<u><u>\$ 1,240,901</u></u>

City of Quincy, Illinois  
 Budgetary Comparison Schedule - Fire Equipment/Improvement Fund  
 For the Year Ended April 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, May 1, 2017</b>	\$ 528,095	\$ 528,095	\$ 528,095	\$ -
Resources (inflows):				
Charges for services	92,869	92,869	94,013	1,144
Investment earnings	2,000	2,000	2,562	562
Operating transfers in	-	337,700	-	(337,700)
Amounts Available for Appropriation	<u>\$ 622,964</u>	<u>\$ 960,664</u>	<u>\$ 624,670</u>	<u>\$ (335,994)</u>
Charges to Appropriations (outflows)				
Other	\$ -	\$ -	\$ -	\$ -
Capital outlay	619,000	961,900	961,900	-
Total Charges to Appropriations	<u>\$ 619,000</u>	<u>\$ 961,900</u>	<u>\$ 961,900</u>	<u>\$ -</u>
<b>Budgetary Balance, April 30, 2018</b>	<u>\$ 3,964</u>	<u>\$ (1,236)</u>	<u>\$ (337,230)</u>	<u>\$ (335,994)</u>



City of Quincy, Illinois  
 Budgetary Comparison Schedule - Quincy Transit Lines Fund  
 For the Year Ended April 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, May 1, 2017</b>	\$ 106,400	\$ 106,400	\$ 106,400	\$ -
Resources (inflows):				
Charges for services	79,000	84,025	82,702	(1,323)
Grants and contributions	3,645,959	3,645,959	2,997,045	(648,914)
Miscellaneous	5,025	-	-	-
Investment earnings	1,200	1,200	2,960	1,760
Cost share transfers, net	(368,524)	(368,524)	(213,514)	155,010
Operating transfers in	271,512	286,974	286,974	-
Amounts Available for Appropriation	<u>\$ 3,740,572</u>	<u>\$ 3,756,034</u>	<u>\$ 3,262,567</u>	<u>\$ (493,467)</u>
Charges to Appropriations (outflows)				
Public Works	\$ 3,090,722	\$ 3,106,184	\$ 2,748,706	\$ 357,478
Capital outlay	543,450	543,450	-	543,450
Total Charges to Appropriations	<u>\$ 3,634,172</u>	<u>\$ 3,649,634</u>	<u>\$ 2,748,706</u>	<u>\$ 900,928</u>
<b>Budgetary Balance, April 30, 2018</b>	<u>\$ 106,400</u>	<u>\$ 106,400</u>	<u>\$ 513,861</u>	<u>\$ 407,461</u>

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

City of Quincy, Illinois  
 Budgetary Comparison Schedule - Capital Projects Fund  
 For the Year Ended April 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, May 1, 2017</b>	\$ 2,773,502	\$ 2,773,502	\$ 2,773,502	\$ -
Resources (inflows):				
Property taxes	\$ -	\$ -	\$ -	-
Public service taxes	-	-	-	-
Charges for services	-	-	-	-
Grants and contributions	-	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Loan proceeds	-	-	-	-
Investment earnings	5,000	5,000	15,000	10,000
Operating transfers in	2,416,522	2,416,522	2,332,894	(83,628)
Amounts Available for Appropriation	<u>\$ 5,195,024</u>	<u>\$ 5,195,024</u>	<u>\$ 5,121,396</u>	<u>\$ (73,628)</u>
Charges to Appropriations (outflows)				
General government	\$ 50,000	\$ 50,000	\$ 44,574	\$ 5,426
Public Safety	948,000	498,000	339,288	158,712
Public Works	3,487,110	3,547,110	2,417,889	1,129,221
Community development	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Loan/Lease payments	12,500	12,500	12,500	-
Nondepartmental				
Operating transfers out	595,000	985,000	985,000	-
Total Charges to Appropriations	<u>\$ 5,092,610</u>	<u>\$ 5,092,610</u>	<u>\$ 3,799,251</u>	<u>\$ 1,293,359</u>
<b>Budgetary Balance, April 30, 2018</b>	<u>\$ 102,414</u>	<u>\$ 102,414</u>	<u>\$ 1,322,145</u>	<u>\$ 1,219,731</u>

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

City of Quincy, Illinois  
 Budgetary Comparison Schedule  
 Budget - to - GAAP Reconciliation  
 For the Year Ended April 30, 2018

	<u>General Fund</u>	<u>Fire Equip/ Improvement</u>	<u>Quincy Transit Lines</u>	<u>Capital Projects Fund</u>
<b>Sources/Inflows of Resources</b>				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 37,716,072	\$ 624,670	\$ 3,262,567	\$ 5,121,396
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.	(7,597,495)	(528,095)	(106,400)	(2,773,502)
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.	(9,071)	2,870	(424,090)	-
Transfers from other funds and debt proceeds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	(2,012,196)	-	(73,460)	(2,332,894)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 28,097,310</u>	<u>\$ 99,445</u>	<u>\$ 2,658,617</u>	<u>\$ 15,000</u>
<b>Uses/Outflows of Resources</b>				
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$ 30,776,414	\$ 961,900	\$ 2,748,706	\$ 3,799,251
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.	82,576	-	545	(3,774)
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	(6,744,810)	-	-	(985,000)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 24,114,180</u>	<u>\$ 961,900</u>	<u>\$ 2,749,251</u>	<u>\$ 2,810,477</u>

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

City of Quincy, Illinois  
Combining Statement of Net Position - Component Units  
April 30, 2018

	<b>Quincy Public Library</b>	<b>Woodland Cemetery</b>	<b>Total Component Units</b>
<b>Assets</b>			
Cash and cash investments	\$ 672,753	\$ 145,877	\$ 818,630
Investments	1,415,832	1,337,472	2,753,304
Receivables, net	740,716	-	740,716
Net pension asset	245,563	-	245,563
Capital assets, net	5,493,374	527,168	6,020,542
<b>Total Assets</b>	<b>\$ 8,568,238</b>	<b>\$ 2,010,517</b>	<b>\$ 10,578,755</b>
<b>Deferred Outflows of Resources</b>			
Pension obligation	\$ 316,642	\$ -	\$ 316,642
<b>Liabilities</b>			
Accounts payable	\$ 11,628	\$ 797	\$ 12,425
Accrued expenses	106,691	377	107,068
Net pension liability	-	-	-
Net OPEB liability	508,920	-	508,920
Unearned revenue	44,097	-	44,097
<b>Total Liabilities</b>	<b>\$ 671,336</b>	<b>\$ 1,174</b>	<b>\$ 672,510</b>
<b>Deferred Inflows of Resources</b>			
Unearned property taxes	\$ 732,081	\$ -	\$ 732,081
Pension obligation	954,513	-	954,513
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,686,594</b>	<b>\$ -</b>	<b>\$ 1,686,594</b>
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$ 5,493,374	\$ 527,168	\$ 6,020,542
Restricted for:			
Other purposes	122,849	335,898	458,747
Unrestricted	910,727	1,146,277	2,057,004
<b>Total Net Position</b>	<b>\$ 6,526,950</b>	<b>\$ 2,009,343</b>	<b>\$ 8,536,293</b>

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

City of Quincy, Illinois  
Schedule of Changes in Net Pension Liability and Related Ratios  
Illinois Municipal Retirement Fund  
April 30, 2018

<b>Total Pension Liability</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Service Cost	\$ 984,502	\$ 979,682	\$ 1,019,908
Interest on total pension liability	5,528,552	5,414,025	5,266,707
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(216,989)	(966,357)	(270,778)
Changes of assumptions	(2,120,438)	(162,926)	162,631
Benefit payments, including refunds	(4,180,583)	(4,003,358)	(3,698,939)
<b>Net change in total pension liability</b>	<b>\$ (4,956)</b>	<b>\$ 1,261,066</b>	<b>\$ 2,479,529</b>
Total pension liability-beginning	75,302,875	74,041,809	71,562,280
Total pension liability-ending (a)	<u>\$ 75,297,919</u>	<u>\$ 75,302,875</u>	<u>\$ 74,041,809</u>
<b>Plan Fiduciary Net Position</b>			
Contributions-employer	\$ 1,037,407	\$ 1,027,621	\$ 1,068,611
Contributions-employee	414,574	437,936	429,456
Net investment income	12,452,198	4,564,917	344,516
Benefit payments, including refunds	(4,180,583)	(4,003,358)	(3,698,939)
Other (Net Transfer)	(1,692,037)	148,620	(970,328)
<b>Net change in plan fiduciary net position</b>	<b>\$ 8,031,559</b>	<b>\$ 2,175,736</b>	<b>\$ (2,826,684)</b>
Plan fiduciary net position-beginning	69,352,518	67,176,782	70,003,466
Plan fiduciary net position-ending (b)	<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>\$ (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	102.77%	92.10%	90.73%
Covered valuation payroll	\$ 9,197,113	\$ 8,955,435	\$ 9,261,305
Net pension liability as a percentage of covered employee payroll	-22.68%	66.44%	74.13%

**Notes to Schedule:**

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

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

City of Quincy, Illinois  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Firefighters' Pension Fund  
April 30, 2018

<b>Total Pension Liability</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Service Cost	\$ 1,222,758	\$ 1,226,820	\$ 1,188,521
Interest on total pension liability	4,760,510	4,779,596	4,379,573
Changes of benefit terms	-	-	-
Difference between expected and actual experience	51,770	(63,544)	(57,491)
Changes of assumptions	392,320	(2,632,120)	6,196,934
Benefit payments, including refunds	(3,662,533)	(3,524,482)	(3,403,608)
Net change in total pension liability	\$ 2,764,825	\$ (213,730)	\$ 8,303,929
Total pension liability-beginning	72,357,337	72,571,067	64,267,138
Total pension liability-ending (a)	<u>\$ 75,122,162</u>	<u>\$ 72,357,337</u>	<u>\$ 72,571,067</u>
 <b>Plan Fiduciary Net Position</b>			
Contributions-employer	\$ 3,116,182	\$ 2,763,408	\$ 2,569,640
Contributions-employee	406,119	390,594	379,247
Net investment income	3,145,858	2,853,220	139,881
Benefit payments, including refunds	(3,662,533)	(3,524,482)	(3,403,608)
Pension plan administrative expense	(24,062)	(21,492)	(25,479)
Net change in plan fiduciary net position	\$ 2,981,564	\$ 2,461,248	\$ (340,319)
Plan fiduciary net position-beginning	29,537,801	27,076,553	27,416,872
Plan fiduciary net position-ending (b)	<u>\$ 32,519,365</u>	<u>\$ 29,537,801</u>	<u>\$ 27,076,553</u>
Net pension liability/(asset)-ending (a) - (b)	\$ 42,602,797	\$ 42,819,536	\$ 45,494,514
Plan fiduciary net position as a percentage of the total pension liability	43.29%	40.82%	37.31%
Covered valuation payroll	\$ 4,235,114	\$ 4,169,611	\$ 3,964,235
Net pension liability as a percentage of covered employee payroll	1005.94%	1026.94%	1147.62%

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

City of Quincy, Illinois  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Police Pension Fund  
April 30, 2018

<b>Total Pension Liability</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Service Cost	\$ 1,272,089	\$ 1,258,629	\$ 1,180,130
Interest on total pension liability	4,923,227	4,918,449	4,519,078
Changes of benefit terms	-	-	-
Difference between expected and actual experience	899,300	(166,571)	257,044
Changes of assumptions	483,232	(2,443,798)	5,600,452
Benefit payments, including refunds	<u>(3,543,220)</u>	<u>(3,448,643)</u>	<u>(3,049,461)</u>
Net change in total pension liability	\$ 4,034,628	\$ 118,066	\$ 8,507,243
Total pension liability-beginning	74,708,301	74,590,235	66,082,992
Total pension liability-ending (a)	<u>\$ 78,742,929</u>	<u>\$ 74,708,301</u>	<u>\$ 74,590,235</u>
 <b>Plan Fiduciary Net Position</b>			
Contributions-employer	\$ 2,822,719	\$ 2,404,913	\$ 2,126,886
Contributions-employee	543,001	501,824	534,438
Net investment income	2,761,046	2,670,162	(1,479,316)
Benefit payments, including refunds	(3,543,220)	(3,448,643)	(3,049,461)
Pension plan administrative expense	<u>(32,539)</u>	<u>(57,427)</u>	<u>(32,030)</u>
Net change in plan fiduciary net position	\$ 2,551,007	\$ 2,070,829	\$ (1,899,483)
Plan fiduciary net position-beginning	33,404,476	31,333,647	33,233,130
Plan fiduciary net position-ending (b)	<u>\$ 35,955,483</u>	<u>\$ 33,404,476</u>	<u>\$ 31,333,647</u>
Net pension liability/(asset)-ending (a) - (b)	\$ 42,787,446	\$ 41,303,825	\$ 43,256,588
Plan fiduciary net position as a percentage of the total pension liability	45.66%	44.71%	42.01%
Covered valuation payroll	\$ 5,157,092	\$ 5,051,138	\$ 4,719,221
Net pension liability as a percentage of covered employee payroll	829.68%	817.71%	916.60%

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

City of Quincy, Illinois  
Schedule of Employer Contributions  
Illinois Municipal Retirement Fund  
April 30, 2018

---

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 1,062,272	\$ 1,068,611	\$ (6,339)	\$ 9,261,305	11.54%
2016	1,017,337	1,027,621	(10,284)	8,955,435	11.47%
2017	1,044,792	1,037,407	7,385	9,197,113	11.28%

**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, 2018

---

<b>Year Ending April 30,</b>	<b>Actuarially Determined Contribution (ADC)</b>	<b>Contributions in Relation to the ADC</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a % of Covered Valuation Payroll</b>
2016	\$ 2,630,385	\$ 2,569,640	\$ 60,745	\$ 3,964,235	64.82%
2017	3,116,182	2,763,408	352,774	4,169,611	66.27%
2018	3,084,472	3,116,182	(31,710)	4,235,114	73.58%

Valuation Date April 30, 2018

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	23 years
Asset Valuation Method	5-year Average Market Value (PA 096-1495)
Price Inflation	2.50%
Salary Scale & Payroll Growth	GRS 2017 Experience Study (3.50% - 12.50%; Payroll Growth 3.50%)
Investment Rate of Return	6.5% net of investment expenses. The investment return assumption reflects the advice of investment advisors and detailed analysis by the City. Past experience and future expectations were considered.
Retirement Age	GRS 2017 Experience Study (100% by age 70)
Mortality	Mortality rates were based on the RP-2014 BCHA Mortality Table (BCHA) projected to 2018 using improvement scale MP-2017. The other non-economic actuarial assumptions used in the April 30, 2018 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance (GRS) in 2017.
Other Information	None

City of Quincy, Illinois  
 Schedule of Employer Contributions  
 Police Pension Fund  
 April 30, 2018

---

<b>Year Ending April 30,</b>	<b>Actuarially Determined Contribution (ADC)</b>	<b>Contributions in Relation to the ADC</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a % of Covered Valuation Payroll</b>
2016	\$ 2,293,934	\$ 2,126,886	\$ 167,048	\$ 4,719,221	45.07%
2017	2,822,719	2,404,913	417,806	5,051,138	47.61%
2018	2,842,997	2,822,719	20,278	5,157,092	54.73%

Valuation Date April 30, 2018

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	23 years
Asset Valuation Method	5-year Average Market Value (PA 096-1495)
Price Inflation	2.50%
Salary Scale & Payroll Growth	GRS 2017 Experience Study (3.50% - 11.00%; Payroll Growth 3.50%)
Investment Rate of Return	6.5% net of investment expenses. The investment return assumption reflects the advice of investment advisors and detailed analysis by the City. Past experience and future expectations were considered.
Retirement Age	GRS 2017 Experience Study (100% by age 70)
Mortality	Mortality rates were based on the RP-2014 BCHA Mortality Table (BCHA) projected to 2018 using improvement scale MP-2017. The other non-economic actuarial assumptions used in the April 30, 2018 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance (GRS) in 2017.

City of Quincy, Illinois  
Schedule of Changes in Total OPEB Liability  
April 30, 2018

<b>Total OPEB Liability</b>	<u><b>2018</b></u>
Service Cost	\$ 166,349
Interest	310,171
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds	<u>(293,484)</u>
Net change in total OPEB liability	\$ 183,036
Total OPEB liability-beginning	7,959,684
Total OPEB liability-ending (a)	<u><u>\$ 8,142,720</u></u>
 <b>Plan Fiduciary Net Position</b>	
Contributions-employer	\$ 311,827
Contributions-employee	-
Net investment income	-
Benefit payments, including refunds	(311,827)
Administrative Expense	<u>-</u>
Net change in OPEB plan net position	\$ -
OPEB Plan net position-beginning	-
OPEB Plan net position-ending (b)	<u><u>\$ -</u></u>
Net OPEB liability/(asset)-ending (a) - (b)	\$ 8,142,720
OPEB Plan net position as a percentage of the total OPEB liability	0.00%
Covered employee payroll	\$ 18,778,257
Net OPEB liability as a percentage of covered employee payroll	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, 2018

---

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
2018	N/A	\$ -	N/A	\$ -	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.

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

Valuation Date                      May 1, 2017

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method              Aggregate Entry Age Normal

Medical Trend Rate Assumption The medical costs assumption is 7.00% in the first year and second year of the projection. Long-term, ultimate increases in medical costs have been set at 5.00%

Participation Rate                      100% of current active employees assumed to participate in the retiree health insurance plan

Mortality Rates                      The IMRF employees, outside employees, active police, active firefighters, and disabled follow the Sex Distinct Raw Rates as Developed in the RP-2014 Study with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement rates. The retiree firefighter and retiree police follow the L&A Assumption Study as developed in the RP-2014 Study, with Blue Collar Adjustment and improved generationally using MP-2016 Improvement Rates.

Termination Rates                      100% of the L&A Assumption Study for Police and Firefighters 2016. Sample Rates as Follows:

<u>Age</u>	<u>Police Rate</u>	<u>Firefighters Rate</u>
25	0.041	0.046
30	0.039	0.034
35	0.036	0.022
40	0.027	0.010
45	0.014	0.002
50	0.003	0.000

Retirement Rates                      IMRF Employees: IMRF 2017.

100% of the L&A Assumption Study Cap Age 65 for Police and Firefighters. Sample Rates as Follows:

<u>Age</u>	<u>Police Rate</u>	<u>Firefighters Rate</u>
50	0.117	0.068
51	0.124	0.080
52	0.131	0.094
53	0.139	0.111
54	0.147	0.132
55	0.156	0.155

Disability Rates                      IMRF Employees: IMRF 2017.

100% of the L&A Assumption Study for Police and Firefighters. Sample Rates as Follows:

<u>Age</u>	<u>Police Rate</u>	<u>Firefighters Rate</u>
25	0.0005	0.0001
30	0.0010	0.0003
35	0.0018	0.0013
40	0.0028	0.0030
45	0.0043	0.0055
50	0.0064	0.0092



## 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, 2018

	<b>Special Revenue Funds</b>								
	<b>State and Federal Grants Fund</b>	<b>911 System</b>	<b>Motor Fuel Tax</b>	<b>Town Road Tax</b>	<b>Police Contributions</b>	<b>Fire Contributions</b>	<b>Franchise Fee "Green"</b>	<b>Economic Development Loan</b>	<b>CDAP Loan</b>
<b>Assets</b>									
Cash and cash equivalents	\$ 158,836	\$ 969,348	\$2,415,040	\$ 88,752	\$ 236,538	\$ 20,327	\$ 118,767	\$ 831,333	\$ 752,921
Receivables, net	39,806	35,953	-	-	-	-	27,917	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	159,436	93,020	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 198,642</b>	<b>\$1,164,737</b>	<b>\$2,508,060</b>	<b>\$ 88,752</b>	<b>\$ 236,538</b>	<b>\$ 20,327</b>	<b>\$ 146,684</b>	<b>\$ 831,333</b>	<b>\$ 752,921</b>
<b>Liabilities and Fund Balances</b>									
Accounts payable	\$ 37,225	\$ 11,130	\$ 36,622	\$ -	\$ 226	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	39,371	-	-	-	-	-	-	-
Due to other funds	142,954	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 180,179</b>	<b>\$ 50,501</b>	<b>\$ 36,622</b>	<b>\$ -</b>	<b>\$ 226</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	-	-	-	-	-	-	-	831,333	752,921
Capital projects	-	-	-	-	-	-	-	-	-
911 System	-	1,114,236	-	-	-	-	-	-	-
Motor fuel tax projects	-	-	2,471,438	-	-	-	-	-	-
Public safety projects	-	-	-	-	236,312	20,327	-	-	-
Other projects	18,463	-	-	88,752	-	-	-	-	-
Committed for:									
Pension funds	-	-	-	-	-	-	-	-	-
Assigned for:									
Green projects	-	-	-	-	-	-	146,684	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 18,463</b>	<b>\$1,114,236</b>	<b>\$2,471,438</b>	<b>\$ 88,752</b>	<b>\$ 236,312</b>	<b>\$ 20,327</b>	<b>\$ 146,684</b>	<b>\$ 831,333</b>	<b>\$ 752,921</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 198,642</b>	<b>\$1,164,737</b>	<b>\$2,508,060</b>	<b>\$ 88,752</b>	<b>\$ 236,538</b>	<b>\$ 20,327</b>	<b>\$ 146,684</b>	<b>\$ 831,333</b>	<b>\$ 752,921</b>

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

City of Quincy, Illinois  
Combining Balance Sheet (Continued)  
Non-Major Governmental Funds  
April 30, 2018

	Special Revenue Funds					Capital Projects Funds			
	CBD Loan	Neighborhood Rehab Loan	Energy Grant Loan	Bridge Lighting	Tourism Tax	Total Special Revenue Funds	Sanitation Connection	TIF #2	TIF #3
<b>Assets</b>									
Cash and cash equivalents	\$ 895,802	\$ 59,485	\$ -	\$ 59,627	\$ 119,435	\$ 6,726,211	\$ 373,184	\$ 1,160,131	\$ 34,645
Receivables, net	-	-	-	-	105,185	208,861	-	-	-
Due from other funds	-	140,354	-	-	-	140,354	-	-	-
Due from other governments	-	-	-	-	-	252,456	-	-	-
<b>Total Assets</b>	<b>\$ 895,802</b>	<b>\$ 199,839</b>	<b>\$ -</b>	<b>\$ 59,627</b>	<b>\$ 224,620</b>	<b>\$ 7,327,882</b>	<b>\$ 373,184</b>	<b>\$ 1,160,131</b>	<b>\$ 34,645</b>
<b>Liabilities and Fund Balances</b>									
Accounts payable	\$ 85,000	\$ -	\$ -	\$ 151	\$ -	\$ 170,354	\$ -	\$ 74,362	\$ -
Accrued expenses	-	-	-	-	-	39,371	-	-	-
Due to other funds	-	-	-	-	-	142,954	-	-	-
<b>Total Liabilities</b>	<b>\$ 85,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 151</b>	<b>\$ -</b>	<b>\$ 352,679</b>	<b>\$ -</b>	<b>\$ 74,362</b>	<b>\$ -</b>
<b>Fund Balances</b>									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	810,802	199,839	-	-	-	2,594,895	-	-	-
Capital projects	-	-	-	-	-	-	373,184	1,085,769	34,645
911 System	-	-	-	-	-	1,114,236	-	-	-
Motor fuel tax projects	-	-	-	-	-	2,471,438	-	-	-
Public safety projects	-	-	-	-	-	256,639	-	-	-
Other projects	-	-	-	59,476	224,620	391,311	-	-	-
Committed for:									
Pension funds	-	-	-	-	-	-	-	-	-
Assigned for:									
Green projects	-	-	-	-	-	146,684	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 810,802</b>	<b>\$ 199,839</b>	<b>\$ -</b>	<b>\$ 59,476</b>	<b>\$ 224,620</b>	<b>\$ 6,975,203</b>	<b>\$ 373,184</b>	<b>\$ 1,085,769</b>	<b>\$ 34,645</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 895,802</b>	<b>\$ 199,839</b>	<b>\$ -</b>	<b>\$ 59,627</b>	<b>\$ 224,620</b>	<b>\$ 7,327,882</b>	<b>\$ 373,184</b>	<b>\$ 1,160,131</b>	<b>\$ 34,645</b>

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

City of Quincy, Illinois  
Combining Balance Sheet (Continued)  
Non-Major Governmental Funds  
April 30, 2018

	Capital Project Funds				Debt Service Funds		
	2009 OLC Capital Projects	Sewer Equipment	QMEA Cap Reserve	Total Capital Projects Funds	2017 GO Bond	2013A Bond	2013B HVAC Bond
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ 101,958	\$ 207,688	\$ 1,877,606	\$ 363,680	\$ -	\$ 113
Receivables, net	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 101,958</u>	<u>\$ 207,688</u>	<u>\$ 1,877,606</u>	<u>\$ 363,680</u>	<u>\$ -</u>	<u>\$ 113</u>
<b>Liabilities and Fund Balances</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 74,362	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balances</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 363,680	\$ -	\$ 113
Economic development loans	-	-	-	-	-	-	-
Capital projects	-	101,958	207,688	1,803,244	-	-	-
911 System	-	-	-	-	-	-	-
Motor fuel tax projects	-	-	-	-	-	-	-
Public safety projects	-	-	-	-	-	-	-
Other projects	-	-	-	-	-	-	-
Committed for:							
Pension funds	-	-	-	-	-	-	-
Assigned for:							
Green projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<u>\$ -</u>	<u>\$ 101,958</u>	<u>\$ 207,688</u>	<u>\$ 1,803,244</u>	<u>\$ 363,680</u>	<u>\$ -</u>	<u>\$ 113</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 101,958</u>	<u>\$ 207,688</u>	<u>\$ 1,877,606</u>	<u>\$ 363,680</u>	<u>\$ -</u>	<u>\$ 113</u>

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

City of Quincy, Illinois  
Combining Balance Sheet (Concluded)  
Non-Major Governmental Funds  
April 30, 2018

	<b>Debt Service Funds</b>					<b>Total</b>	
	<b>2010 GO Bond</b>	<b>2015 GO Bond</b>	<b>2009 OLC G/O Bond</b>	<b>2009 Library Bond</b>	<b>2014 GO Note</b>	<b>Total Debt Service Funds</b>	<b>Non-Major Governmental Funds</b>
<b>Assets</b>							
Cash and cash equivalents	\$ 73,835	\$ 78,266	\$ 128,950	\$ 149,560	\$ 117	\$ 794,521	\$ 9,398,338
Receivables, net	-	-	-	-	-	-	208,861
Due from other funds	-	-	-	-	-	-	140,354
Due from other governments	-	-	-	-	-	-	252,456
<b>Total Assets</b>	<b>\$ 73,835</b>	<b>\$ 78,266</b>	<b>\$ 128,950</b>	<b>\$ 149,560</b>	<b>\$ 117</b>	<b>\$ 794,521</b>	<b>\$ 10,000,009</b>
<b>Liabilities and Fund Balances</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,716
Accrued expenses	-	-	-	-	-	-	39,371
Due to other funds	-	-	-	-	-	-	142,954
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 427,041</b>
<b>Fund Balances</b>							
Restricted for:							
Debt service	\$ 73,835	\$ 78,266	\$ 128,950	\$ 149,560	\$ 117	\$ 794,521	\$ 794,521
Economic development loans	-	-	-	-	-	-	2,594,895
Capital projects	-	-	-	-	-	-	1,803,244
911 System	-	-	-	-	-	-	1,114,236
Motor fuel tax projects	-	-	-	-	-	-	2,471,438
Public safety projects	-	-	-	-	-	-	256,639
Other projects	-	-	-	-	-	-	391,311
Committed for:							
Pension funds	-	-	-	-	-	-	-
Assigned for:							
Green projects	-	-	-	-	-	-	146,684
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 73,835</b>	<b>\$ 78,266</b>	<b>\$ 128,950</b>	<b>\$ 149,560</b>	<b>\$ 117</b>	<b>\$ 794,521</b>	<b>\$ 9,572,968</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 73,835</b>	<b>\$ 78,266</b>	<b>\$ 128,950</b>	<b>\$ 149,560</b>	<b>\$ 117</b>	<b>\$ 794,521</b>	<b>\$ 10,000,009</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds  
For the Year Ended April 30, 2018

	<b>Special Revenue Funds</b>								
	<b>State and Federal Grants</b>	<b>911 System</b>	<b>Motor Fuel Tax</b>	<b>Town Road Tax</b>	<b>Police Contributions</b>	<b>Fire Contributions</b>	<b>Franchise Fee "Green"</b>	<b>Economic Development Loan</b>	<b>CDAP Loan</b>
<b>Revenues</b>									
Property taxes	\$ -	\$ -	\$ -	\$ 3,937	\$ -	\$ -	\$ -	\$ -	\$ -
Public service taxes	-	658,797	1,037,483	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-	422,500	-	-
Grants and contributions	176,648	-	-	-	26,289	1,750	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	77,583	-	-	-	-
Intergovernmental	-	506,081	-	-	-	-	-	-	-
Investment earnings	37	5,969	15,685	572	1,848	122	1,379	11,043	16,991
Miscellaneous	-	1,477	-	-	3,883	-	-	85,665	87,868
<b>Total Revenues</b>	<b>\$ 176,685</b>	<b>\$1,172,324</b>	<b>\$ 1,053,168</b>	<b>\$ 4,509</b>	<b>\$ 109,603</b>	<b>\$ 1,872</b>	<b>\$ 423,879</b>	<b>\$ 96,708</b>	<b>\$ 104,859</b>
<b>Expenditures</b>									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ 92,025	\$ -	\$ -	\$ -	\$ -
911 system	-	1,514,550	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Engineering services	-	-	155,775	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Community development	79,212	-	-	-	-	-	-	80,096	-
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	115,684	718,135	-	18,566	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 79,212</b>	<b>\$1,630,234</b>	<b>\$ 873,910</b>	<b>\$ -</b>	<b>\$ 110,591</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,096</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 97,473</b>	<b>\$ (457,910)</b>	<b>\$ 179,258</b>	<b>\$ 4,509</b>	<b>\$ (988)</b>	<b>\$ 1,872</b>	<b>\$ 423,879</b>	<b>\$ 16,612</b>	<b>\$ 104,859</b>
<b>Other Financing Sources (Uses)</b>									
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	761,000	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	(1,103)	-	(421,667)	(12,880)	(325,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 761,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,103)</b>	<b>\$ -</b>	<b>\$ (421,667)</b>	<b>\$ (12,880)</b>	<b>\$ (325,000)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 97,473</b>	<b>\$ 303,090</b>	<b>\$ 179,258</b>	<b>\$ 4,509</b>	<b>\$ (2,091)</b>	<b>\$ 1,872</b>	<b>\$ 2,212</b>	<b>\$ 3,732</b>	<b>\$ (220,141)</b>
Fund Balances, May 1, 2017	(79,010)	811,146	2,292,180	84,243	238,403	18,455	144,472	827,601	973,062
<b>Fund Balances, April 30, 2018</b>	<b>\$ 18,463</b>	<b>\$1,114,236</b>	<b>\$ 2,471,438</b>	<b>\$ 88,752</b>	<b>\$ 236,312</b>	<b>\$ 20,327</b>	<b>\$ 146,684</b>	<b>\$ 831,333</b>	<b>\$ 752,921</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Non-Major Governmental Funds  
For the Year Ended April 30, 2018

	Special Revenue Funds					Capital Projects Funds			
	CBD Loan	Neighborhood Rehab Loan	Energy Grant Loan	Bridge Lighting	Tourism Tax	Total Special Revenue Funds	Sanitation Connection	TIF #2	TIF #3
<b>Revenues</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,937	\$ -	\$ 427,239	\$ 43,295
Public service taxes	-	-	-	-	1,042,129	2,738,409	-	-	-
Franchise taxes	-	-	-	-	-	422,500	-	-	-
Grants and contributions	-	-	-	-	-	204,687	-	-	-
Charges for services	-	-	-	-	-	-	20,963	-	-
Fines and forfeitures	-	-	-	-	-	77,583	-	-	-
Intergovernmental	-	-	-	-	-	506,081	-	-	-
Investment earnings	18,139	1,244	118	417	867	74,431	2,422	6,835	244
Miscellaneous	126,642	1,687	-	80,438	627	388,287	-	-	-
<b>Total Revenues</b>	<b>\$ 144,781</b>	<b>\$ 2,931</b>	<b>\$ 118</b>	<b>\$ 80,855</b>	<b>\$ 1,043,623</b>	<b>\$ 4,415,915</b>	<b>\$ 23,385</b>	<b>\$ 434,074</b>	<b>\$ 43,539</b>
<b>Expenditures</b>									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,025	\$ -	\$ -	\$ -
911 system	-	-	-	-	-	1,514,550	-	-	-
Public works	-	-	-	-	-	-	1,501	-	-
Engineering services	-	-	-	-	-	155,775	-	-	-
Culture and recreation	-	-	-	21,379	782,115	803,494	-	-	-
Community development	135,000	-	-	-	-	294,308	-	93,457	20,851
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	852,385	135,409	-	-
<b>Total Expenditures</b>	<b>\$ 135,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,379</b>	<b>\$ 782,115</b>	<b>\$ 3,712,537</b>	<b>\$ 136,910</b>	<b>\$ 93,457</b>	<b>\$ 20,851</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 9,781</b>	<b>\$ 2,931</b>	<b>\$ 118</b>	<b>\$ 59,476</b>	<b>\$ 261,508</b>	<b>\$ 703,378</b>	<b>\$ (113,525)</b>	<b>\$ 340,617</b>	<b>\$ 22,688</b>
<b>Other Financing Sources (Uses)</b>									
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ (20,622)	\$ (20,622)	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-	-	761,000	-	-	-
Operating transfers out	(25,000)	-	(63,206)	-	(228,365)	(1,077,221)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (25,000)</b>	<b>\$ -</b>	<b>\$ (63,206)</b>	<b>\$ -</b>	<b>\$ (248,987)</b>	<b>\$ (336,843)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Change in Fund Balances</b>	<b>\$ (15,219)</b>	<b>\$ 2,931</b>	<b>\$ (63,088)</b>	<b>\$ 59,476</b>	<b>\$ 12,521</b>	<b>\$ 366,535</b>	<b>\$ (113,525)</b>	<b>\$ 340,617</b>	<b>\$ 22,688</b>
Fund Balances, May 1, 2017	826,021	196,908	63,088	-	212,099	6,608,668	486,709	745,152	11,957
<b>Fund Balances, April 30, 2018</b>	<b>\$ 810,802</b>	<b>\$ 199,839</b>	<b>\$ -</b>	<b>\$ 59,476</b>	<b>\$ 224,620</b>	<b>\$ 6,975,203</b>	<b>\$ 373,184</b>	<b>\$ 1,085,769</b>	<b>\$ 34,645</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Non-Major Governmental Funds  
For the Year Ended April 30, 2018

	Capital Projects Funds			Debt Service Funds			
	2009 OLC Capital Projects	Sewer Equipment	QMEA Cap Reserve	Total Capital Projects Funds	2017 GO Bond	2013A Bond	2013B HVAC Bond
<b>Revenues</b>							
Property taxes	\$ -	\$ -	\$ -	\$ 470,534	\$ 156,588	\$ -	\$ -
Public service taxes	-	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-	-
Charges for services	-	-	-	20,963	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Investment earnings	-	1,235	1,340	12,076	2,033	-	42
Miscellaneous	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 1,235</b>	<b>\$ 1,340</b>	<b>\$ 503,573</b>	<b>\$ 158,621</b>	<b>\$ -</b>	<b>\$ 42</b>
<b>Expenditures</b>							
Public Safety							
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
911 system	-	-	-	-	-	-	-
Public works	-	-	-	1,501	-	-	-
Engineering services	-	-	-	-	-	-	-
Culture and recreation	19	-	-	19	-	-	-
Community development	-	-	-	114,308	-	-	-
Debt Service							
Principal retirement	-	-	-	-	-	-	138,387
Interest and charges	-	-	-	-	94,116	281	1,105
Capital Outlay	-	138,692	-	274,101	-	-	-
<b>Total Expenditures</b>	<b>\$ 19</b>	<b>\$ 138,692</b>	<b>\$ -</b>	<b>\$ 389,929</b>	<b>\$ 94,116</b>	<b>\$ 281</b>	<b>\$ 139,492</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (19)</b>	<b>\$ (137,457)</b>	<b>\$ 1,340</b>	<b>\$ 113,644</b>	<b>\$ 64,505</b>	<b>\$ (281)</b>	<b>\$ (139,450)</b>
<b>Other Financing Sources (Uses)</b>							
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	5,405	5,405	95,000	-	139,493
Operating transfers out	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,405</b>	<b>\$ 5,405</b>	<b>\$ 95,000</b>	<b>\$ -</b>	<b>\$ 139,493</b>
<b>Net Change in Fund Balances</b>	<b>\$ (19)</b>	<b>\$ (137,457)</b>	<b>\$ 6,745</b>	<b>\$ 119,049</b>	<b>\$ 159,505</b>	<b>\$ (281)</b>	<b>\$ 43</b>
Fund Balances, May 1, 2017	19	239,415	200,943	1,684,195	204,175	281	70
<b>Fund Balances, April 30, 2018</b>	<b>\$ -</b>	<b>\$ 101,958</b>	<b>\$ 207,688</b>	<b>\$ 1,803,244</b>	<b>\$ 363,680</b>	<b>\$ -</b>	<b>\$ 113</b>

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



City of Quincy, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Concluded)  
Non-Major Governmental Funds  
For the Year Ended April 30, 2018

	2010 GO Bond	2015 GO Bond	2009 OLC G/O Bond	2009 Library Bond	2014 GO Note	Total Debt Service Funds	Total Non-Major Governmental Funds
<b>Revenues</b>							
Property taxes	\$ 98,161	\$ 1,183,845	\$ -	\$ 392,686	\$ -	\$ 1,831,280	\$ 2,305,751
Public service taxes	-	-	-	-	-	-	2,738,409
Franchise taxes	-	-	-	-	-	-	422,500
Grants and contributions	-	-	-	-	-	-	204,687
Charges for services	-	-	-	-	-	-	20,963
Fines and forfeitures	-	-	-	-	-	-	77,583
Intergovernmental	-	-	-	-	-	-	506,081
Investment earnings	550	1,422	972	1,336	117	6,472	92,979
Miscellaneous	-	-	-	108,012	-	108,012	496,299
<b>Total Revenues</b>	<b>\$ 98,711</b>	<b>\$ 1,185,267</b>	<b>\$ 972</b>	<b>\$ 502,034</b>	<b>\$ 117</b>	<b>\$ 1,945,764</b>	<b>\$ 6,865,252</b>
<b>Expenditures</b>							
Public Safety							
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,025
911 system	-	-	-	-	-	-	1,514,550
Public works	-	-	-	-	-	-	1,501
Engineering services	-	-	-	-	-	-	155,775
Culture and recreation	-	-	-	-	-	-	803,513
Community development	-	-	-	-	-	-	408,616
Debt Service							
Principal retirement	90,000	1,215,000	200,000	240,000	138,306	2,021,693	2,021,693
Interest and charges	7,880	67,550	44,715	258,000	11,214	484,861	484,861
Capital Outlay	-	-	-	-	-	-	1,126,486
<b>Total Expenditures</b>	<b>\$ 97,880</b>	<b>\$ 1,282,550</b>	<b>\$ 244,715</b>	<b>\$ 498,000</b>	<b>\$ 149,520</b>	<b>\$ 2,506,554</b>	<b>\$ 6,609,020</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 831</b>	<b>\$ (97,283)</b>	<b>\$ (243,743)</b>	<b>\$ 4,034</b>	<b>\$ (149,403)</b>	<b>\$ (560,790)</b>	<b>\$ 256,232</b>
<b>Other Financing Sources (Uses)</b>							
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (20,622)
Operating transfers in	-	107,624	222,960	-	149,520	714,597	1,481,002
Operating transfers out	-	-	-	-	-	-	(1,077,221)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 107,624</b>	<b>\$ 222,960</b>	<b>\$ -</b>	<b>\$ 149,520</b>	<b>\$ 714,597</b>	<b>\$ 383,159</b>
<b>Net Change in Fund Balances</b>	<b>\$ 831</b>	<b>\$ 10,341</b>	<b>\$ (20,783)</b>	<b>\$ 4,034</b>	<b>\$ 117</b>	<b>\$ 153,807</b>	<b>\$ 639,391</b>
Fund Balances, May 1, 2017	73,004	67,925	149,733	145,526	-	640,714	8,933,577
<b>Fund Balances, April 30, 2018</b>	<b>\$ 73,835</b>	<b>\$ 78,266</b>	<b>\$ 128,950</b>	<b>\$ 149,560</b>	<b>\$ 117</b>	<b>\$ 794,521</b>	<b>\$ 9,572,968</b>

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

City of Quincy, Illinois  
Combining Statement of Net Position  
Non-Major Proprietary Funds  
April 30, 2018

	<b>Enterprise Funds</b>	<b>Total</b>
	<b>Quincy</b>	<b>Non-Major</b>
	<b>Municipal</b>	<b>Proprietary</b>
	<b>Dock</b>	<b>Funds</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 470,758	\$ 470,758
Receivables, net	14,036	14,036
<b>Total Current Assets</b>	<b>\$ 484,794</b>	<b>\$ 484,794</b>
<b>Noncurrent Assets</b>		
Capital assets:		
Land	\$ 19,945	\$ 19,945
Systems	145,556	145,556
Buildings and improvements	241,282	241,282
Less: Accumulated depreciation	(327,567)	(327,567)
<b>Total Noncurrent Assets</b>	<b>\$ 79,216</b>	<b>\$ 79,216</b>
<b>Total Assets</b>	<b>\$ 564,010</b>	<b>\$ 564,010</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 81	\$ 81
<b>Total Liabilities</b>	<b>\$ 81</b>	<b>\$ 81</b>
<b>Net Position</b>		
Invested in capital assets, net of debt	\$ 79,216	\$ 79,216
Unrestricted	484,713	484,713
<b>Total Net Position</b>	<b>\$ 563,929</b>	<b>\$ 563,929</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenses and Changes in Net Position  
Non-Major Proprietary Funds  
For the Year Ended April 30, 2018

	<u>Enterprise Funds</u> <u>Quincy</u> <u>Municipal</u> <u>Dock</u>	<u>Total</u> <u>Non-Major</u> <u>Proprietary</u> <u>Funds</u>
<b>Operating Revenues</b>		
Charges for services	\$ 189,728	\$ 189,728
<b>Total Revenues</b>	<u>\$ 189,728</u>	<u>\$ 189,728</u>
<b>Operating Expenses</b>		
Purchased services	\$ 1,783	\$ 1,783
Supplies	1,515	1,515
Depreciation expense	19,890	19,890
<b>Total Operating Expenses</b>	<u>\$ 23,188</u>	<u>\$ 23,188</u>
<b>Operating Income</b>	<u>\$ 166,540</u>	<u>\$ 166,540</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest revenue	\$ 3,512	\$ 3,512
Operating transfers in	-	-
Operating transfers out	(150,000)	(150,000)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>\$ (146,488)</u>	<u>\$ (146,488)</u>
<b>Change in Net Position</b>	<u>\$ 20,052</u>	<u>\$ 20,052</u>
Net Position, May 1, 2017	543,877	543,877
<b>Net Position, April 30, 2018</b>	<u><u>\$ 563,929</u></u>	<u><u>\$ 563,929</u></u>

City of Quincy, Illinois  
Combining Statement of Cash Flows  
Non-Major Proprietary Funds  
For the Year Ended April 30, 2018

	<b>Enterprise Funds</b>	<b>Total</b>
	<b>Quincy Municipal Dock</b>	<b>Non-Major Proprietary Funds</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	\$ 202,250	\$ 202,250
Payments to suppliers	(3,281)	(3,281)
Payments to employees	-	-
<b>Net Cash Provided by Operations</b>	<b>\$ 198,969</b>	<b>\$ 198,969</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Operating subsidies and transfers	\$ (150,000)	\$ (150,000)
<b>Cash Flows from Investing Activities</b>		
Interest received	\$ 3,512	\$ 3,512
<b>Net Cash Provided by Investing Activities</b>	<b>\$ 3,512</b>	<b>\$ 3,512</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 52,481</b>	<b>\$ 52,481</b>
Cash and Cash Equivalents, May 1, 2017	418,277	418,277
<b>Cash and Cash Equivalents, April 30, 2018</b>	<b>\$ 470,758</b>	<b>\$ 470,758</b>
<b>Operating Income</b>	<b>\$ 166,540</b>	<b>\$ 166,540</b>
Adjustments to reconcile Operating Income:		
Amortization and depreciation	19,890	19,890
(Increase) Decrease in:		
Accounts receivable	12,522	12,522
Increase (Decrease) in:		
Accounts payable	17	17
Accrued expenses	-	-
Accrued compensated absences	-	-
<b>Cash flows from operating activities</b>	<b>\$ 198,969</b>	<b>\$ 198,969</b>

City of Quincy, Illinois  
Combining Statement of Net Position - Governmental-Type Activities  
Internal Service Funds  
April 30, 2018

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 1,673,984	\$ 846	\$ 143,832	\$ 2,953,840	\$ 818,632	\$ 5,591,134
Receivables, net	-	142,423	-	357	70,216	212,996
Inventories	44,633	-	-	-	-	44,633
<b>Total Current Assets</b>	<b>\$ 1,718,617</b>	<b>\$ 143,269</b>	<b>\$ 143,832</b>	<b>\$ 2,954,197</b>	<b>\$ 888,848</b>	<b>\$ 5,848,763</b>
<b>Noncurrent Assets</b>						
Capital assets:						
Land	\$ -	\$ 488,071	\$ -	\$ -	\$ -	\$ 488,071
Systems	-	665,167	-	-	-	665,167
Buildings and improvements	-	2,210,394	-	-	-	2,210,394
Vehicles and equipment	3,957,296	1,518,186	-	7,469	-	5,482,951
Less: Accumulated depreciation	(3,317,770)	(2,074,480)	-	(7,469)	-	(5,399,719)
Net pension asset	91,952	262,353	-	41,028	-	395,333
<b>Total Noncurrent Assets</b>	<b>\$ 731,478</b>	<b>\$ 3,069,691</b>	<b>\$ -</b>	<b>\$ 41,028</b>	<b>\$ -</b>	<b>\$ 3,842,197</b>
<b>Total Assets</b>	<b>\$ 2,450,095</b>	<b>\$ 3,212,960</b>	<b>\$ 143,832</b>	<b>\$ 2,995,225</b>	<b>\$ 888,848</b>	<b>\$ 9,690,960</b>
<b>Deferred Outflows of Resources - Pension</b>	<b>\$ 109,747</b>	<b>\$ 318,094</b>	<b>\$ -</b>	<b>\$ 46,971</b>	<b>\$ -</b>	<b>\$ 474,812</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 27,888	\$ 68,122	\$ -	\$ 18,923	\$ 521,313	\$ 636,246
Accrued expenses	9,239	28,675	-	5,932	472,633	516,479
Compensated absences	16,241	41,643	-	5,582	-	63,466
<b>Total Current Liabilities</b>	<b>\$ 53,368</b>	<b>\$ 138,440</b>	<b>\$ -</b>	<b>\$ 30,437</b>	<b>\$ 993,946</b>	<b>\$ 1,216,191</b>
<b>Noncurrent Liabilities</b>						
Compensated absences	\$ 22,062	\$ 78,988	\$ -	\$ 6,745	\$ -	\$ 107,795
Net pension liability	-	-	-	-	-	-
Net OPEB liability	162,854	692,131	-	81,427	-	936,412
<b>Total Noncurrent Liabilities</b>	<b>\$ 184,916</b>	<b>\$ 771,119</b>	<b>\$ -</b>	<b>\$ 88,172</b>	<b>\$ -</b>	<b>\$ 1,044,207</b>
<b>Total Liabilities</b>	<b>\$ 238,284</b>	<b>\$ 909,559</b>	<b>\$ -</b>	<b>\$ 118,609</b>	<b>\$ 993,946</b>	<b>\$ 2,260,398</b>
<b>Deferred Inflows of Resources - Pension</b>	<b>\$ 359,372</b>	<b>\$ 1,025,346</b>	<b>\$ -</b>	<b>\$ 160,350</b>	<b>\$ -</b>	<b>\$ 1,545,068</b>
<b>Net Position</b>						
Invested in capital assets, net of debt	\$ 639,526	\$ 2,807,338	\$ -	\$ -	\$ -	\$ 3,446,864
Unrestricted	1,322,660	(1,211,189)	143,832	2,763,237	(105,098)	2,913,442
<b>Total Net Position</b>	<b>\$ 1,962,186</b>	<b>\$ 1,596,149</b>	<b>\$ 143,832</b>	<b>\$ 2,763,237</b>	<b>\$ (105,098)</b>	<b>\$ 6,360,306</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenses and Changes in Net Position - Governmental-Type Activities  
Internal Service Funds  
For the Year Ended April 30, 2018

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Operating Revenues</b>						
Charges for services	\$ 1,567,958	\$ 1,066,205	\$ 42,419	\$ 2,037,742	\$ 5,649,964	\$ 10,364,288
Miscellaneous	23,803	59,250	-	-	936	83,989
<b>Total Revenues</b>	<b>\$ 1,591,761</b>	<b>\$ 1,125,455</b>	<b>\$ 42,419</b>	<b>\$ 2,037,742</b>	<b>\$ 5,650,900</b>	<b>\$ 10,448,277</b>
<b>Operating Expenses</b>						
Salaries and wages	\$ 394,832	\$ 1,236,915	\$ -	\$ 129,399	\$ -	\$ 1,761,146
Benefits	218,042	703,763	-	125,667	-	1,047,472
Purchased services	249,524	1,345,591	-	1,749,911	-	3,345,026
Supplies	724,023	90,103	-	12,272	-	826,398
Claims	-	-	7,007	79,968	6,107,231	6,194,206
Other	577	20,947	-	41,768	-	63,292
Depreciation expense	61,991	257,125	-	-	-	319,116
<b>Total Operating Expenses</b>	<b>\$ 1,648,989</b>	<b>\$ 3,654,444</b>	<b>\$ 7,007</b>	<b>\$ 2,138,985</b>	<b>\$ 6,107,231</b>	<b>\$ 13,556,656</b>
<b>Operating Income</b>	<b>\$ (57,228)</b>	<b>\$ (2,528,989)</b>	<b>\$ 35,412</b>	<b>\$ (101,243)</b>	<b>\$ (456,331)</b>	<b>\$ (3,108,379)</b>
<b>Nonoperating Revenues (Expenses)</b>						
Interest and investment revenue	\$ 11,766	\$ 271	\$ 828	\$ 17,254	\$ 10,550	\$ 40,669
Operating transfers in	294,500	2,526,000	-	-	-	2,820,500
Operating transfers out	-	(149,520)	-	-	-	(149,520)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 306,266</b>	<b>\$ 2,376,751</b>	<b>\$ 828</b>	<b>\$ 17,254</b>	<b>\$ 10,550</b>	<b>\$ 2,711,649</b>
<b>Change in Net Position</b>	<b>\$ 249,038</b>	<b>\$ (152,238)</b>	<b>\$ 36,240</b>	<b>\$ (83,989)</b>	<b>\$ (445,781)</b>	<b>\$ (396,730)</b>
Net Position, May 1, 2017	1,872,342	2,424,960	107,592	2,926,823	340,683	7,672,400
Prior Period Adjustment	(159,194)	(676,573)	-	(79,597)	-	(915,364)
<b>Net Position, April 30, 2018</b>	<b>\$ 1,962,186</b>	<b>\$ 1,596,149</b>	<b>\$ 143,832</b>	<b>\$ 2,763,237</b>	<b>\$ (105,098)</b>	<b>\$ 6,360,306</b>

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

City of Quincy, Illinois  
Combining Statement of Cash Flows - Governmental-Type Activities  
Internal Service Funds  
For the Year Ended April 30, 2018

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Cash Flows from Operating Activities</b>						
Receipts from customers	\$ 1,570,273	\$ 1,109,577	\$ -	\$ -	\$ 2,194,436	\$ 4,874,286
Payments to suppliers	(1,190,558)	(2,150,938)	-	(1,875,777)	-	(5,217,273)
Payments to employees	(379,456)	(1,257,223)	-	(91,936)	-	(1,728,615)
Internal activity-payments from other funds	-	-	42,419	2,037,752	3,481,265	5,561,436
Claims paid	-	-	(7,007)	(79,968)	(6,030,519)	(6,117,494)
Other receipts (payments)	23,226	(245)	-	(41,768)	936	(17,851)
<b>Net Cash Provided by Operations</b>	<b>\$ 23,485</b>	<b>\$ (2,298,829)</b>	<b>\$ 35,412</b>	<b>\$ (51,697)</b>	<b>\$ (353,882)</b>	<b>\$ (2,645,511)</b>
<b>Cash Flows from Noncapital Financing Activities</b>						
Operating subsidies and transfers	\$ 294,500	\$ 2,376,480	\$ -	\$ -	\$ -	\$ 2,670,980
<b>Cash Flows from Capital and Related Financing Activities</b>						
Purchases of capital assets	\$ (388,166)	\$ (115,825)	\$ -	\$ -	\$ -	\$ (503,991)
Disposal of capital assets	-	38,548	-	-	-	38,548
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>\$ (388,166)</b>	<b>\$ (77,277)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (465,443)</b>
<b>Cash Flows from Investing Activities</b>						
Interest received	\$ 11,766	\$ 271	\$ 828	\$ 17,254	\$ 10,550	\$ 40,669
<b>Net Cash Provided by Investing Activities</b>	<b>\$ 11,766</b>	<b>\$ 271</b>	<b>\$ 828</b>	<b>\$ 17,254</b>	<b>\$ 10,550</b>	<b>\$ 40,669</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ (58,415)</b>	<b>\$ 645</b>	<b>\$ 36,240</b>	<b>\$ (34,443)</b>	<b>\$ (343,332)</b>	<b>\$ (399,305)</b>
Cash and Cash Equivalents, May 1, 2017	1,732,399	201	107,592	2,988,283	1,161,964	5,990,439
<b>Cash and Cash Equivalents, April 30, 2018</b>	<b>\$ 1,673,984</b>	<b>\$ 846</b>	<b>\$ 143,832</b>	<b>\$ 2,953,840</b>	<b>\$ 818,632</b>	<b>\$ 5,591,134</b>

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

City of Quincy, Illinois  
Combining Statement of Cash Flows - Governmental-Type Activities (Concluded)  
Internal Service Funds  
For the Year Ended April 30, 2018

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	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>	\$ (57,228)	\$ (2,528,989)	\$ 35,412	\$ (101,243)	\$ (456,331)	\$ (3,108,379)
Adjustments to reconcile Operating Income:						
Amortization and depreciation	61,991	257,125	-	-	-	319,116
(Increase) Decrease in:						
Accounts receivable	815	43,372	-	10	25,737	69,934
Inventories	(6,088)	-	-	-	-	(6,088)
Net pension asset	(91,952)	(262,353)	-	(41,028)	-	(395,333)
Deferred outflows	45,969	154,290	-	(8,911)	-	191,348
Increase (Decrease) in:						
Accounts payable	7,119	(11,481)	-	12,073	(3,605)	4,106
Accrued expenses	959	(927)	-	1,999	80,317	82,348
Accrued compensated absences	(2,615)	(47,203)	-	(3,816)	-	(53,634)
Net pension liability	(259,177)	(781,824)	-	(63,029)	-	(1,104,030)
Net OPEB liability	3,660	15,558	-	1,830	-	21,048
Deferred inflows	318,532	902,151	-	150,418	-	1,371,101
<b>Cash flows from operating activities</b>	<u>\$ 23,485</u>	<u>\$ (2,298,829)</u>	<u>\$ 35,412</u>	<u>\$ (51,697)</u>	<u>\$ (353,882)</u>	<u>\$ (2,645,511)</u>



City of Quincy, Illinois  
Combining Statement of Fiduciary Net Position - Pension Funds  
April 30, 2018

	<b>Police Retirement Plan</b>	<b>Firefighter Retirement Plan</b>	<b>Total Retirement Plans</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 374,875	\$ 2,703,988	\$ 3,078,863
Investments	35,513,227	29,788,641	65,301,868
Receivables, net	2,071,651	2,292,358	4,364,009
<b>Total Assets</b>	<b>\$ 37,959,753</b>	<b>\$ 34,784,987</b>	<b>\$ 72,744,740</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accrued expenses	\$ 34,927	\$ 29,273	\$ 64,200
<b>Total Liabilities</b>	<b>\$ 34,927</b>	<b>\$ 29,273</b>	<b>\$ 64,200</b>
<b>Deferred Inflows of Resources</b>			
Unearned property taxes	\$ 1,969,343	\$ 2,236,349	\$ 4,205,692
<b>Net Position</b>			
Held in trust for pension benefits	\$ 35,955,483	\$ 32,519,365	\$ 68,474,848
<b>Total Net Position</b>	<b>\$ 35,955,483</b>	<b>\$ 32,519,365</b>	<b>\$ 68,474,848</b>

City of Quincy, Illinois  
Combining Statement of Changes in Fiduciary Net Position - Pension Funds  
For the Year Ended April 30, 2018

	<b>Police Retirement Plan</b>	<b>Firefighter Retirement Plan</b>	<b>Total Retirement Plans</b>
<b>Additions</b>			
Taxes:			
Property taxes	\$ 1,877,219	\$ 2,012,516	\$ 3,889,735
Personal Property Replacement tax	267,846	385,676	653,522
Total taxes	<u>\$ 2,145,065</u>	<u>\$ 2,398,192</u>	<u>\$ 4,543,257</u>
Contributions:			
Plan members	\$ 543,001	\$ 406,119	\$ 949,120
Other	676,773	717,046	1,393,819
	<u>\$ 1,219,774</u>	<u>\$ 1,123,165</u>	<u>\$ 2,342,939</u>
Investment earnings:			
Net increase (decrease) in fair value	\$ 1,703,159	\$ 2,215,410	\$ 3,918,569
Realized gain (loss) on sale of investments	271,892	404,120	676,012
Interest	324,193	264,736	588,929
Dividends	518,482	388,231	906,713
Total investment earnings	<u>\$ 2,817,726</u>	<u>\$ 3,272,497</u>	<u>\$ 6,090,223</u>
Total Additions	<u>\$ 6,182,565</u>	<u>\$ 6,793,854</u>	<u>\$ 12,976,419</u>
<b>Deductions</b>			
Benefits	\$ 3,543,220	\$ 3,662,533	\$ 7,205,753
Administrative expenses	88,338	149,757	238,095
Total Deductions	<u>\$ 3,631,558</u>	<u>\$ 3,812,290</u>	<u>\$ 7,443,848</u>
Change in net position	\$ 2,551,007	\$ 2,981,564	\$ 5,532,571
Net position, May 1, 2017	33,404,476	29,537,801	62,942,277
<b>Net position, April 30, 2018</b>	<u><u>\$ 35,955,483</u></u>	<u><u>\$ 32,519,365</u></u>	<u><u>\$ 68,474,848</u></u>

City of Quincy, Illinois  
Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds  
April 30, 2018

	Bridge Lighting Fund	Sister City Commission	Lincoln Bicentennial Commission	Human Rights Commission	Animal Rescue Fund	Total Private Purpose
<b>Assets</b>						
<b>Current Assets</b>						
Cash and equivalents	\$ -	\$ 41,158	\$ 449	\$ 651	\$ 56,531	\$ 98,789
Receivables, net	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 41,158</b>	<b>\$ 449</b>	<b>\$ 651</b>	<b>\$ 56,531</b>	<b>\$ 98,789</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ -	\$ 721	\$ -	\$ -	\$ 180	\$ 901
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 721</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 180</b>	<b>\$ 901</b>
<b>Net Position</b>						
Restricted for future expenditures	\$ -	\$ 40,437	\$ 449	\$ 651	\$ 56,351	\$ 97,888
<b>Total Net Position</b>	<b>\$ -</b>	<b>\$ 40,437</b>	<b>\$ 449</b>	<b>\$ 651</b>	<b>\$ 56,351</b>	<b>\$ 97,888</b>

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

City of Quincy, Illinois  
Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds  
For the Year Ended April 30, 2018

	Bridge Lighting Fund	Sister City Commission	Lincoln Bicentennial Commission	Human Rights Commission	Animal Rescue Fund	Total Private Purpose
<b>Additions</b>						
Contributions:						
Outside agencies	\$ -	\$ 44,045	\$ 4,013	\$ -	\$ -	\$ 48,058
Transfers from general fund	-	5,000	-	-	61,800	66,800
	<u>\$ -</u>	<u>\$ 49,045</u>	<u>\$ 4,013</u>	<u>\$ -</u>	<u>\$ 61,800</u>	<u>\$ 114,858</u>
Investment earnings:						
Interest	\$ -	\$ 197	\$ 15	\$ 5	\$ 386	\$ 603
Total investment earnings	<u>\$ -</u>	<u>\$ 197</u>	<u>\$ 15</u>	<u>\$ 5</u>	<u>\$ 386</u>	<u>\$ 603</u>
Total Additions	<u>\$ -</u>	<u>\$ 49,242</u>	<u>\$ 4,028</u>	<u>\$ 5</u>	<u>\$ 62,186</u>	<u>\$ 115,461</u>
<b>Deductions</b>						
Payments to others	\$ 80,438	\$ 16,824	\$ 5,063	\$ -	\$ 5,835	\$ 108,160
Total Deductions	<u>\$ 80,438</u>	<u>\$ 16,824</u>	<u>\$ 5,063</u>	<u>\$ -</u>	<u>\$ 5,835</u>	<u>\$ 108,160</u>
Change in net position	\$ (80,438)	\$ 32,418	\$ (1,035)	\$ 5	\$ 56,351	\$ 7,301
Net position, May 1, 2017	<u>80,438</u>	<u>8,019</u>	<u>1,484</u>	<u>646</u>	<u>-</u>	<u>90,587</u>
<b>Net position, April 30, 2018</b>	<u><u>\$ -</u></u>	<u><u>\$ 40,437</u></u>	<u><u>\$ 449</u></u>	<u><u>\$ 651</u></u>	<u><u>\$ 56,351</u></u>	<u><u>\$ 97,888</u></u>

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

## Statistical Section

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

City of Quincy, Illinois  
Schedule of Long-term Debt Service Requirements  
April 30, 2018

Year Ending April 30	General Obligation Refunding Bonds Series 2010		General Obligation Bonds Series 2017		General Obligation Refunding Bonds Series 2015A	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 110,000	\$ 3,780	\$ -	\$ 123,450	\$ 1,415,000	\$ 40,750
2020	50,000	900	-	123,450	1,330,000	13,300
2021	-	-	540,000	123,450	-	-
2022	-	-	555,000	107,250	-	-
2023	-	-	570,000	90,600	-	-
2024	-	-	585,000	73,500	-	-
2025	-	-	605,000	55,950	-	-
2026	-	-	620,000	37,800	-	-
2027	-	-	640,000	19,200	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
	<u>\$ 160,000</u>	<u>\$ 4,680</u>	<u>\$ 4,115,000</u>	<u>\$ 754,650</u>	<u>\$ 2,745,000</u>	<u>\$ 54,050</u>

Year Ending April 30	General Obligation (Limited Tax) Notes Series 2013B		General Obligation Bonds Series 2009B		General Obligation Bonds Series 2009C	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 135,033	\$ 4,459	\$ 205,000	\$ 38,215	\$ 260,000	\$ 245,400
2020	137,908	1,585	210,000	31,553	285,000	231,880
2021	-	-	220,000	24,203	310,000	216,490
2022	-	-	225,000	16,063	335,000	199,440
2023	-	-	185,000	7,400	360,000	180,680
2024	-	-	-	-	390,000	160,520
2025	-	-	-	-	420,000	138,290
2026	-	-	-	-	455,000	113,930
2027	-	-	-	-	490,000	87,085
2028	-	-	-	-	530,000	57,685
2029	-	-	-	-	420,000	25,620
	<u>\$ 272,941</u>	<u>\$ 6,044</u>	<u>\$ 1,045,000</u>	<u>\$ 117,434</u>	<u>\$ 4,255,000</u>	<u>\$ 1,657,020</u>

City of Quincy, Illinois  
Schedule of Long-term Debt Service Requirements (Concluded)  
April 30, 2018

<u>Year Ending April 30</u>	<b>General Obligation (Limited Tax) Notes Series 2014</b>		<b>Total General Obligation Bonds</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 139,916	\$ 9,597	\$ 2,264,949	\$ 465,651
2020	142,841	6,672	2,155,749	409,340
2021	145,825	3,688	1,215,825	367,831
2022	98,906	769	1,213,906	323,522
2023	-	-	1,115,000	278,680
2024	-	-	975,000	234,020
2025	-	-	1,025,000	194,240
2026	-	-	1,075,000	151,730
2027	-	-	1,130,000	106,285
2028	-	-	530,000	57,685
2029	-	-	420,000	25,620
	<u>\$ 527,488</u>	<u>\$ 20,726</u>	<u>\$ 13,120,429</u>	<u>\$ 2,614,604</u>

City of Quincy, Illinois  
Principal Taxpayers in the City  
April 30, 2018

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

Taxpayer	2006 EAV (Approximate)	% of City's EAV
QP&S Properties	\$ 7,267,680	1.59%
Quincy-Cullinan, LLC	5,788,980	1.27%
Wis-Pak of Quincy, Inc.	3,427,490	0.75%
Blessing Hospital	2,826,520	0.62%
Orix Sanson Quincy Venture	2,815,290	0.62%
WalMart Real Estate Business	2,634,970	0.58%
Harvest Managing Member I, LLC	2,149,260	0.47%
Lowe's Home Center	2,116,940	0.46%
HyVee	1,926,460	0.42%
NHPAHP Cedar Creek Crossing LP	1,896,130	0.42%
Total of Top 10 EAV's	<u>\$ 32,849,720</u>	<u>7.21%</u>
Total for City of Quincy	<u>\$ 455,755,081</u>	

Source: Adams County, Illinois, Clerk's Office

Taxpayer	2016 EAV (Approximate)	% of City's EAV
Quincy-Cullinan LLC	\$ 7,380,270	1.14%
QP&S Properties	6,739,670	1.04%
Blessing Hospital	4,322,350	0.67%
Charles & Kathie Marx	3,311,630	0.51%
Menard, Inc.	3,256,710	0.50%
Walmart	3,086,380	0.48%
Orix Sansone Quincy Venture	2,754,850	0.43%
Walmart Property Tax Dept	2,663,790	0.41%
Koontz Properties	2,433,350	0.38%
Mercantile Bank	2,385,540	0.37%
Total of Top 10 EAV's	<u>\$ 38,334,540</u>	<u>5.92%</u>
Total for City of Quincy	<u>\$ 647,916,710</u>	

Source: Adams County, Illinois, Clerk's Office



City of Quincy, Illinois  
Revenue Base, Revenue Rates and Property Tax Levies  
April 30, 2018

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Residential	\$ 362,541,713	\$ 375,674,413	\$386,241,601	\$397,693,834	\$401,318,370	\$402,529,470	\$411,709,982	\$423,430,897	\$437,978,443	\$451,696,693
Farm	389,110	403,190	365,380	373,840	378,270	382,850	390,920	473,770	490,350	509,640
Commercial	144,683,476	152,263,556	157,040,192	152,961,509	150,707,812	154,028,492	171,079,789	169,633,134	176,188,106	181,057,571
Industrial	9,480,010	14,537,570	14,506,004	12,487,934	12,362,694	11,932,094	12,020,704	12,169,094	12,891,814	13,238,134
Railroads	655,126	770,619	834,400	974,773	1,034,259	1,114,449	1,128,324	1,131,428	1,276,184	1,414,672
Total (Incl. TIF)	<u>\$ 517,749,435</u>	<u>\$ 543,649,348</u>	<u>\$558,987,577</u>	<u>\$564,491,890</u>	<u>\$565,801,405</u>	<u>\$569,987,355</u>	<u>\$596,329,719</u>	<u>\$606,838,323</u>	<u>\$628,824,897</u>	<u>\$647,916,710</u>

Source: Adams County, Illinois, Clerk's Office

**Revenue Rates:  
Tax Rate Trends**

Purpose	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Corporate	0.02103	-	-	-	-	-	-	-	-	-
Fire Pension	0.29390	0.35043	0.36990	0.34708	0.33511	0.34214	0.32564	0.33675	0.32085	0.34516
Police Pension	0.23015	0.26011	0.28697	0.24536	0.24693	0.26093	0.27390	0.30148	0.29928	0.30395
Library	0.26646	0.19829	0.12718	0.14063	0.12939	0.12844	0.12276	0.12064	0.11642	0.11299
GOCP Bonds	0.17649	0.23949	0.22808	0.26963	0.28216	0.28500	0.27540	0.23836	0.29182	0.26640
Total	<u>0.98803</u>	<u>1.04832</u>	<u>1.01213</u>	<u>1.00270</u>	<u>0.99359</u>	<u>1.01651</u>	<u>0.99770</u>	<u>0.99723</u>	<u>1.02837</u>	<u>1.02850</u>

Source: Adams County, Illinois, Clerk's Office

**Property Tax Levy:  
Tax Extensions**

Levy Year	Assessed Valuation	Tax Extension (Excl. TIF)
2008	517,749,435	5,115,520
2009	543,649,348	5,699,185
2010	558,987,577	5,657,681
2011	564,491,890	5,660,160
2012	565,801,405	5,621,746
2013	569,987,355	5,793,978
2014	596,329,719	5,949,582
2015	606,838,323	6,051,574
2016	647,916,710	6,466,647
2017	647,916,710	6,663,829

Source: Adams County, Illinois, Clerk's Office

City of Quincy, Illinois  
Debt Capacity and Debt Ratios  
April 30, 2018

Debt Capacity:  
Direct General Obligation Debt

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Obligation	\$ 15,215,767	\$ 13,995,493	\$ 26,019,131	\$ 24,821,818	\$ 18,187,529	\$ 17,854,529	\$ 16,341,733	\$ 15,683,358	\$ 12,783,552	\$ 15,142,122	\$ 13,120,429
Notes Payable - Bank	1,754,984	1,396,740	2,207,185	1,971,876	1,741,764	605,599	439,122	279,983	178,928	162,500	162,500
<b>Total</b>	<b>\$ 16,970,751</b>	<b>\$ 15,392,233</b>	<b>\$ 28,226,316</b>	<b>\$ 26,793,694</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>\$ 13,282,929</b>

Source: Comprehensive Annual Financial Report

Debt Ratios:  
Direct Debt

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017
Est. Full Value of Taxable Property	\$ 1,457,030,346	\$ 1,553,248,305	\$ 1,630,948,044	\$ 1,676,962,731	\$ 1,693,475,670	\$ 1,697,404,215	\$ 1,709,962,065	\$ 1,788,989,157	\$ 1,820,514,969	\$ 1,886,474,691	\$ 1,943,750,130
Equalized Assessed Valuation (incl. TIF)	\$ 485,676,782	\$ 517,749,435	\$ 543,649,348	\$ 558,987,577	\$ 564,491,890	\$ 565,801,405	\$ 569,987,355	\$ 596,329,719	\$ 606,838,323	\$ 628,824,897	\$ 647,916,710
Population, Census	40,366	40,366	40,366	40,633	40,633	40,633	40,633	40,633	40,633	40,633	40,633

Source: Adams County, Illinois, Clerk's Office

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Per Capita	\$ 420.42	\$ 381.32	\$ 699.26	\$ 659.41	\$ 490.47	\$ 454.31	\$ 412.99	\$ 392.87	\$ 319.01	\$ 376.65	\$ 326.90
Percent of Estimated Full Value	1.16%	0.99%	1.73%	1.60%	1.18%	1.09%	0.98%	0.89%	0.71%	0.81%	0.68%
Percent of Equalized Assessed Value	3.49%	2.97%	5.19%	4.79%	3.53%	3.26%	2.94%	2.68%	2.14%	2.43%	2.05%

The City has no debt limit.

City of Quincy, Illinois  
Number of Employees and Level of Service  
April 30, 2018

**Number of Employees**

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Full-time	338	340	333	332	327	315	297	311	308
Part-time	64	61	49	45	42	40	19	55	59
<b>Total</b>	<b>402</b>	<b>401</b>	<b>382</b>	<b>377</b>	<b>369</b>	<b>355</b>	<b>316</b>	<b>366</b>	<b>367</b>

**Level of Service**

**Employee Count by Function**

**Full-time Employees Only**

	2010	2011	2012	2013	2015	2015	2016	2017	2018
Police sworn	75	76	75	74	75	71	70	74	73
Fire sworn	64	64	64	63	63	60	58	60	60
911 (all)	21	19	20	20	22	20	19	20	20
Transit (Union only)	20	23	20	20	21	20	15	15	15
822 Union only (Water, Sewer, Airport, Central Services)	84	84	82	82	79	77	76	79	78
Administration (no legal)	74	74	72	73	67	67	59	63	62
<b>Total</b>	<b>338</b>	<b>340</b>	<b>333</b>	<b>332</b>	<b>327</b>	<b>315</b>	<b>297</b>	<b>311</b>	<b>308</b>

City of Quincy, Illinois  
Employment Rates for Quincy and Adams County  
April 30, 2018

**Demographics**

**Employment Rates for City of Quincy**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Labor Force	22,538	22,182	22,338	22,064	21,654	21,403	19,446	19,406	19,251	19,161
Employed	21,350	20,424	20,543	20,491	20,214	19,902	18,332	18,366	18,279	18,391
Unemployed	1,188	1,758	1,795	1,573	1,440	1,501	1,114	1,040	972	770
Rate	5.3%	7.9%	8.0%	7.1%	6.7%	7.0%	5.7%	5.4%	5.0%	4.0%

Source: Illinois Department of Employment Security

**Employment Rates for Adams County**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Labor Force	38,873	38,092	38,371	37,424	36,751	36,179	32,629	32,588	32,390	32,237
Employed	36,907	35,304	35,525	34,939	34,469	33,841	30,872	30,947	30,832	31,008
Unemployed	1,966	2,788	2,846	2,485	2,282	2,338	1,757	1,641	1,558	1,229
Rate	5.1%	7.3%	7.4%	6.6%	6.2%	6.5%	5.4%	5.0%	4.8%	3.8%

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, 2018, and the related notes to the financial statements, which collectively comprise City of Quincy, Illinois' basic financial statements and have issued our report thereon dated October 19, 2018.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards* (Concluded)**

**Purpose of this Report**

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

*Wade Stables P.C.*  
**Wade Stables P.C.**  
*Certified Public Accountants*

October 19, 2018  
Quincy, Illinois



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

The Honorable Mayor and  
City Council  
City of Quincy, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited City of Quincy, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Quincy, Illinois' major federal programs for the year ended April 30, 2018. City of Quincy, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of City of Quincy, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Quincy, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Quincy, Illinois' compliance.

**Opinion on Each Major Federal Program**

In our opinion, City of Quincy, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2018.



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

**Report on Internal Control Over Compliance**

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

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

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

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

*Wade Stables P.C.*  
**Wade Stables P.C.**  
*Certified Public Accountants*

October 19, 2018  
Quincy, Illinois

City of Quincy, Illinois  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended April 30, 2018

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Number	Expenditures
<b>U.S. Department of Justice</b>			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0899	\$ 15,776
Bulletproof Vest Partnership Program	16.607	2015BUBX14071561	<u>1,981</u>
<b>Total U.S. Department of Justice</b>			<b>\$ 17,757</b>
<b>U.S. Department of Transportation</b>			
Illinois Department of Transportation			
Airport Improvement Program	20.106	UIN-4332-000	\$ 15,555
Airport Improvement Program	20.106	UIN-4418-000	2,910
Airport Improvement Program	20.106	UIN-4486-000	54,838
Airport Improvement Program	20.106	UIN-4615-000	<u>78,316</u>
			<u>\$ 151,619</u>
Formula Grants for Rural Areas	20.509	IL-18-X032	<b>M \$ 600,253</b>
State and Community Highway Safety	20.600	OP18-0027	\$ 10,839
State and Community Highway Safety	20.600	OP17-0048	<u>18,276</u>
National Priority Safety Programs			<u>\$ 29,115</u>
<b>Total U.S. Department of Transportation</b>			<b>\$ 780,987</b>
<b>U.S. Department of Homeland Security</b>			
Illinois Law Enforcement Alarm System			
Homeland Security Grant Program	97.067	MFF	\$ 4,043
	97.067	WMD	<u>20,131</u>
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 24,174</b>
<b>Total Federal Expenditures</b>			<b>\$ 822,918</b>

**M** - Denotes Major Program

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Quincy, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements

**2. Subrecipients**

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

**3. Non-Monetary Federal Awards**

Non-monetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of the commodities received and disbursed. During the year ended April 30, 2018, the City did not receive any non-monetary assistance.

**4. Insurance**

As of and for the year ended April 30, 2018, the City had no federal insurance in effect.

**5. Federal Loans or Loan Guarantees**

As of and for the year ended April 30, 2018, the City had no federal loans or loan guarantees.

**6. Indirect Cost Rate**

For the year ended April 30, 2018, the City has elected to use the 10% de minimis indirect cost rate.

**1. Summary of Auditor's Results**

- A. The auditor's report on the financial statements of the City of Quincy, Illinois was unmodified.
- B. No significant deficiencies or material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements is reported in accordance with *Government Auditing Standards*.
- C. No instances of noncompliance with laws and regulations are reported in accordance with *Government Auditing Standards*.
- D. No significant deficiencies or material weaknesses were disclosed during the audit of internal control over major federal award programs of the City of Quincy, Illinois.
- E. The auditor's report on compliance for the major federal award programs for the City of Quincy, Illinois expresses an unmodified opinion on all major federal programs.
- F. No audit findings relative to the major federal award programs for the City of Quincy, Illinois were noted.
- G. The programs tested as major programs included the following programs:
  - Formula Grants for Other Than Urbanized Areas (CFDA #20.509)
- H. The threshold for distinguishing Types A and B programs was \$750,000.
- I. The City of Quincy, Illinois qualified as a low-risk auditee.

**2. Findings – Financial Statement Audit**

*No significant deficiencies were noted or reported during the course of the audit of the financial statements for the year ended April 30, 2018.*

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

*There were no findings or questioned costs associated with major federal award programs required to be reported under the Uniform Guidance for the year ended April 30, 2018.*

*There were no prior findings or questioned costs to report.*