

City of Quincy, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2017

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City of Quincy, Illinois

A Home Rule City

Council/Mayor Form of Government

(As of April 30, 2017)

MAYOR

Kyle A. Moore

CITY COUNCIL

1 st Ward	Virgil E. Goehl Eric M. Entrup	5 th Ward	John M. (Mike) Rein Jennifer M. Lepper
2 nd Ward	Jeffrey W. Bergman David A. Bauer	6 th Ward	Daniel J. Brink Jeff Vancamp
3 rd Ward	Gregory P. (Paul) Havermale Jared A. Holbrook	7 th Ward	Jack E. Holtschlag Terri L. Heinecke
4 th Ward	Michael H. Farha Anthony E. Sassen		

CITY CLERK

Virginia Hayden

CITY TREASURER

Peggy R. Crim

DIRECTOR OF ADMINISTRATIVE SERVICES

Chris Kirn

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	Marty Stegeman
Fire	Joe Henning
Quincy Transit Lines	Marty Stegeman
Quincy Regional Airport	Terrance Ward
Purchasing	Chris Kirn
911 System	Steven D. Rowlands
MIS	James E. Murphy
Human Resources	Chris Kirn

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, 2017, 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (Concluded)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, combining statement of financial position – component units, schedule of funding progress, schedules of changes in the net pension liability and schedule of employer contributions on pages 3 through 12 and 61 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 13, 2017, 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 13, 2017
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, 2017, by \$60.9 million (net position).
- The City of Quincy's total net position decreased by \$4 million for the year ended April 30, 2017. The decrease in net position can be attributed to the governmental activities' increase of \$3.1 million and the decrease in business-type activities of \$0.9 million.
- As of April 30, 2017, the City of Quincy's governmental funds reported combined ending fund balances of \$24.2 million, a decrease of \$2.3 million in comparison with the prior fiscal year.
- The City's general fund balance increased from a balance of \$10.1 million last year to a balance of \$11.4 million at April 30, 2017. This increase of \$1.3 million is mainly due to an increase in total revenues compared to prior year.
- On a budgetary basis, the general fund balance increased by \$1.5 million. The budgetary fund balance is 27.4% of the charges to appropriations for the fiscal year ended April 30, 2017.

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, 2017. Analyzing the net position and net income of governmental and business-type activities separately, the business type activities' net position is \$78.5 million and the governmental activities' net position is a deficit of \$17.6 million.

By far the largest portion of the City's net position (\$117.3 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, 2017
(Unaudited)

Table 1
Summary of Net Position
at April 30, 2017 and 2016
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 35.1	\$ 33.0	\$ 9.6	\$ 11.9	\$ 44.7	\$ 44.9
Capital assets - net of depreciation	52.8	48.9	70.8	69.6	123.6	118.5
Total Assets	<u>\$ 87.9</u>	<u>\$ 81.9</u>	<u>\$ 80.4</u>	<u>\$ 81.5</u>	<u>\$ 168.3</u>	<u>\$ 163.4</u>
Deferred Outflows of Resources	\$ 10.1	\$ 20.5	\$ 1.0	\$ 1.2	\$ 11.1	\$ 21.7
Current liabilities	\$ 6.1	\$ 5.6	\$ 0.7	\$ 1.0	\$ 6.8	\$ 6.6
Long-term liabilities and debt	106.9	109.7	1.9	2.2	108.8	111.9
Total Liabilities	<u>\$ 113.0</u>	<u>\$ 115.3</u>	<u>\$ 2.6</u>	<u>\$ 3.2</u>	<u>\$ 115.6</u>	<u>\$ 118.5</u>
Deferred Inflows of Resources	\$ 2.6	\$ 1.6	\$ 0.3	\$ 0.1	\$ 2.9	\$ 1.7
Net position:						
Invested in capital assets, net of related debt	\$ 48.1	\$ 48.9	\$ 69.2	\$ 67.7	\$ 117.3	\$ 116.6
Restricted	13.6	13.2	-	-	13.6	13.2
Unrestricted (deficit)	(79.3)	(76.6)	9.3	11.7	(70.0)	(64.9)
Total Net Position	<u>\$ (17.6)</u>	<u>\$ (14.5)</u>	<u>\$ 78.5</u>	<u>\$ 79.4</u>	<u>\$ 60.9</u>	<u>\$ 64.9</u>

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 FY2017 was a decrease of \$4.0 million compared to the decrease of \$1.5 million in FY2016. The City's total revenues increased in 2017 by \$1.9 million to \$54.5 million. Of this amount, the Governmental revenues increased by \$0.2 million while Business-type revenues increased by \$1.7 million.

The cost of all City programs increased by \$4.4 million with the Business-type costs increasing by \$0.5 million and the Governmental costs increasing by \$3.9 million. In Governmental Activities' expenses, Public Safety expenses increased by \$4.9 million due to the impact of the Police and Fire pension liabilities which added \$5.4 million to expense in FY2017. Public Works/Engineering decreased by \$1.1 million and Health/Culture/Community Development increased by \$0.3 million. General Government decreased by just \$0.1 million for FY2017.

City of Quincy, Illinois
Management's Discussion and Analysis
For the Fiscal Year Ended April 30, 2017
(Unaudited)

The Business-type net position decrease of \$0.9 million is due to the \$1.7 million decrease in the sewer department and \$0.5 decrease in the water department offset by an increase of \$1.2 in the airport fund due mainly to contributed capital of \$1.3 million. Expenses in the water department increased by \$0.3 million over last year mainly in supplies and purchased services. The sewer department expenses increased 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	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services	\$ 5.2	\$ 5.0	\$ 10.6	\$ 10.5	\$ 15.8	\$ 15.5
Operating grants and contributions	3.0	3.4	-	-	3.0	3.4
Capital grants and contributions	0.9	1.0	1.8	0.1	2.7	1.1
General Revenues:						
Property taxes	2.0	2.1	-	-	2.0	2.1
Other taxes	30.3	29.1	-	-	30.3	29.1
Other	0.4	1.0	0.3	0.4	0.7	1.4
Total revenues	\$ 41.8	\$ 41.6	\$ 12.7	\$ 11.0	\$ 54.5	\$ 52.6
Expenses:						
General government	\$ 5.5	\$ 5.6	\$ -	\$ -	\$ 5.5	\$ 5.6
Public safety	23.3	18.4	-	-	23.3	18.4
Public works and engineering	12.1	13.2	-	-	12.1	13.2
Water, Sewer, Airport, Barge Dock	-	-	13.9	13.4	13.9	13.4
Health, Culture, Community Dev	3.2	2.9	-	-	3.2	2.9
Interest on long-term debt	0.5	0.6	-	-	0.5	0.6
Total expenses	\$ 44.6	\$ 40.7	\$ 13.9	\$ 13.4	\$ 58.5	\$ 54.1
Increase (decrease) in net position before transfers and special items	\$ (2.8)	\$ 0.9	\$ (1.2)	\$ (2.4)	\$ (4.0)	\$ (1.5)
Transfers	(0.3)	(0.5)	0.3	0.5	-	-
Increase (decrease) in net position	\$ (3.1)	\$ 0.4	\$ (0.9)	\$ (1.9)	\$ (4.0)	\$ (1.5)
Net Position at beginning of year	(14.5)	(14.9)	79.4	81.3	64.9	66.4
Net Position at end of year	\$ (17.6)	\$ (14.5)	\$ 78.5	\$ 79.4	\$ 60.9	\$ 64.9

Normal Impacts

Revenues:

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

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

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

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

Expenses:

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

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

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

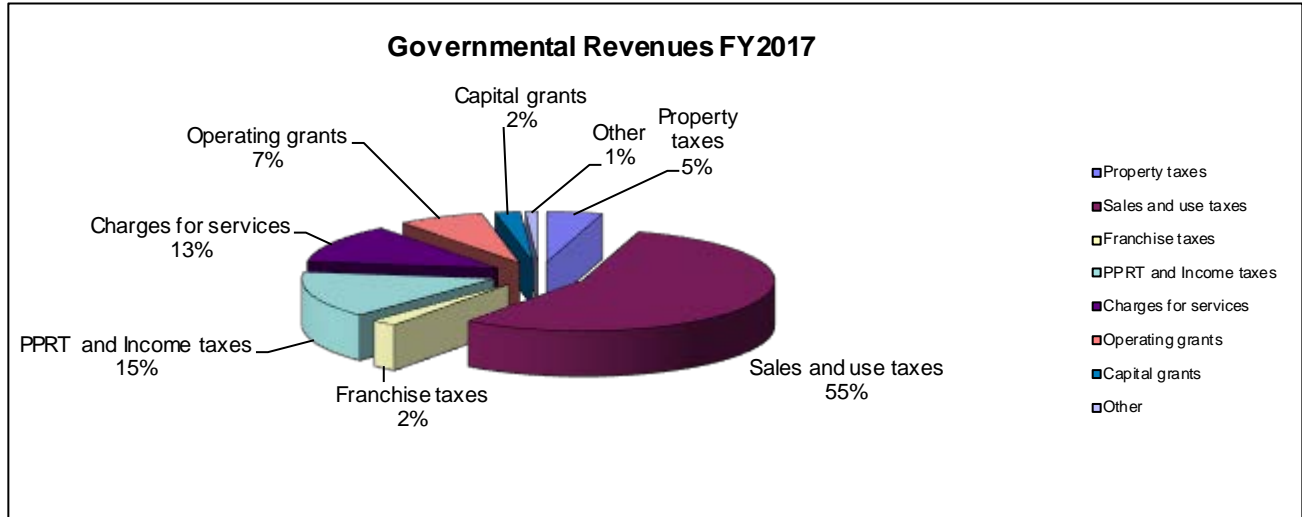
Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuel and parts. Some functions may experience unusual commodity-specific increases.

Current Year Impacts (Budgetary Basis)

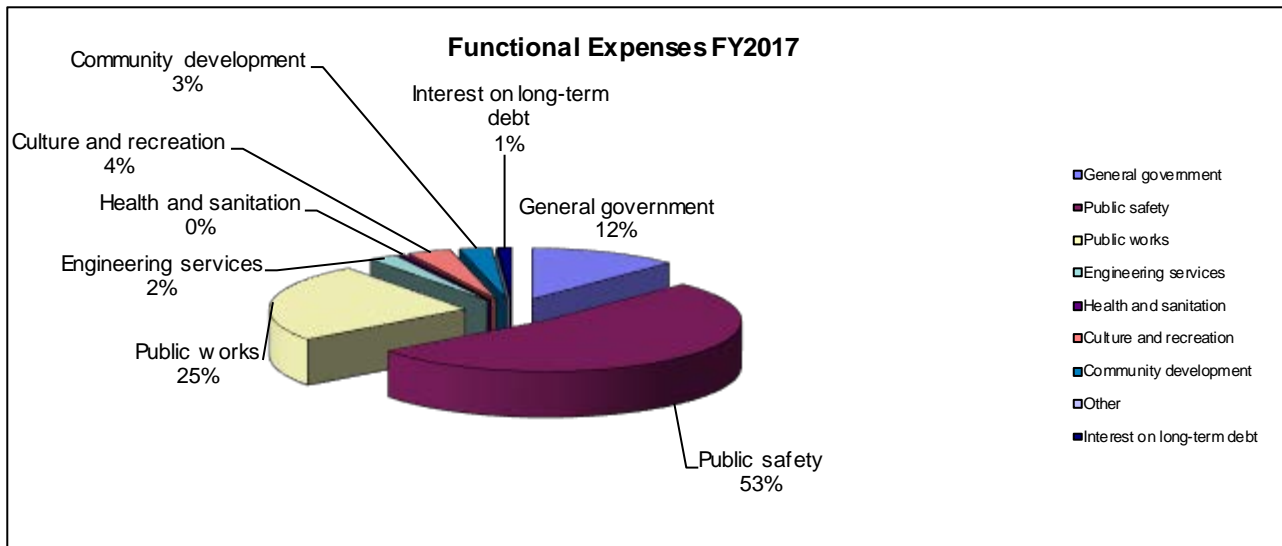
In fiscal year 2017, city-wide salaries & wages grew slightly by about 1%, while health insurance and workers compensation/general liability insurance costs were flat. The IMRF pension contribution rate decreased from calendar year 2015 rate of 11.47% to the calendar year 2016 rate 11.36%. Police and Fire pension fund payments increased over the previous year by \$474,721. The Police pension contributions increased \$277,977 or 13%, while the Fire pension contributions increased \$196,744 or 7.5%

The EAV for the 2015 year (collected in FY2017) grew by 1.76%. The property tax rate decreased slightly from 0.9977 to 0.99723, a decrease of 0.05%. The City relies heavily on sales tax dollars to meet its obligations. Sales tax alone (municipal sales tax and home rule) make up 53% of the City's operating revenues. However, municipal sales tax revenues were down \$130,000 to budget and down nearly \$19,000 to the previous year, which represents a 1.34% decrease from the previous fiscal year. Home rule purchases tax was also down \$89,000 to budget and just slightly higher than the previous year by \$33,500, which was a 0.35% increase over the previous year. The culprit for this trend of declining local sales tax collections is internet sales from online shopping. The City is obligated to rebate limited portions of the home rule sales tax collected for debt issuance and developer agreements. State income tax is collected by the state with a portion allocated to local governments on a per-capita basis. The state's ability to disburse the funds in a timely fashion has impacted our revenue trends. While we received twelve same-month disbursements during the fiscal year, the lag time has increased to two months. Income tax revenues for FY2017 were down \$469,936 from FY2016, a 10% decrease. PPRT revenues balanced the shortfall, coming in \$434,000 over budget, or 14% over budget, and over 5% ahead of FY2016.

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

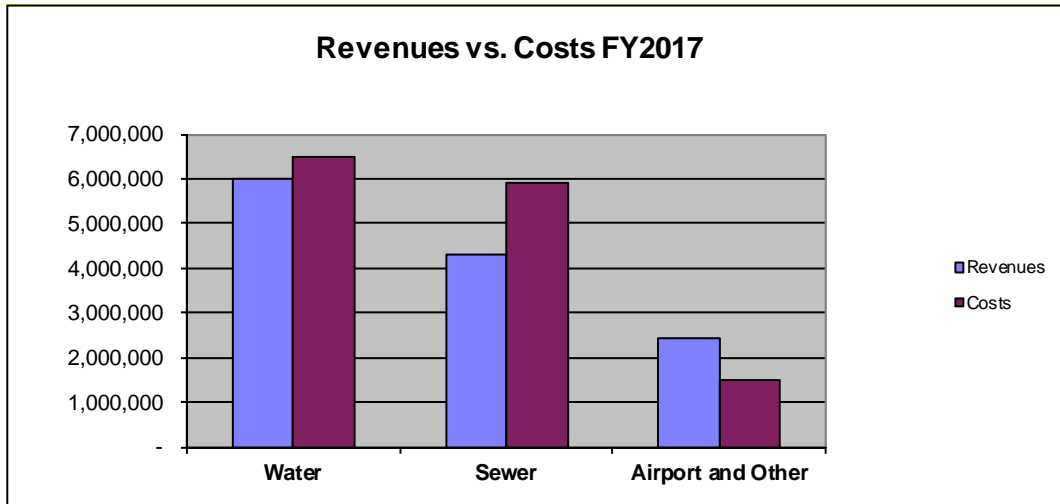


The following graph depicts the different expense categories and the percentage of resources provided for each category:



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 FY2017, the governmental funds of the City reported a combined fund balance of \$24.1 million. This is a decrease of 10.1%, or \$2.2 million from last year's combined fund balance of \$21.9 million. Of this fund balance, \$11.0 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 an increase in fund balance of \$1.3 million in the City's General Fund, the chief operating fund of the City. The General fund balance at April 30, 2017, is \$11.4 million with \$11.0 as unassigned. The Police Department and Fire Department make up the majority of the expenditures in the General Fund of 40.7% and 30.1%, respectively. The General fund is funded mainly by sales tax, property tax, income tax and franchise tax. In addition, these other changes in fund balances should be noted:

- The Capital Projects Fund had an increase in fund balance of \$0.7 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.

For FY2017, the enterprise funds showed unrestricted net position of \$78.6 million, a decrease of \$0.9 million from the prior year. The components of this change was discussed earlier.

General Fund Budgeting Highlights

For FY2017, actual expenditures on a budgetary basis were \$27.7 million compared to the final budget amount of \$29.4 million. The \$1.7 million variance was due to spending less than budgeted in various areas, especially public works, building maintenance, police, community development, capital outlay and operating transfers out. The largest variances were in public works of \$0.3 million; police, building maintenance, community development and capital outlay of \$0.2 million each; and fire of \$0.1 million. Operating transfers out also had a variance of \$0.3 million with budgeted transfers being more than actual.

The City's actual amounts available for appropriation on a budgetary basis were \$35.4 million as compared to the budget amount of \$35.4 million. This resulted in a slight variance.

Capital Assets

At the end of FY2017, the City had \$123.6 million invested in its funds for capital assets. This amount represents an increase of \$5.1 million or 4.3%. The increase is due to current year additions exceeding depreciation, with the majority of the additions being the \$4.0 million paid to Adams County for the City build out portion in the new jail facility.

Table 3
Capital Assets
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Non-Depreciable Assets						
Land	\$ 2.8	\$ 2.8	\$ 1.8	\$ 1.8	\$ 4.6	\$ 4.6
Construction in Progress	4.9	2.6	0.4	1.9	5.3	4.5
Depreciable Assets						
Vehicles	10.4	9.8	3.2	2.9	13.6	12.7
Buildings and improvements	17.2	17.2	160.5	155.1	177.7	172.3
Equipment and furniture	7.9	7.2	5.4	4.6	13.3	11.8
Infrastructure	130.5	126.7	-	-	130.5	126.7
Accumulated depreciation	(120.9)	(117.4)	(100.5)	(96.7)	(221.4)	(214.1)
	\$ 52.8	\$ 48.9	\$ 70.8	\$ 69.6	\$ 123.6	\$ 118.5

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 \$15,142,122 in long-term bond obligations comprised of the following issues:

Table 4
Outstanding Debt

	Issued	Outstanding
GORB 2015A	\$ 5,075,000	\$ 3,960,000
GORB 2017	4,115,000	4,115,000
GORN 2014	973,518	665,794
GORN 2013B	907,000	411,328
GORB 2010	1,552,000	250,000
GOB 2009B	1,245,000	1,245,000
GOB 2009C	5,533,000	4,495,000
Total	\$ 19,400,518	\$ 15,142,122

During the year ended April 30, 2017, the City issued a general obligation bond in the amount of \$4,115,000 to fund the City's portion of the buildout of the City's space in the new Adams County jail facility.

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, 2017, 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 benefit from controlling the cost of salaries and benefits. During FY2018, the City will negotiate with the International Association of Fire Fighters for a new contract that expired April 30, 2017. The firefighters represent an employment base of \$4.7 million plus benefits.

Cost containment and the use of spending reserves remains key to the continued improvement of financial position.

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, Vatterott College, 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. The City's unemployment rate as of the end of April was 3.8% compared to last year's rate of 5.4%. The state same-month unemployment rate was 4.7%

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, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 25,755,208	\$ 7,492,772	\$ 33,247,980	\$ 982,950
Investments	-	-	-	2,894,373
Receivables, net	9,227,134	1,700,547	10,927,681	732,090
Inventories	38,545	345,020	383,565	-
Prepaid items	-	69,190	69,190	-
Capital assets, net	52,832,920	70,839,352	123,672,272	6,181,049
Total Assets	\$ 87,853,807	\$ 80,446,881	\$ 168,300,688	\$ 10,790,462
Deferred Outflows of Resources				
Pension obligations - IMRF	\$ 2,584,343	\$ 974,314	\$ 3,558,657	\$ 427,510
Pension obligations - pension trust funds	7,492,263	-	7,492,263	-
Total Deferred Outflows of Resources	\$ 10,076,606	\$ 974,314	\$ 11,050,920	\$ 427,510
Liabilities				
Accounts payable	\$ 919,715	\$ 264,473	\$ 1,184,188	\$ 15,231
Accrued expenses	1,291,200	71,496	1,362,696	108,324
Unearned revenue	-	219,805	219,805	42,831
Non-current liabilities:				
Accrued interest	124,642	-	124,642	-
Net pension liability - IMRF	4,323,666	1,626,691	5,950,357	694,683
Net pension liability - pension trust funds	84,123,361	-	84,123,361	-
OPEB obligation	1,073,281	-	1,073,281	-
Unamortized bond premium	201,051	-	201,051	-
Due within one year	3,850,240	157,220	4,007,460	-
Due in more than one year	17,032,658	238,975	17,271,633	-
Total Liabilities	\$ 112,939,814	\$ 2,578,660	\$ 115,518,474	\$ 861,069
Deferred Inflows of Resources				
Unearned property taxes	\$ 1,835,043	\$ -	\$ 1,835,043	\$ 732,090
Pension obligations - IMRF	679,108	256,325	935,433	111,655
Pension obligations - Pension Trust Funds	110,582	-	110,582	-
Total Deferred Inflows of Resources	\$ 2,624,733	\$ 256,325	\$ 2,881,058	\$ 843,745
Net Position				
Invested in capital assets, net of related debt	\$ 48,052,127	\$ 69,162,661	\$ 117,214,788	\$ 6,181,049
Restricted for:				
Debt service	554,682	-	554,682	-
Capital projects	4,448,124	-	4,448,124	-
Economic development loans	4,413,620	-	4,413,620	-
Motor fuel tax projects	2,292,180	-	2,292,180	-
911 system	811,146	-	811,146	-
Transit	490,632	-	490,632	-
Other purposes	566,875	-	566,875	448,665
Unrestricted	(79,263,520)	9,423,549	(69,839,971)	2,883,444
Total Net Position	\$ (17,634,134)	\$ 78,586,210	\$ 60,952,076	\$ 9,513,158

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, 2017

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	
Primary Government:								
Governmental Activities:								
General government	\$ 5,484,858	\$ 668,886	\$ -	\$ -	\$ (4,815,972)	\$ -	\$ (4,815,972)	\$ -
Public safety	23,259,782	850,945	679,991	-	(21,728,846)	-	(21,728,846)	-
Public works	11,084,832	3,277,370	2,346,478	285,462	(5,175,522)	-	(5,175,522)	-
Engineering services	1,038,395	-	-	-	(1,038,395)	-	(1,038,395)	-
Health and sanitation	186,172	-	-	-	(186,172)	-	(186,172)	-
Culture and recreation	1,594,811	-	-	577,917	(1,016,894)	-	(1,016,894)	-
Community development	1,180,909	426,030	-	25,096	(729,783)	-	(729,783)	-
Interest on long-term debt	512,700	-	-	-	(512,700)	-	(512,700)	-
Total Governmental Activities	\$ 44,342,459	\$ 5,223,231	\$ 3,026,469	\$ 888,475	\$ (35,204,284)	\$ -	\$ (35,204,284)	\$ -
Business-type Activities:								
Water	\$ 6,471,310	\$ 5,985,917	\$ -	\$ -	\$ -	\$ (485,393)	\$ (485,393)	\$ -
Sewer	5,923,686	4,307,705	-	-	-	(1,615,981)	(1,615,981)	-
Airport	1,439,597	132,748	-	1,726,742	-	419,893	419,893	-
Other	76,031	217,583	-	-	-	141,552	141,552	-
Total Business-type Activities	\$ 13,910,624	\$ 10,643,953	\$ -	\$ 1,726,742	\$ -	\$ (1,539,929)	\$ (1,539,929)	\$ -
Total Primary Government	\$ 58,253,083	\$ 15,867,184	\$ 3,026,469	\$ 2,615,217	\$ (35,204,284)	\$ (1,539,929)	\$ (36,744,213)	\$ -
Component Units:								
Woodland Cemetery	\$ 230,428	\$ 14,426	\$ 75	\$ -	\$ -	\$ -	\$ -	\$ (215,927)
Quincy Public Library	2,605,229	309,075	939,604	-	-	-	-	(1,356,550)
Total Component Units	\$ 2,835,657	\$ 323,501	\$ 939,679	\$ -	\$ -	\$ -	\$ -	\$ (1,572,477)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					\$ 521,343	\$ -	\$ 521,343	\$ 731,567
Property taxes, levied for debt service					1,445,821	-	1,445,821	-
Personal property replacement tax					2,353,583	-	2,353,583	386,747
Sales and public service taxes					23,156,015	-	23,156,015	-
Income taxes					3,840,827	-	3,840,827	-
Franchise taxes					911,195	-	911,195	-
Payment from City of Quincy					(203,300)	-	(203,300)	203,300
Investment earnings (loss)					158,146	42,328	200,474	194,505
Miscellaneous					279,624	303,331	582,955	1,983
Transfers					(341,726)	336,726	(5,000)	-
Total General Revenues and Transfers					\$ 32,121,528	\$ 682,385	\$ 32,803,913	\$ 1,518,102
Change in Net Position					\$ (3,082,756)	\$ (857,544)	\$ (3,940,300)	\$ (54,375)
Net Position at beginning of year					(14,551,378)	79,443,754	64,892,376	9,567,533
Net Position at end of year					\$ (17,634,134)	\$ 78,586,210	\$ 60,952,076	\$ 9,513,158

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

City of Quincy, Illinois
Balance Sheet
Governmental Funds
April 30, 2017

	General Fund	Quincy Transit Lines	Capital Projects Fund	2017 GO Bond	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 7,654,036	\$ 100,903	\$ 2,774,900	\$ 204,175	\$ 9,030,755	\$ 19,764,769
Receivables, net	324,183	5,497	-	-	171,531	501,211
Due from other funds	-	-	-	-	140,354	140,354
Due from other governments	4,429,721	426,089	-	-	186,590	5,042,400
Total Assets	\$ 12,407,940	\$ 532,489	\$ 2,774,900	\$ 204,175	\$ 9,529,230	\$ 25,448,734
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 184,079	\$ 3,634	\$ 10,952	\$ -	\$ 88,910	\$ 287,575
Accrued expenses	776,377	38,223	-	-	42,469	857,069
Due to other funds	-	-	-	-	140,354	140,354
Total Liabilities	\$ 960,456	\$ 41,857	\$ 10,952	\$ -	\$ 271,733	\$ 1,284,998
Fund Balances						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 204,175	\$ 436,539	\$ 640,714
Economic development loans	-	-	-	-	2,886,680	2,886,680
Capital projects	-	-	2,763,948	-	1,684,195	4,448,143
911 System	-	-	-	-	811,146	811,146
Motor fuel tax projects	-	-	-	-	2,292,180	2,292,180
Public safety projects	-	-	-	-	256,858	256,858
Other projects	13,656	-	-	-	296,342	309,998
Transit	-	490,632	-	-	-	490,632
Committed for:						
Pension funds	473,119	-	-	-	41,878	514,997
Assigned for:						
Green projects	-	-	-	-	102,594	102,594
Capital projects	-	-	-	-	528,095	528,095
Unassigned	10,960,709	-	-	-	(79,010)	10,881,699
Total Fund Balances	\$ 11,447,484	\$ 490,632	\$ 2,763,948	\$ 204,175	\$ 9,257,497	\$ 24,163,736
Total Liabilities and Fund Balances	\$ 12,407,940	\$ 532,489	\$ 2,774,900	\$ 204,175	\$ 9,529,230	\$ 25,448,734

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, 2017

Total governmental fund balances	\$ 24,163,736
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.	49,569,431
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	6,311,914
Capital assets	3,263,489
Deferred outflows	666,160
Current liabilities	(1,145,233)
Long-term liabilities	(1,249,963)
Deferred inflows	(173,967)
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.	3,400,593
Net pension 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	(78,548,274)
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>(23,892,020)</u>
Net position of governmental activities	<u><u>\$ (17,634,134)</u></u>

City of Quincy, Illinois
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2017

	General Fund	Quincy Transit Lines	Capital Projects Fund	2017 GO Bond	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 76,568	\$ -	\$ -	\$ -	\$ 1,890,596	\$ 1,967,164
Franchise taxes	503,699	-	-	-	407,496	911,195
Public service taxes	26,669,373	-	-	-	2,681,052	29,350,425
Grants and contributions	167,605	-	-	-	205,234	372,839
Charges for services	928,424	80,245	-	-	213,990	1,222,659
Fines and forfeitures	365,941	-	-	-	62,824	428,765
Intergovernmental	16,623	2,451,513	-	-	496,052	2,964,188
Investment earnings	31,499	1,691	11,477	-	82,541	127,208
Miscellaneous	63,862	5,025	-	-	560,710	629,597
Total Revenues	\$ 28,823,594	\$ 2,538,474	\$ 11,477	\$ -	\$ 6,600,495	\$ 37,974,040
Expenditures						
General Government						
Aldermen	\$ 228,587	\$ -	\$ -	\$ -	\$ -	\$ 228,587
Mayor	212,469	-	-	-	-	212,469
City Treasurer	262,406	-	-	-	-	262,406
City Clerk	225,689	-	-	-	-	225,689
Director of Administration	120,386	-	-	-	-	120,386
Purchasing	67,722	-	-	-	-	67,722
Building maintenance	169,936	-	-	-	-	169,936
Comptroller	306,421	-	-	-	-	306,421
Legal department	226,896	-	-	-	-	226,896
Boards and commissions	59,968	-	-	-	-	59,968
Information technology	648,542	-	-	-	-	648,542
Public Safety						
Police Department	8,946,922	-	-	-	46,622	8,993,544
Fire Department	6,610,417	-	-	-	5,715	6,616,132
911 System	-	-	-	-	1,437,666	1,437,666
Public Works	1,219,247	2,750,431	72,018	-	-	4,041,696
Engineering Services	688,486	-	-	-	14,730	703,216
Health and Sanitation	261,786	-	-	-	-	261,786
Cemetery	203,300	-	-	-	-	203,300
Culture and Recreation	679,709	-	-	-	900,654	1,580,363
Community Development	650,343	-	-	-	448,183	1,098,526
Debt Service						
Principal retirement	3,928	-	12,500	-	1,756,431	1,772,859
Interest and charges	29	-	-	64,941	442,890	507,860
Capital outlay	193,322	285,462	1,417,472	4,000,000	1,670,217	7,566,473
Total Expenditures	\$ 21,986,511	\$ 3,035,893	\$ 1,501,990	\$ 4,064,941	\$ 6,723,108	\$ 37,312,443

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, 2017

	General Fund	Quincy Transit Lines	Capital Projects Fund	2017 GO Bond	Other Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,837,083	\$ (497,419)	\$ (1,490,513)	\$ (4,064,941)	\$ (122,613)	\$ 661,597
Other Financing Sources (Uses)						
Cost share transfers, net	\$ 560,310	\$ (102,779)	\$ -	\$ -	\$ (44,021)	\$ 413,510
Sale of assets	15,042	-	-	-	-	15,042
Operating transfers in	958,563	275,059	2,651,531	-	1,371,877	5,257,030
Operating transfers out	(7,047,315)	-	(480,000)	-	(867,403)	(8,394,718)
Debt proceeds	-	-	-	4,115,000	-	4,115,000
Premium on bond issuance	-	-	-	154,116	-	154,116
Total Other Financing Sources (Uses)	\$ (5,513,400)	\$ 172,280	\$ 2,171,531	\$ 4,269,116	\$ 460,453	\$ 1,559,980
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 1,323,683	\$ (325,139)	\$ 681,018	\$ 204,175	\$ 337,840	\$ 2,221,577
Fund Balances, May 1, 2016	10,123,801	815,771	2,082,930	-	8,919,657	21,942,159
Fund Balances, April 30, 2017	\$ 11,447,484	\$ 490,632	\$ 2,763,948	\$ 204,175	\$ 9,257,497	\$ 24,163,736

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, 2017

Net change in fund balances - total governmental funds	\$	2,221,577
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
		4,231,284
<p>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.</p>		
		(2,501,097)
<p>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.</p>		
		(292,119)
<p>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.</p>		
		(534,584)
<p>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.</p>		
		<u>(6,207,817)</u>
Change in net position of governmental activities	\$	<u><u>(3,082,756)</u></u>

City of Quincy, Illinois
Statement of Net Position
Proprietary Funds
April 30, 2017

	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		
Assets							
Current Assets							
Cash and cash equivalents	\$ 3,693,216	\$ 2,688,428	\$ 691,063	\$ 1,788	\$ 418,277	\$ 7,492,772	\$ 5,990,439
Receivables, net	954,872	634,224	84,893	-	26,558	1,700,547	282,930
Inventories	345,020	-	-	-	-	345,020	38,545
Prepaid expenses	27,676	41,514	-	-	-	69,190	-
Total Current Assets	<u>\$ 5,020,784</u>	<u>\$ 3,364,166</u>	<u>\$ 775,956</u>	<u>\$ 1,788</u>	<u>\$ 444,835</u>	<u>\$ 9,607,529</u>	<u>\$ 6,311,914</u>
Noncurrent Assets							
Land	\$ 242,946	\$ 861,374	\$ 453,124	\$ 220,390	\$ 19,945	\$ 1,797,779	\$ 488,071
Systems	32,182,995	83,634,224	19,847,429	-	145,556	135,810,204	665,167
Building and equipment	4,669,843	14,204,932	5,052,778	911,964	241,282	25,080,799	2,210,394
Vehicles and equipment	3,823,956	2,787,472	2,006,371	16,835	-	8,634,634	5,782,649
Less: Accumulated depreciation	(20,769,182)	(66,148,507)	(12,888,976)	(369,722)	(307,677)	(100,484,064)	(5,882,792)
Total Noncurrent Assets	<u>\$ 20,150,558</u>	<u>\$ 35,339,495</u>	<u>\$ 14,470,726</u>	<u>\$ 779,467</u>	<u>\$ 99,106</u>	<u>\$ 70,839,352</u>	<u>\$ 3,263,489</u>
Total Assets	<u>\$ 25,171,342</u>	<u>\$ 38,703,661</u>	<u>\$ 15,246,682</u>	<u>\$ 781,255</u>	<u>\$ 543,941</u>	<u>\$ 80,446,881</u>	<u>\$ 9,575,403</u>
Deferred Outflows of Resources - Pension	<u>\$ 679,480</u>	<u>\$ 195,515</u>	<u>\$ 99,319</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 974,314</u>	<u>\$ 666,160</u>
Liabilities							
Current Liabilities							
Accounts payable	\$ 105,337	\$ 83,132	\$ 75,497	\$ 443	\$ 64	\$ 264,473	\$ 632,140
Accrued expenses	48,426	15,089	7,981	-	-	71,496	434,131
Customer deposits	219,805	-	-	-	-	219,805	-
Compensated absences	81,098	18,978	7,144	-	-	107,220	78,962
Bonds, notes and loans payable	-	-	-	50,000	-	50,000	-
Total Current Liabilities	<u>\$ 454,666</u>	<u>\$ 117,199</u>	<u>\$ 90,622</u>	<u>\$ 50,443</u>	<u>\$ 64</u>	<u>\$ 712,994</u>	<u>\$ 1,145,233</u>
Noncurrent Liabilities							
Compensated absences	\$ 187,902	\$ 36,093	\$ 14,980	\$ -	\$ -	\$ 238,975	\$ 145,933
Bonds, notes and loans payable	-	-	-	-	-	-	-
Net pension liability	1,137,954	325,889	162,848	-	-	1,626,691	1,104,030
Total Noncurrent Liabilities	<u>\$ 1,325,856</u>	<u>\$ 361,982</u>	<u>\$ 177,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,865,666</u>	<u>\$ 1,249,963</u>
Total Liabilities	<u>\$ 1,780,522</u>	<u>\$ 479,181</u>	<u>\$ 268,450</u>	<u>\$ 50,443</u>	<u>\$ 64</u>	<u>\$ 2,578,660</u>	<u>\$ 2,395,196</u>
Deferred Inflows of Resources - Pension	<u>\$ 179,312</u>	<u>\$ 51,352</u>	<u>\$ 25,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,325</u>	<u>\$ 173,967</u>
Net Position							
Invested in capital assets, net of related debt	\$ 19,012,604	\$ 35,013,606	\$ 14,307,878	\$ 729,467	\$ 99,106	\$ 69,162,661	\$ 2,159,459
Unrestricted	4,878,384	3,355,037	744,012	1,345	444,771	9,423,549	5,512,941
Total Net Position	<u>\$ 23,890,988</u>	<u>\$ 38,368,643</u>	<u>\$ 15,051,890</u>	<u>\$ 730,812</u>	<u>\$ 543,877</u>	<u>\$ 78,586,210</u>	<u>\$ 7,672,400</u>

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

City of Quincy, Illinois
Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Funds
For the Year Ended April 30, 2017

	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		
Operating Revenues							
Charges for services	\$ 5,985,917	\$ 4,307,705	\$ 132,748	\$ 14,309	\$ 203,274	\$ 10,643,953	\$ 10,669,386
Miscellaneous	34,357	248	264,576	150	-	299,331	44,830
Total Operating Revenues	\$ 6,020,274	\$ 4,307,953	\$ 397,324	\$ 14,459	\$ 203,274	\$ 10,943,284	\$ 10,714,216
Operating Expenses							
Salaries and wages	\$ 1,652,507	\$ 457,750	\$ 291,634	\$ 1,917	\$ -	\$ 2,403,808	\$ 1,746,861
Benefits	1,018,428	373,032	139,573	382	-	1,531,415	1,114,095
Purchased services	898,992	2,087,239	168,613	9,576	3,556	3,167,976	3,458,246
Supplies	1,682,849	675,783	139,313	3,723	1,151	2,502,819	818,295
Claims and judgments	-	-	-	-	-	-	6,370,863
Noncapitalized equipment	374	3,116	1,201	-	-	4,691	-
Other objects	235,470	259,419	15,309	333	-	510,531	243,792
Depreciation	982,690	2,067,347	683,954	34,656	20,737	3,789,384	323,548
Total Operating Expenses	\$ 6,471,310	\$ 5,923,686	\$ 1,439,597	\$ 50,587	\$ 25,444	\$ 13,910,624	\$ 14,075,700
Operating Income (Loss)	\$ (451,036)	\$ (1,615,733)	\$ (1,042,273)	\$ (36,128)	\$ 177,830	\$ (2,967,340)	\$ (3,361,484)
Non-Operating Revenues (Expenses)							
Interest income	\$ 19,599	\$ 17,755	\$ 2,912	\$ 7	\$ 2,055	\$ 42,328	\$ 30,938
Grants and contributions	-	-	380,181	-	-	380,181	-
Sale of assets	-	4,000	-	-	-	4,000	-
Total Non-operating Revenues (Expenses)	\$ 19,599	\$ 21,755	\$ 383,093	\$ 7	\$ 2,055	\$ 426,509	\$ 30,938
Income (Loss) Before Transfers and Contributions	\$ (431,437)	\$ (1,593,978)	\$ (659,180)	\$ (36,121)	\$ 179,885	\$ (2,540,831)	\$ (3,330,546)
Transfers in	-	-	541,400	52,950	-	594,350	2,945,482
Transfers out	(53,812)	(53,812)	-	-	(150,000)	(257,624)	(149,520)
Capital contributions	-	-	1,346,561	-	-	1,346,561	-
Change in Net Position	\$ (485,249)	\$ (1,647,790)	\$ 1,228,781	\$ 16,829	\$ 29,885	\$ (857,544)	\$ (534,584)
Net Position at beginning of year	24,376,237	40,016,433	13,823,109	713,983	513,992	79,443,754	8,206,984
Net Position at year end	\$ 23,890,988	\$ 38,368,643	\$ 15,051,890	\$ 730,812	\$ 543,877	\$ 78,586,210	\$ 7,672,400

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, 2017

	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		
Cash Flows from Operating Activities:							
Receipts from customers	\$ 6,049,457	\$ 4,266,013	\$ 86,740	\$ 14,309	\$ 217,970	\$ 10,634,489	\$ 4,727,769
Payments to suppliers	(3,205,704)	(3,027,383)	(260,477)	(13,343)	(4,711)	(6,511,618)	(5,410,056)
Payments to employees	(2,529,023)	(844,720)	(401,040)	(2,299)	-	(3,777,082)	(1,824,529)
Internal activity - payments to other funds	-	-	-	-	-	-	6,043,029
Claims paid	-	-	-	-	-	-	(6,288,974)
Other receipts (payments)	34,357	248	264,576	150	-	299,331	(198,962)
Net Cash Provided (Used) by Operating Activities	<u>\$ 349,087</u>	<u>\$ 394,158</u>	<u>\$ (310,201)</u>	<u>\$ (1,183)</u>	<u>\$ 213,259</u>	<u>\$ 645,120</u>	<u>\$ (2,951,723)</u>
Cash Flows from NonCapital Financing Activities:							
Operating subsidies and transfers	<u>\$ (53,812)</u>	<u>\$ (53,812)</u>	<u>\$ 541,400</u>	<u>\$ 52,950</u>	<u>\$ (150,000)</u>	<u>\$ 336,726</u>	<u>\$ 2,795,962</u>
Cash Flows from Capital and Related Financing Activities:							
Proceeds from sale of debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital contributions	-	-	1,346,561	-	-	1,346,561	-
Purchases of capital assets	(1,483,860)	(1,725,459)	(1,832,259)	-	-	(5,041,578)	(71,528)
Disposal of capital assets	-	4,000	-	-	-	4,000	20,000
Principal paid on capital debt	-	-	-	(50,000)	-	(50,000)	-
Interest paid on capital debt	-	-	-	-	-	-	-
Other receipts (payments)	-	-	380,181	-	-	380,181	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (1,483,860)</u>	<u>\$ (1,721,459)</u>	<u>\$ (105,517)</u>	<u>\$ (50,000)</u>	<u>\$ -</u>	<u>\$ (3,360,836)</u>	<u>\$ (51,528)</u>
Cash Flows from Investing Activities:							
Interest received	<u>\$ 19,599</u>	<u>\$ 17,755</u>	<u>\$ 2,912</u>	<u>\$ 7</u>	<u>\$ 2,055</u>	<u>\$ 42,328</u>	<u>\$ 30,938</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 19,599</u>	<u>\$ 17,755</u>	<u>\$ 2,912</u>	<u>\$ 7</u>	<u>\$ 2,055</u>	<u>\$ 42,328</u>	<u>\$ 30,938</u>
Net Increase (Decrease) in Cash and Cash Investments	<u>\$ (1,168,986)</u>	<u>\$ (1,363,358)</u>	<u>\$ 128,594</u>	<u>\$ 1,774</u>	<u>\$ 65,314</u>	<u>\$ (2,336,662)</u>	<u>\$ (176,351)</u>
Cash and Cash Equivalents, May 1, 2016	<u>4,862,202</u>	<u>4,051,786</u>	<u>562,469</u>	<u>14</u>	<u>352,963</u>	<u>9,829,434</u>	<u>6,166,790</u>
Cash and Cash Equivalents, April 30, 2017	<u><u>\$ 3,693,216</u></u>	<u><u>\$ 2,688,428</u></u>	<u><u>\$ 691,063</u></u>	<u><u>\$ 1,788</u></u>	<u><u>\$ 418,277</u></u>	<u><u>\$ 7,492,772</u></u>	<u><u>\$ 5,990,439</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, 2017

	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		
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities							
Income (loss) from operations	\$ (451,036)	\$ (1,615,733)	\$ (1,042,273)	\$ (36,128)	\$ 177,830	\$ (2,967,340)	\$ (3,361,484)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:							
Amortization and depreciation	982,690	2,067,347	683,954	34,656	20,737	3,789,384	323,548
(Increase) Decrease in:							
Accounts receivable	68,204	(41,692)	(46,008)	-	14,696	(4,800)	101,412
Inventories	(85,662)	-	-	-	-	(85,662)	7,024
Prepaid items	5,048	7,572	-	-	-	12,620	-
Deferred outflows	100,414	96,742	3,093	-	-	200,249	114,796
Increase (Decrease) in:							
Accounts payable	(307,405)	(9,398)	63,959	289	(4)	(252,559)	55,445
Accrued expenses	2,944	975	4,011	-	-	7,930	(111,052)
Customer deposits	(4,664)	-	-	-	-	(4,664)	-
Compensated absences	(10,301)	2,628	4,065	-	-	(3,608)	(76,730)
Net pension liability	(94,961)	(151,880)	(1,919)	-	-	(248,760)	(142,754)
Deferred inflows	143,816	37,597	20,917	-	-	202,330	138,072
Net Cash Provided (Used) by Operating Activities	\$ 349,087	\$ 394,158	\$ (310,201)	\$ (1,183)	\$ 213,259	\$ 645,120	\$ (2,951,723)

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

City of Quincy, Illinois
Statement of Fiduciary Net Position - Fiduciary Funds
April 30, 2017

	Pension Trust Funds	Private Purpose Trusts
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,516,887	\$ 90,588
Investments	61,353,680	-
Receivables, net	4,039,314	2,400
Total Assets	\$ 66,909,881	\$ 92,988
Liabilities		
Current Liabilities		
Accounts payable	\$ -	\$ 2,401
Accrued expenses	68,072	-
Total Liabilities	\$ 68,072	\$ 2,401
Deferred Inflows of Resources		
Unearned property taxes	\$ 3,899,532	-
Net Position		
Held in trust for pension benefits	\$ 62,942,277	\$ -
Restricted for future expenditures	-	90,587
Total Net Position	\$ 62,942,277	\$ 90,587

City of Quincy, Illinois
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended April 30, 2017

	Pension Trust Funds	Private Purpose Trusts
Additions		
Taxes:		
Property taxes	\$ 3,870,256	\$ -
Personal Property Replacement tax	801,771	-
Total taxes	<u>\$ 4,672,027</u>	<u>\$ -</u>
Contributions:		
Plan members	\$ 892,368	\$ -
Outside agencies	-	23,092
Transfers from City	495,324	5,000
Total contributions	<u>\$ 1,387,692</u>	<u>\$ 28,092</u>
Investment earnings:		
Net increase (decrease) in fair value	\$ 3,509,196	\$ -
Realized gain (loss) on sale of investments	876,064	-
Interest	504,681	75
Dividends	832,240	-
Total investment earnings	<u>\$ 5,722,181</u>	<u>\$ 75</u>
Total Additions	<u>\$ 11,781,900</u>	<u>\$ 28,167</u>
Deductions		
Benefits	\$ 6,973,125	\$ -
Administrative expenses	276,699	-
Payments to others	-	27,422
Total Deductions	<u>\$ 7,249,824</u>	<u>\$ 27,422</u>
Change in net position	\$ 4,532,076	\$ 745
Net position, May 1, 2016	<u>58,410,201</u>	<u>89,842</u>
Net position, April 30, 2017	<u><u>\$ 62,942,277</u></u>	<u><u>\$ 90,587</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 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. 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)**

2017 GO Bond Fund

The 2017 GO Bond Fund accounts for the issuance and debt repayment of the 2017 GO Bond issued during the fiscal year to fund the City's space in the new Adams County jail facility.

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, QMEA Cap Reserve, and Fire Equipment Improvement.

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 Learn Not to Burn Fund, the Sister City Commission Fund, the Stay Alive House 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 2016 levy. Property taxes are levied each year on all taxable real property in the City. The City passes a property tax levy ordinance, usually in the fourth calendar quarter of each year, for the fiscal year beginning on May 1 of such calendar year. The tax becomes a lien as of the following January 1, on the assessed value listed as of the day prior (December 31) for all real property located in the City. In the year following the levy, the County bills the property taxes in two installments, generally in May and August. The taxes become delinquent approximately 40 days after the dates billed. The County collects the taxes and remits them to the City. The City receives these remittances approximately one month after the collections' dates.

In the government-wide statement of net position and statement of activities, all proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the statement of net position or on the statement of fiduciary net position.

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

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

1) Summary of Significant Accounting Policies (Continued)

D. Cash and Cash Equivalents

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

E. Investments

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

F. Statement of Cash Flows

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

G. Accounts Receivable

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

H. Inventories

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

I. Capital Assets

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

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

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

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

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

1) Summary of Significant Accounting Policies (Continued)

J. Unearned Revenue

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

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

K. Interfund Transactions

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

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

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

L. Compensated Absences

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

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

M. Net Position

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

1) Summary of Significant Accounting Policies (Continued)

N. Fund Balances

Fund balances are classified as follows:

Nonspendable- This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City had no nonspendable fund balances as of April 30, 2017.

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 \$12,136,351 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 \$514,997 as of April 30, 2017.

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 \$630,689 as of April 30, 2017.

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, 2017, the carrying amount of the City's deposits (excluding component units) was \$34,853,530 and the respective bank balances totaled \$36,119,067. Included in the bank balances are Certificates of Deposit totaling \$23,535,000. The insured and collateral status of the bank balances, by category risk, was as follows:

	Primary Government
FDIC Insured	\$ 14,969,886
Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	19,838,150
Invested in Money Market Funds	1,266,828
Invested in Illinois Funds	-
Uncollateralized	44,203
	\$ 36,119,067

Investments

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

Interest Rate Risk

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

Credit Risk

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

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

3) Deposits and Investments (Concluded)

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

	Amortized Cost	Fair Value
Investments Available for Sale:		
U.S. Government Agencies	\$ 14,656,135	\$ 14,717,988
Corporate bonds	6,945,379	6,932,869
Mutual Funds	22,716,633	24,008,125
Common and Preferred Stocks	13,182,056	15,694,698
	\$ 57,500,203	\$ 61,353,680
Investment Maturities (in years):		
Maturing 2017-2045	\$ 21,601,514	\$ 21,650,857
	\$ 21,601,514	\$ 21,650,857
Equity Securities	35,898,689	39,702,823
	\$ 57,500,203	\$ 61,353,680

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

Cash on hand	\$ 1,925
Deposits with financial institutions	34,853,530
Investments	61,353,680
Total Cash and Investments	\$ 96,209,135

	Cash and Equivalents	Investments	Total
Government-wide Statement of Net Assets	\$ 33,247,980	\$ -	\$ 33,247,980
Statement of Fiduciary Net Assets	1,607,475	61,353,680	62,961,155
	\$ 34,855,455	\$ 61,353,680	\$ 96,209,135

4) Capital Assets

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

Governmental Activities	
General government	\$ 112,599
Public safety	463,639
Public works	3,124,057
Other governmental activities	620,214
Total Governmental activities	\$ 4,320,509
Business-Type Activities	
Water	\$ 982,690
Sewer	2,067,347
Airport	683,954
Other enterprise	55,393
Total Business-type activities	\$ 3,789,384

4) Capital Assets (Concluded)

The following is a summary of Capital Asset transactions for the year ended April 30, 2017:

Governmental Activities

	Balance, April 30, 2016	Additions	Retirements	Balance, April 30, 2017
Buildings	\$ 15,393,228	\$ -	\$ -	\$ 15,393,228
Improvements	1,766,999	59,108	-	1,826,107
Infrastructure	126,662,000	3,862,990	-	130,524,990
Machinery and equipment	6,696,421	643,259	-	7,339,680
Vehicles	9,815,410	1,439,803	(892,959)	10,362,254
Furniture and intangibles	535,225	37,642	-	572,867
Total assets being depreciated	<u>\$ 160,869,283</u>	<u>\$ 6,042,802</u>	<u>\$ (892,959)</u>	<u>\$ 166,019,126</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (6,356,739)	\$ (361,885)	\$ -	\$ (6,718,624)
Improvements	(885,467)	(57,722)	-	(943,189)
Infrastructure	(97,853,988)	(2,872,777)	-	(100,726,765)
Machinery and equipment	(4,894,123)	(279,453)	-	(5,173,576)
Vehicles	(7,134,795)	(688,363)	835,483	(6,987,675)
Furniture and intangibles	(266,478)	(60,309)	-	(326,787)
Total accumulated depreciation	<u>\$ (117,391,590)</u>	<u>\$ (4,320,509)</u>	<u>\$ 835,483</u>	<u>\$ (120,876,616)</u>
Net total of capital assets being depreciated	<u>\$ 43,477,693</u>	<u>\$ 1,722,293</u>	<u>\$ (57,476)</u>	<u>\$ 45,142,510</u>
Land	2,761,572	1,000	(1,500)	2,761,072
Construction in Progress	2,634,390	4,927,838	(2,632,890)	4,929,338
Governmental Activities Capital Assets	<u><u>\$ 48,873,655</u></u>	<u><u>\$ 6,651,131</u></u>	<u><u>\$ (2,691,866)</u></u>	<u><u>\$ 52,832,920</u></u>

Business-Type Activities

	Balance, April 30, 2016	Additions	Retirements	Balance, April 30, 2017
Buildings	\$ 24,379,915	\$ 700,884	\$ -	\$ 25,080,799
Systems	130,737,669	4,641,945	-	135,379,614
Machinery and equipment	4,568,609	892,673	-	5,461,282
Vehicles	2,850,315	323,038	-	3,173,353
Total assets being depreciated	<u>\$ 162,536,508</u>	<u>\$ 6,558,540</u>	<u>\$ -</u>	<u>\$ 169,095,048</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (11,409,624)	\$ (656,103)	\$ -	\$ (12,065,727)
Systems	(81,881,796)	(2,657,775)	-	(84,539,571)
Machinery and equipment	(1,231,996)	(367,991)	-	(1,599,987)
Vehicles	(2,171,264)	(107,515)	-	(2,278,779)
Total accumulated depreciation	<u>\$ (96,694,680)</u>	<u>\$ (3,789,384)</u>	<u>\$ -</u>	<u>\$ (100,484,064)</u>
Net total of capital assets being depreciated	<u>\$ 65,841,828</u>	<u>\$ 2,769,156</u>	<u>\$ -</u>	<u>\$ 68,610,984</u>
Land	1,797,779	-	-	1,797,779
Construction in Progress	1,947,550	430,589	(1,947,550)	430,589
Business-Type Activities Capital Assets	<u><u>\$ 69,587,157</u></u>	<u><u>\$ 3,199,745</u></u>	<u><u>\$ (1,947,550)</u></u>	<u><u>\$ 70,839,352</u></u>

5) Non-current Liabilities

For the Year Ended April 30, 2017, the changes in non-current liabilities are as follows:

Governmental Activities

	Balance April 30, 2016	(Retirements) Additions	Balance April 30, 2017
General Obligation Bonds	\$ 12,783,552	\$ 2,358,570	\$ 15,142,122
Accrued interest on bonds	108,068	16,574	124,642
Notes Payable - Bank	178,928	(16,428)	162,500
Compensated absences	3,113,888	215,390	3,329,278
Net pension liability	93,740,678	(5,293,651)	88,447,027
Unamortized bond premium	58,669	142,382	201,051
OPEB obligation	834,076	239,205	1,073,281
Landfill post-closure	2,325,000	(76,000)	2,249,000
	<u>\$ 113,142,859</u>	<u>\$ (2,413,958)</u>	<u>\$ 110,728,901</u>

Business-Type Activities

	Balance April 30, 2016	(Retirements) Additions	Balance April 30, 2017
Loan from Econ Development	\$ 100,000	\$ (50,000)	\$ 50,000
Compensated absences	349,802	(3,606)	346,196
Net pension liability	1,875,451	(248,760)	1,626,691
	<u>\$ 2,325,253</u>	<u>\$ (302,366)</u>	<u>\$ 2,022,887</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, 2017, 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.	\$ 250,000
\$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.	411,328
\$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.	3,960,000
\$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.	665,794
\$1,245,000 General Obligation Bonds, Series 2009B, dated September 21, 2009, due in annual installments ranging from \$185,000 to \$225,000 beginning 2018 through 2023, with interest from 3.0% to 4.0%, payable January 1 and July 1.	1,245,000
\$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.	4,495,000
Total	\$ 15,142,122
Less: Current portion of bonds payable	(2,021,693)
Net Long-Term Bonds Payable	<u>\$ 13,120,429</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, 2017, 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 \$457,364 has been included as a direct function expense. No interest was required to be capitalized during the year ended April 30, 2017.

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
2018	\$ 2,021,693	\$ 488,143	\$ 2,509,836
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
2023-2027	5,320,000	964,955	6,284,955
2028-2030	950,000	83,305	1,033,305
	<u>\$ 15,142,122</u>	<u>\$ 3,102,747</u>	<u>\$ 18,244,869</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, 2017, was \$162,500.

The City acquired a piece of land from Quincy University in May 2005 for use as the Firefighters Regional Training Center. The City also received a lease agreement for the use of land at the site from the University for \$1 per year for 20 years. The land was valued at \$250,000 and the lease was valued at \$250,000. The City has an economic development loan due from the University for \$500,000 that was converted to the Firefighters Regional Training Center. The \$500,000 is to be repaid in 7 annual payments of \$50,000 at 0% interest with a balloon payment of \$150,000. The balance outstanding at April 30, 2017, was \$50,000.

On October 3, 2013, the City entered into a loan agreement with First Bankers Trust in the amount of \$22,995 for the purchase of computer network equipment. This agreement calls for 36 monthly payments of \$658.51 at a fixed interest rate of 1.96%. The loan was paid off during the year ended April 30, 2017.

The annual requirements to amortize the outstanding loans as of April 30, 2017, are as follows:

Governmental Activities

Year Ending April 30	Principal	Interest	Total
2018	\$ 12,500	\$ -	\$ 12,500
2019	12,500	-	12,500
2020	12,500	-	12,500
2021	12,500	-	12,500
2022	12,500	-	12,500
2023-2027	62,500	-	62,500
2028-2030	37,500	-	37,500
	<u>\$ 162,500</u>	<u>\$ -</u>	<u>\$ 162,500</u>

Business-Type Activities

Year Ending April 30	Principal	Interest	Total
2018	\$ 50,000	\$ -	\$ 50,000
	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Total Notes Payable	<u>\$ 212,500</u>	<u>\$ -</u>	<u>\$ 212,500</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, 2017.

A summary of the liability for compensated absences by function at April 30, 2017, follows:

	<u>Sick Leave</u>	<u>Vacation</u>	<u>Comp Time</u>	<u>Total</u>	<u>Current Portion</u>
Governmental activities:					
General government	\$ 116,757	\$ 67,007	\$ -	\$ 183,764	\$ 78,642
Public safety	1,464,511	605,796	605,814	2,676,121	1,461,981
Public works	227,531	112,717	37,233	377,481	158,024
Engineering services	28,494	20,521	-	49,015	22,078
Community development	26,357	16,540	-	42,897	19,321
	<u>\$ 1,863,650</u>	<u>\$ 822,581</u>	<u>\$ 643,047</u>	<u>\$ 3,329,278</u>	<u>\$ 1,740,046</u>
Business-type activities:					
Water	\$ 196,379	\$ 72,621	\$ -	\$ 269,000	\$ 81,098
Sewer	37,506	17,565	-	55,071	18,978
Airport	15,567	6,558	-	22,125	7,144
	<u>\$ 249,452</u>	<u>\$ 96,744</u>	<u>\$ -</u>	<u>\$ 346,196</u>	<u>\$ 107,220</u>
Total Compensated Absences	<u>\$ 2,113,102</u>	<u>\$ 919,325</u>	<u>\$ 643,047</u>	<u>\$ 3,675,474</u>	<u>\$ 1,847,266</u>

Accrued interest on bonds is comprised of the following:

	<u>Next Interest Payment Due</u>	<u>Accrued Interest April 30, 2017</u>
GOB 2009B	\$ 22,108	\$ 14,738
GOB 2015A	39,600	3,300
GOB 2009C	128,700	85,800
GOB 2017	93,616	20,804
	<u>\$ 284,024</u>	<u>\$ 124,642</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, 2017, 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. 45, *Accounting and Financial Reporting by Employers 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 if the City did not make contributions equal to or more than the Annual Required Contribution (ARC) as calculated by the actuary. For the year ended April 30, 2017, the City had accumulated a liability of \$1,073,281.

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, 2016 for the 2015 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 \$1,835,043 in the Governmental activities and \$3,899,532 in the Pension Trust funds, levied for 2016, 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, 2017, were 100% of the 2015 tax levy.

7) Pension Plans

Illinois Municipal Retirement Fund (IMRF)

Plan Description

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

Benefits Provided

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

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

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

7) Pension Plans (Continued)

Illinois Municipal Retirement Fund (IMRF) (Continued)

Employees Covered by Benefit Terms

At April 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	302
Inactive employees entitled to but not yet receiving benefits	88
Active employees	<u>231</u>
Total	<u><u>621</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 2015 was 11.36 percent. For the fiscal year ended April 30, 2017, the City contributed \$1,018,282 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, 2016, 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, 2016 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 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, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	38.00%	7.39%
International Equities	17.00%	7.59%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	6.00%
Alternatives	9.00%	2.75-8.15%
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 3.57%; and the resulting single discount rate is 7.50%.

Changes in the Net Position Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> <u>(a)</u>	<u>Plan Fiduciary Net Position</u> <u>(b)</u>	<u>Net Pension Liability</u> <u>(a)-(b)</u>
Balances at 4/30/2016	\$ 74,041,809	\$ 67,176,782	\$ 6,865,027
Changes for the year:			
Service cost	\$ 979,682	\$ -	
Interest	5,414,025	-	
Difference between expected and actual experience	(966,357)	-	
Contributions-employer	-	1,027,621	
Contributions-employee	-	437,936	
Net investment income	-	4,564,917	
Benefits payments, including refunds	(4,003,358)	(4,003,358)	
Assumption changes	(162,926)	-	
Other changes	-	148,620	
Net changes	<u>\$ 1,261,066</u>	<u>\$ 2,175,736</u>	<u>\$ (914,670)</u>
Balances at 4/30/2017	<u>\$ 75,302,875</u>	<u>\$ 69,352,518</u>	<u>\$ 5,950,357</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	\$ 83,924,818	\$ 75,302,875	\$ 67,912,583
Plan Fiduciary Net Position	69,216,471	69,352,518	69,216,471
Net Pension Liability/(Asset)	<u>\$ 14,708,347</u>	<u>\$ 5,950,357</u>	<u>\$ (1,303,888)</u>

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

For the year ended April 30, 2017, the City recognized pension expense of \$1,736,764. 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	\$ -	\$ 818,402
Changes in assumptions	74,630	117,031
Net difference between projected and actual earnings on pension plan investments	3,165,113	-
Contributions subsequent to measurement date *	318,914	-
Total	<u>\$ 3,558,657</u>	<u>\$ 935,433</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, 2017.

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 Outflows of Resources
2017	\$ 1,001,788
2018	691,549
2019	855,178
2020	74,710
2021	-
Thereafter	-
Total	<u>\$ 2,623,224</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, 2017.

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, 2017, the following employees were covered by the benefit terms:

Police Pension Plan	
Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to but not yet receiving benefits	5
Active employees	74
Total	154
 Firefighters' Pension Plan	
Inactive employees or beneficiaries currently receiving benefits	83
Inactive employees entitled to but not yet receiving benefits	1
Active employees	60
Total	144

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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 30, 2017.

7) Pension Plans (Continued)

Police and Firefighter’s Pension Funds (Continued)

Actuarial Assumptions

The total pension liability in the April 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	May 1, 2017
Asset Valuation Method	5-year Average Market Value (PA 096-1495)
Inflation	2.50%
Salary Increase	5.00%
Investment rate of return	6.75%, net of expenses
Mortality	RP 2014 Mortality Tabel (BCHA) projected to 2017 using improvement scale MP-2016
Withdrawal	Based on studies of the Fund and the Department of Insurance
Disability	Based on studies of the Fund and the Department of Insurance
Retirement	Based on studies of the Fund and the Department of Insurance (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 6.75%. The projections of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7) Pension Plans (Continued)

Police and Firefighter's Pension Funds (Continued)

Changes in the Net Position Liability

Police Pension Fund

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 4/30/2016	\$ 74,590,235	\$ 31,333,647	\$ 43,256,588
Changes for the year:			
Service Cost	\$ 1,258,629	\$ -	
Interest	4,918,449	-	
Difference between expected and actual experience	(166,571)	-	
Changes of assumptions	(2,443,798)	-	
Contributions-employer	-	2,404,912	
Contributions-employee	-	501,824	
Net investment income	-	2,670,162	
Benefits payments, including refunds	(3,448,643)	(3,448,643)	
Administrative expense	-	(57,426)	
Other changes	-	-	
Net changes	<u>\$ 118,066</u>	<u>\$ 2,070,829</u>	<u>\$ (1,952,763)</u>
Balances at 4/30/2017	<u>\$ 74,708,301</u>	<u>\$ 33,404,476</u>	<u>\$ 41,303,825</u>

Firefighters' Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 4/30/2016	\$ 72,571,067	\$ 27,076,554	\$ 45,494,513
Changes for the year:			
Service Cost	\$ 1,226,820	\$ -	
Interest	4,779,596	-	
Difference between expected and actual experience	(63,544)	-	
Changes of assumptions	(2,632,120)	-	
Contributions-employer	-	2,763,407	
Contributions-employee	-	390,594	
Net investment income	-	2,853,220	
Benefits payments, including refunds	(3,524,482)	(3,524,482)	
Administrative expense	-	(21,492)	
Other changes	-	-	
Net changes	<u>\$ (213,730)</u>	<u>\$ 2,461,247</u>	<u>\$ (2,674,977)</u>
Balances at 4/30/2017	<u>\$ 72,357,337</u>	<u>\$ 29,537,801</u>	<u>\$ 42,819,536</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 6.75%, 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 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
Net Pension Liability/(Asset)	\$ 51,640,854	\$ 41,303,825	\$ 32,846,432

Firefighters' Pension Plan

	1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
Net Pension Liability/(Asset)	\$ 51,846,339	\$ 42,819,536	\$ 35,306,056

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

For the year ended April 30, 2017, the City recognized pension expense of \$2,514,641 for the Firefighters Plan and \$2,875,800 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	\$ 50,928	\$ -
Changes in assumptions	2,295,046	-
Net difference between projected and actual earnings on pension plan investments	2,391,330	-
Total	\$ 4,737,304	\$ -

Firefighters' Pension Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 110,582
Changes in assumptions	2,438,099	-
Net difference between projected and actual earnings on pension plan investments	316,860	-
Total	\$ 2,754,959	\$ 110,582

7) Pension Plans (Concluded)

Police and Firefighter's Pension Funds (Concluded)

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

Police Pension Fund		
Year Ending April 30	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2018	\$ 1,053,140	-
2019	1,053,140	-
2020	1,053,140	-
2021	1,053,142	-
2022	762,046	-
Thereafter	(237,304)	-
Total	<u>\$ 4,737,304</u>	<u>\$ -</u>

Firefighters' Pension Plan		
Year Ending April 30	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2018	\$ 672,953	\$ 24,574
2019	672,953	24,574
2020	672,953	24,574
2021	672,955	24,574
2022	63,145	12,286
Thereafter	-	-
Total	<u>\$ 2,754,959</u>	<u>\$ 110,582</u>

8) Health Insurance Plan for Retired Employees

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

Covered employees are not required to contribute to the Plan. The City is also not required to contribute to the Plan. The City's annual OPEB cost and net OPEB obligation for the Plan for the year ended April 30, 2017 were as follows:

Annual required contribution	\$ 536,625
Interest on net OPEB obligation	33,363
Adjustment to annual required contribution	(27,803)
Annual pension cost	<u>\$ 542,185</u>
Contributions made	(302,980)
Increase in net OPEB obligation	\$ 239,205
Net OPEB obligation, beginning of year	834,076
Net OPEB obligation, end of year	<u><u>\$ 1,073,281</u></u>

8) Health Insurance Plan for Retired Employees (Concluded)

The annual required contribution for the year ended April 30, 2017, was determined as part of the April 30, 2015 actuarial valuation using the Entry Age Normal Cost method. The actuarial assumptions at April 30, 2015, included (a) 4.0% investment rate of return, (b) projected salary increases of 4.0% per year, (c) health care inflation rate of 0.0% initial and 5.5% ultimate, and (d) 20% of active employees assumed to elect benefit. The actuarial value of the Plan assets was determined using market techniques. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at the April 30, 2015, valuation was 30 years.

Fiscal Year Ended	Trend Information			
	Annual OPEB Cost	Total Contributions Made	% of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 542,185	\$ 302,980	55.9%	\$ 1,073,281
2016	519,989	286,361	55.1%	834,076
2015	448,120	281,870	62.9%	600,448

As of April 30, 2015, the most recent actuarial valuation date, the Plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$9,713,802 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,713,802.

The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The schedule of funding progress is included in the required supplementary information.

At April 30, 2016, the Plan membership consisted of:

Retirees and beneficiaries receiving benefits	234
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	49
Active nonvested plan members	288
Total members	<u>571</u>

9) Individual Fund Disclosures

For the year ended April 30, 2017, 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, 2017, was \$2,369,900. Limits of liability are as follows:

Type of Coverage	Maintenance Deductible	Self Insured Retention	Excess Insurance Coverage Limits
Property Insurance	\$ 1,000	\$ 200,000	\$ 400,000,000
Third Party Liability	\$ 1,000	\$ 200,000	\$ 15,000,000
Worker’s Compensation	N/A	\$ 650,000	Statutory limits
Crime Coverage	\$ 1,000	\$ 50,000	\$ 500,000

11) Internal Balances

Interfund transfers during the year ended April 30, 2017, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
General Fund	\$ 958,563	\$ 7,047,315
State and Federal Grants Fund	-	-
Quincy Transit Lines	275,059	-
Capital Projects Fund	2,651,531	520,000
Other governmental funds	1,371,877	827,403
	\$ 5,257,030	\$ 8,394,718
Water Department	\$ -	\$ 53,812
Sewer Department	-	53,812
Quincy Regional Airport	541,400	-
Regional Training Facility	52,950	-
Other enterprise funds	-	150,000
	\$ 594,350	\$ 257,624
Central Garage	\$ 341,982	\$ -
Central Services	2,603,500	149,520
	\$ 2,945,482	\$ 149,520
Private Purpose Trust Funds:		
Sister City Commission	\$ 5,000	\$ -
	\$ 5,000	\$ -
	\$ 8,801,862	\$ 8,801,862

Interfund receivables and payables at April 30, 2017, were as follows:

<u>Due to</u>	<u>Due from Neighborhood Stabilization</u>	<u>Total</u>
HUD Grant Fund	\$ 140,354	\$ 140,354
Total	\$ 140,354	\$ 140,354

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. There was no change in the interfund balances for the year ended April 30, 2017.

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.

Various claims and lawsuits are pending against the City. In the opinion of City management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the City's financial position.

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 \$582,240 into the plans for the year ended April 30, 2017.

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, 2017 for these funds is as follows:

	Water Department	Sanitation Department	Quincy Regional Airport	Regional Training Facility	Other Enterprise Funds	Total
Operating revenues	\$ 6,020,274	\$ 4,307,953	\$ 397,324	\$ 14,459	\$ 203,274	\$10,943,284
Operating expenses (excluding depreciation)	5,488,620	3,856,339	755,643	15,931	4,707	10,121,240
Depreciation	982,690	2,067,347	683,954	34,656	20,737	3,789,384
Operating income	<u>\$ (451,036)</u>	<u>\$ (1,615,733)</u>	<u>\$ (1,042,273)</u>	<u>\$ (36,128)</u>	<u>\$ 177,830</u>	<u>\$ (2,967,340)</u>
Non-operating revenues/ (expenses)	19,599	21,755	383,093	7	2,055	426,509
Capital contributions	-	-	1,346,561	-	-	1,346,561
Operating transfers	(53,812)	(53,812)	541,400	52,950	(150,000)	336,726
Net income (loss)	<u>\$ (485,249)</u>	<u>\$ (1,647,790)</u>	<u>\$ 1,228,781</u>	<u>\$ 16,829</u>	<u>\$ 29,885</u>	<u>\$ (857,544)</u>
Capital asset additions	\$ (1,483,860)	\$ (1,725,458)	\$ (1,832,259)	\$ -	\$ -	\$ (5,041,577)
Net working capital	\$ 4,566,118	\$ 3,246,967	\$ 685,334	\$ (48,655)	\$ 444,771	\$ 8,894,535
Total assets	\$25,171,342	\$38,703,661	\$15,246,682	\$ 781,255	\$ 543,941	\$80,446,881
Notes payable from operating revenues	\$ 1,137,954	\$ 325,889	\$ 162,848	\$ 50,000	\$ -	\$ 1,676,691
Total equity	\$23,890,988	\$38,368,643	\$15,051,890	\$ 730,812	\$ 543,877	\$78,586,210

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, 2017, follows:

	Loans Outstanding
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, 2017, 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:

The City leases a portion of the City Hall Annex located at 706 Maine Street for use as a financial institution. The lease, dated March 12, 1992, had an original term of four years, with an option of renewal for four consecutive four-year terms. For the year ended April 30, 2017, the City received rental income for the property in the amount of \$32,048. This financial institution has moved to another location so this lease has not been renewed for future years.

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, 2017, the City received rental income in the amount of \$34,317.

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, 2017, the City received \$18,360 in rental income.

The City also leases ground for communication services. This lease, dated October 13, 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 \$14,399 in rental income from this property for the year ended April 30, 2017.

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:

<u>Year Ending April 30</u>	<u>Total</u>
2018	\$ 7,513
2019	3,757
	<u>\$ 11,270</u>

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:

<u>Year Ending April 30</u>	<u>Total</u>
2018	\$ 734,050
2019	734,050
2020	734,050
	<u>\$ 2,202,150</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
2018	\$ 138,700
2019	138,700
2020	34,675
	\$ 312,075

On May 17, 2016, the City executed an intergovernmental agreement with Adams County for the use of space at the new jail to be constructed. This agreement calls for an upfront payment of \$4,000,000 for use for the buildout of the City's space. This was paid during the year ended April 30, 2017. 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, 2017. These projects include a sewer project of \$1,538,300 that was eight percent complete and the 4th and 7th Ward project of \$674,293 that was forty-eight percent complete at April 30, 2017.

20) Tax Abatements

The City of Quincy entered into an agreement with Cullinan – Quincy Mall, under a Memo of Understanding 2nd Amendment to Agreement dated January 9, 2017, to provide a rebate of sales tax in order to assist the developer to continue to grow the mall. The rebate is 50% of the 1% Municipal tax on select stores included in the mall lease and must be used for Cullinan to make improvements and grow the Quincy Mall. This abatement increases to 75% of the 1% Municipal tax once the mall has a signed deed to the former JC Penney building and increases the rebate from select stores to all stores in the mall lease as part of the rebate base. This agreement is in effect for 23 years from the date of occupancy. The amount abated for the year ended April 30, 2017, was \$110,516.

The City of Quincy also entered into a similar agreement with Orix – Prairie Crossing Shopping Center, under a Development and Sales Tax Rebate Agreement, dated December 22, 2003, to rebate 75% of 1% of the Municipal tax to Orix to continue to make improvements and grow retail stores in the Center. This agreement is in effect for 20 years from the 1st quarter ended following the Center's opening. The amount abated for the year ended April 30, 2017, was \$458,586.

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, 2017, Adams County abated property taxes in the County which would have totaled \$106,230 of property tax revenue for the City of Quincy.

In conjunction with this Enterprise Zone, properties within the Zone also receive a 50% reduction on all building related permit fees normally charged. This fee reduction totaled \$55,173 for the year ended April 30, 2017.

21) Subsequent Events

Subsequent events have been evaluated through October 13, 2017, which is the date the financial statements were available to be issued.

22) Recently Issued Pronouncements

As of April 30, 2017, the Governmental Accounting Standards Board (GASB) has issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, will be effective for the year ended April 30, 2018. The objective of these Statements are to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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

Required Supplementary Information

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

The Schedule of Funding Progress for the City's Other Postemployment Benefits presents information used to consistently measure the City's funded status over a three-year period.

Schedules of Changes in the Net Pension Liability and Related Ratios and the Schedules of Employer Contributions and notes for each of the City's defined benefit pension plans 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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, May 1, 2016	\$ 6,044,742	\$ 6,044,742	\$ 6,044,742	\$ -
Resources (inflows):				
Property taxes	77,000	77,000	76,568	(432)
Franchise taxes	439,000	439,000	501,738	62,738
Charges for services	810,933	850,933	1,072,322	221,389
Fines and forfeitures	447,200	447,200	365,941	(81,259)
Intergovernmental	25,695,935	25,405,633	25,472,946	67,313
Grants and contributions	110,700	140,700	188,625	47,925
Investment earnings	20,632	20,632	31,499	10,867
Miscellaneous	106,799	111,969	63,861	(48,108)
Sale of assets	10,000	10,000	15,042	5,042
Cost share transfers, net	635,109	635,109	560,310	(74,799)
Operating transfers in	1,128,249	1,199,663	958,546	(241,117)
Amounts Available for Appropriation	<u>\$ 35,526,299</u>	<u>\$ 35,382,581</u>	<u>\$ 35,352,140</u>	<u>\$ (30,441)</u>
Charges to Appropriations (outflows)				
General Government				
Aldermen	\$ 233,719	\$ 233,719	\$ 227,908	\$ 5,811
Mayor	237,757	237,757	211,886	25,871
City Treasurer	273,346	273,346	262,259	11,087
City Clerk	231,426	231,426	226,286	5,140
Director of Administration	112,337	123,235	120,565	2,670
Purchasing	71,768	71,768	67,686	4,082
Building Maintenance	457,665	457,665	243,955	213,710
Comptroller	328,580	328,580	304,345	24,235
Legal Department	237,504	237,504	226,700	10,804
Boards and Commissions	73,806	73,806	60,109	13,697
Information Technology	641,422	641,422	640,299	1,123
Public Safety				
Police Department	8,930,907	8,886,419	8,663,688	222,731
Fire Department	6,602,347	6,469,872	6,330,444	139,428
Public Works	1,476,586	1,603,828	1,298,611	305,217
Engineering Services	664,752	710,302	661,708	48,594
Health and sanitation	250,701	203,079	200,744	2,335
Community development	843,077	817,152	650,344	166,808
Culture and recreation	14,000	14,000	790	13,210
Cemetery	183,300	203,300	203,300	-
Capital outlay	300,000	300,000	117,685	182,315
Nondepartmental				
Operating transfers out	7,302,260	7,302,260	7,035,333	266,927
Total Charges to Appropriations	<u>\$ 29,467,260</u>	<u>\$ 29,420,440</u>	<u>\$ 27,754,645</u>	<u>\$ 1,665,795</u>
Budgetary Balance, April 30, 2017	<u><u>\$ 6,059,039</u></u>	<u><u>\$ 5,962,141</u></u>	<u><u>\$ 7,597,495</u></u>	<u><u>\$ 1,635,354</u></u>

City of Quincy, Illinois
 Budgetary Comparison Schedule - 2017 GO Bond Fund
 For the Year Ended April 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, May 1, 2016	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Bond proceeds	-	4,200,000	4,204,525	4,525
Amounts Available for Appropriation	<u>\$ -</u>	<u>\$ 4,200,000</u>	<u>\$ 4,204,525</u>	<u>\$ 4,525</u>
Charges to Appropriations (outflows)				
Other	\$ -	\$ 350	\$ 350	\$ -
Capital outlay	-	4,000,000	4,000,000	-
Total Charges to Appropriations	<u>\$ -</u>	<u>\$ 4,000,350</u>	<u>\$ 4,000,350</u>	<u>\$ -</u>
Budgetary Balance, April 30, 2017	<u><u>\$ -</u></u>	<u><u>\$ 199,650</u></u>	<u><u>\$ 204,175</u></u>	<u><u>\$ 4,525</u></u>

City of Quincy, Illinois
 Budgetary Comparison Schedule - Quincy Transit Lines Fund
 For the Year Ended April 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, May 1, 2016	\$ 578,366	\$ 578,366	\$ 578,366	\$ -
Resources (inflows):				
Charges for services	78,200	78,200	80,245	2,045
Grants and contributions	2,910,753	2,910,753	2,014,265	(896,488)
Miscellaneous	-	-	5,025	5,025
Investment earnings	1,200	1,200	1,691	491
Cost share transfers, net	(150,876)	(150,876)	(102,779)	48,097
Operating transfers in	275,059	275,059	275,059	-
Amounts Available for Appropriation	<u>\$ 3,692,702</u>	<u>\$ 3,692,702</u>	<u>\$ 2,851,872</u>	<u>\$ (840,830)</u>
Charges to Appropriations (outflows)				
Public Works	\$ 3,059,336	\$ 3,059,336	\$ 2,745,472	\$ 313,864
Capital outlay	55,000	55,000	-	55,000
Total Charges to Appropriations	<u>\$ 3,114,336</u>	<u>\$ 3,114,336</u>	<u>\$ 2,745,472</u>	<u>\$ 368,864</u>
Budgetary Balance, April 30, 2017	<u>\$ 578,366</u>	<u>\$ 578,366</u>	<u>\$ 106,400</u>	<u>\$ (471,966)</u>

City of Quincy, Illinois
 Budgetary Comparison Schedule - Capital Projects Fund
 For the Year Ended April 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, May 1, 2016	\$ 2,088,561	\$ 2,088,561	\$ 2,088,561	\$ -
Resources (inflows):				
Property taxes	\$ -	\$ -	\$ -	-
Public service taxes	-	-	-	-
Charges for services	-	-	-	-
Grants and contributions	-	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Loan proceeds	-	-	-	-
Investment earnings	5,000	5,000	11,477	6,477
Operating transfers in	2,673,942	2,673,942	2,651,531	(22,411)
Amounts Available for Appropriation	<u>\$ 4,767,503</u>	<u>\$ 4,767,503</u>	<u>\$ 4,751,569</u>	<u>\$ (15,934)</u>
Charges to Appropriations (outflows)				
General government	\$ 115,000	\$ 102,500	\$ 47,436	\$ 55,064
Public Safety	317,000	317,000	175,600	141,400
Public Works	3,645,572	3,671,189	1,102,438	2,568,751
Community development	-	-	-	-
Health and sanitation	209,291	160,094	160,093	1
Culture and recreation	-	-	-	-
Loan/Lease payments	-	12,500	12,500	-
Nondepartmental				
Operating transfers out	480,000	480,000	480,000	-
Total Charges to Appropriations	<u>\$ 4,766,863</u>	<u>\$ 4,743,283</u>	<u>\$ 1,978,067</u>	<u>\$ 2,765,216</u>
Budgetary Balance, April 30, 2017	<u>\$ 640</u>	<u>\$ 24,220</u>	<u>\$ 2,773,502</u>	<u>\$ 2,749,282</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, 2016

	<u>General Fund</u>	<u>2017 GO Bond Fund</u>	<u>Quincy Transit Lines</u>	<u>Capital Projects Fund</u>
Sources/Inflows of Resources				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 35,352,140	\$ 4,204,525	\$ 2,851,872	\$ 4,751,569
Differences - Budget to GAAP:				
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(6,044,742)	-	(578,366)	(2,088,561)
Revenues in the statement of revenues, expenditures, and changes in fund balances are reported on the modified accrual basis of accounting. In the budgetary comparison schedule, revenues are reported when received.	1,050,094	-	437,248	-
Transfers from other funds and debt proceeds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	(1,533,898)	(4,204,525)	(172,280)	(2,651,531)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 28,823,594</u>	<u>\$ -</u>	<u>\$ 2,538,474</u>	<u>\$ 11,477</u>
Uses/Outflows of Resources				
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$ 27,754,645	\$ 4,000,350	\$ 2,745,472	\$ 1,978,067
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.	1,267,199	64,591	290,421	3,923
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	(7,035,333)	-	-	(480,000)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 21,986,511</u>	<u>\$ 4,064,941</u>	<u>\$ 3,035,893</u>	<u>\$ 1,501,990</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, 2017

	Quincy Public Library	Woodland Cemetery	Total Component Units
Assets			
Cash and cash investments	\$ 900,158	\$ 82,792	\$ 982,950
Investments	1,412,018	1,482,355	2,894,373
Receivables, net	732,090	-	732,090
Capital assets, net	5,686,574	494,475	6,181,049
Total Assets	\$ 8,730,840	\$ 2,059,622	\$ 10,790,462
Deferred Outflows of Resources			
Pension obligation	\$ 427,510	\$ -	\$ 427,510
Liabilities			
Accounts payable	\$ 12,312	\$ 2,919	\$ 15,231
Accrued expenses	107,946	378	108,324
Net pension liability	694,683	-	694,683
Unearned revenue	42,831	-	42,831
Total Liabilities	\$ 857,772	\$ 3,297	\$ 861,069
Deferred Inflows of Resources			
Unearned property taxes	\$ 732,090	\$ -	\$ 732,090
Pension obligation	111,655	-	111,655
Total Deferred Inflows of Resources	\$ 843,745	\$ -	\$ 843,745
Net Position			
Invested in capital assets, net of related debt	\$ 5,686,574	\$ 494,475	\$ 6,181,049
Restricted for:			
Other purposes	118,673	329,992	448,665
Unrestricted	1,651,586	1,231,858	2,883,444
Total Net Position	\$ 7,456,833	\$ 2,056,325	\$ 9,513,158

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

City of Quincy, Illinois
 Schedule of Funding Progress - Other Postemployment Benefits
 For the Year Ended April 30, 2017

Health Insurance Plan for Retired Employees - Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2017	\$ -	\$ 9,713,802	\$ 9,713,802	0.00%	Not Available	
4/30/2016	-	9,713,802	9,713,802	0.00%	Not Available	
4/30/2015	-	8,384,766	8,384,766	0.00%	19,843,209	42.26%

City of Quincy, Illinois
Schedule of Changes in Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund
April 30, 2017

Total Pension Liability	2016	2015
Service Cost	\$ 979,682	\$ 1,019,908
Interest on total pension liability	5,414,025	5,266,707
Changes of benefit terms	-	-
Difference between expected and actual experience	(966,357)	(270,778)
Changes of assumptions	(162,926)	162,631
Benefit payments, including refunds	(4,003,358)	(3,698,939)
Net change in total pension liability	\$ 1,261,066	\$ 2,479,529
Total pension liability-beginning	74,041,809	71,562,280
Total pension liability-ending (a)	<u>\$ 75,302,875</u>	<u>\$ 74,041,809</u>
 Plan Fiduciary Net Position		
Contributions-employer	\$ 1,027,621	\$ 1,068,611
Contributions-employee	437,936	429,456
Net investment income	4,564,917	344,516
Benefit payments, including refunds	(4,003,358)	(3,698,939)
Other (Net Transfer)	148,620	(970,328)
Net change in plan fiduciary net position	\$ 2,175,736	\$ (2,826,684)
Plan fiduciary net position-beginning	67,176,782	70,003,466
Plan fiduciary net position-ending (b)	<u>\$ 69,352,518</u>	<u>\$ 67,176,782</u>
Net pension liability/(asset)-ending (a) - (b)	\$ 5,950,357	\$ 6,865,027
Plan fiduciary net position as a percentage of the total pension liability	92.10%	90.73%
Covered valuation payroll	\$ 8,955,435	\$ 9,261,305
Net pension liability as a percentage of covered employee payroll	66.44%	74.13%

Notes to Schedule:

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

City of Quincy, Illinois
Schedule of Changes in the Net Pension Liability and Related Ratios
Firefighters' Pension Fund
April 30, 2017

Total Pension Liability	2016	2015
Service Cost	\$ 1,226,820	\$ 1,188,521
Interest on total pension liability	4,779,596	4,379,573
Changes of benefit terms	-	-
Difference between expected and actual experience	(63,544)	(57,491)
Changes of assumptions	(2,632,120)	6,196,934
Benefit payments, including refunds	<u>(3,524,482)</u>	<u>(3,403,608)</u>
Net change in total pension liability	\$ (213,730)	\$ 8,303,929
Total pension liability-beginning	<u>72,571,067</u>	<u>64,267,138</u>
Total pension liability-ending (a)	<u><u>\$ 72,357,337</u></u>	<u><u>\$ 72,571,067</u></u>
 Plan Fiduciary Net Position		
Contributions-employer	\$ 2,763,408	\$ 2,569,640
Contributions-employee	390,594	379,247
Net investment income	2,853,220	139,881
Benefit payments, including refunds	(3,524,482)	(3,403,608)
Pension plan administrative expense	<u>(21,492)</u>	<u>(25,479)</u>
Net change in plan fiduciary net position	\$ 2,461,248	\$ (340,319)
Plan fiduciary net position-beginning	<u>27,076,553</u>	<u>27,416,872</u>
Plan fiduciary net position-ending (b)	<u><u>\$ 29,537,801</u></u>	<u><u>\$ 27,076,553</u></u>
Net pension liability/(asset)-ending (a) - (b)	\$ 42,819,536	\$ 45,494,514
Plan fiduciary net position as a percentage of the total pension liability	40.82%	37.31%
Covered valuation payroll	\$ 4,169,611	\$ 3,964,235
Net pension liability as a percentage of covered employee payroll	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, 2017

Total Pension Liability	2016	2015
Service Cost	\$ 1,258,629	\$ 1,180,130
Interest on total pension liability	4,918,449	4,519,078
Changes of benefit terms	-	-
Difference between expected and actual experience	(166,571)	257,044
Changes of assumptions	(2,443,798)	5,600,452
Benefit payments, including refunds	(3,448,643)	(3,049,461)
Net change in total pension liability	\$ 118,066	\$ 8,507,243
Total pension liability-beginning	74,590,235	66,082,992
Total pension liability-ending (a)	\$ 74,708,301	\$ 74,590,235
 Plan Fiduciary Net Position		
Contributions-employer	\$ 2,404,913	\$ 2,126,886
Contributions-employee	501,824	534,438
Net investment income	2,670,162	(1,479,316)
Benefit payments, including refunds	(3,448,643)	(3,049,461)
Pension plan administrative expense	(57,427)	(32,030)
Net change in plan fiduciary net position	\$ 2,070,829	\$ (1,899,483)
Plan fiduciary net position-beginning	31,333,647	33,233,130
Plan fiduciary net position-ending (b)	\$ 33,404,476	\$ 31,333,647
Net pension liability/(asset)-ending (a) - (b)	\$ 41,303,825	\$ 43,256,588
Plan fiduciary net position as a percentage of the total pension liability	44.71%	42.01%
Covered valuation payroll	\$ 5,051,138	\$ 4,719,221
Net pension liability as a percentage of covered employee payroll	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, 2017

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 1,062,272	\$ 1,068,611	\$ (6,339)	\$ 9,261,305	11.54%
2016	1,017,337	1,027,621	(10,284)	8,955,435	11.47%

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
Notes to Schedule of Employer Contributions
Illinois Municipal Retirement Fund
April 30, 2017

Valuation Date December 31, 2016

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Aggregate Entry Age Normal

Amortization Method Level Percentage of Payroll, Closed

Remaining Amortization Period Non-Taxing bodies: 10-year rolling period.
Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period).
Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years).

Asset Valuation Method 5-year smoothed market; 20% corridor

Wage Growth 3.50%

Price Inflation 2.75% - approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases 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.

Other Information There were no benefit changes during the year.

City of Quincy, Illinois
 Schedule of Employer Contributions
 Firefighters' Pension Fund
 April 30, 2017

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

City of Quincy, Illinois
Notes to Schedule of Employer Contributions
Firefighters' Pension Fund
April 30, 2017

Valuation Date April 30, 2017

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal

Amortization Method Level Percentage of Payroll

Remaining Amortization Period 24 years

Asset Valuation Method Market Value

Price Inflation 2.50%

Salary Increases 5.00%

Investment Rate of Return 6.75%

Retirement Age 50-70

Mortality Mortality rates were based on the RP-2014 BCHA Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016. The other non-economic actuarial assumptions used in the April 30, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Other Information None

City of Quincy, Illinois
 Schedule of Employer Contributions
 Police Pension Fund
 April 30, 2017

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

Valuation Date April 30, 2017

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal

Amortization Method Level Percentage of Payroll

Remaining Amortization Period 24 years

Asset Valuation Method Market Value

Price Inflation 2.50%

Salary Increases 5.00%

Investment Rate of Return 6.75%

Retirement Age 50-70

Mortality Mortality rates were based on the RP-2014 (BCHA) Mortality Table projected to 2017 using improvement scale MP-2016. The other non-economic actuarial assumptions used in the April 30, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Other Information None

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, 2017

	Special Revenue Funds								
	State and Federal Grants Fund	911 System	Motor Fuel Tax	Town Road Tax	Police Contributions	Fire Contributions	Franchise Fee "Green"	Economic Development Loan	CDAP Loan
Assets									
Cash and cash equivalents	\$ 61,344	\$ 727,345	\$ 2,176,391	\$ 84,243	\$ 244,709	\$ 18,455	\$ 117,389	\$ 827,601	\$ 973,062
Receivables, net	-	35,268	33,563	-	-	-	27,083	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	97,625	88,965	-	-	-	-	-	-
Total Assets	\$ 61,344	\$ 860,238	\$ 2,298,919	\$ 84,243	\$ 244,709	\$ 18,455	\$ 144,472	\$ 827,601	\$ 973,062
Liabilities and Fund Balances									
Accounts payable	\$ -	\$ 6,623	\$ 6,739	\$ -	\$ 6,306	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	42,469	-	-	-	-	-	-	-
Due to other funds	140,354	-	-	-	-	-	-	-	-
Total Liabilities	\$ 140,354	\$ 49,092	\$ 6,739	\$ -	\$ 6,306	\$ -	\$ -	\$ -	\$ -
Fund Balances									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	-	-	-	-	-	-	827,601	973,062	-
Capital projects	-	-	-	-	-	-	-	-	-
911 System	-	811,146	-	-	-	-	-	-	-
Motor fuel tax projects	-	-	2,292,180	-	-	-	-	-	-
Public safety projects	-	-	-	-	238,403	18,455	-	-	-
Other projects	-	-	-	84,243	-	-	-	-	-
Committed for:									
Pension funds	-	-	-	-	-	-	41,878	-	-
Assigned for:									
Green projects	-	-	-	-	-	-	102,594	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-
Unassigned	(79,010)	-	-	-	-	-	-	-	-
Total Fund Balances	\$ (79,010)	\$ 811,146	\$ 2,292,180	\$ 84,243	\$ 238,403	\$ 18,455	\$ 144,472	\$ 827,601	\$ 973,062
Total Liabilities and Fund Balances	\$ 61,344	\$ 860,238	\$ 2,298,919	\$ 84,243	\$ 244,709	\$ 18,455	\$ 144,472	\$ 827,601	\$ 973,062

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, 2017

	Special Revenue Funds				Capital Projects Funds			
	CBD Loan	Neighborhood Rehab Loan	Energy Grant Loan	Tourism Tax	Total Special Revenue Funds	Sanitation Connection	TIF #2	TIF #3
Assets								
Cash and cash equivalents	\$ 826,021	\$ 56,554	\$ 63,088	\$ 137,582	\$ 6,313,784	\$ 485,609	\$ 814,394	\$ 11,957
Receivables, net	-	-	-	74,517	170,431	1,100	-	-
Due from other funds	-	140,354	-	-	140,354	-	-	-
Due from other governments	-	-	-	-	186,590	-	-	-
Total Assets	\$ 826,021	\$ 196,908	\$ 63,088	\$ 212,099	\$ 6,811,159	\$ 486,709	\$ 814,394	\$ 11,957
Liabilities and Fund Balances								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 19,668	\$ -	\$ 69,242	\$ -
Accrued expenses	-	-	-	-	42,469	-	-	-
Due to other funds	-	-	-	-	140,354	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 202,491	\$ -	\$ 69,242	\$ -
Fund Balances								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	826,021	196,908	63,088	-	2,886,680	-	-	-
Capital projects	-	-	-	-	-	486,709	745,152	11,957
911 System	-	-	-	-	811,146	-	-	-
Motor fuel tax projects	-	-	-	-	2,292,180	-	-	-
Public safety projects	-	-	-	-	256,858	-	-	-
Other projects	-	-	-	212,099	296,342	-	-	-
Committed for:								
Pension funds	-	-	-	-	41,878	-	-	-
Assigned for:								
Green projects	-	-	-	-	102,594	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(79,010)	-	-	-
Total Fund Balances	\$ 826,021	\$ 196,908	\$ 63,088	\$ 212,099	\$ 6,608,668	\$ 486,709	\$ 745,152	\$ 11,957
Total Liabilities and Fund Balances	\$ 826,021	\$ 196,908	\$ 63,088	\$ 212,099	\$ 6,811,159	\$ 486,709	\$ 814,394	\$ 11,957

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, 2017

	Capital Project Funds				Debt Service Funds		
	2009 OLC Capital Projects	Sewer Equipment	QMEA Cap Reserve	Fire Equip Improvement	Total Capital Projects Funds	2013A Bond	2013B HVAC Bond
Assets							
Cash and cash equivalents	\$ 19	\$ 239,415	\$ 200,943	\$ 528,095	\$ 2,280,432	\$ 281	\$ 70
Receivables, net	-	-	-	-	1,100	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Total Assets	\$ 19	\$ 239,415	\$ 200,943	\$ 528,095	\$ 2,281,532	\$ 281	\$ 70
Liabilities and Fund Balances							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 69,242	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 69,242	\$ -	\$ -
Fund Balances							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 281	\$ 70
Economic development loans	-	-	-	-	-	-	-
Capital projects	19	239,415	200,943	-	1,684,195	-	-
911 System	-	-	-	-	-	-	-
Motor fuel tax projects	-	-	-	-	-	-	-
Public safety projects	-	-	-	-	-	-	-
Other projects	-	-	-	-	-	-	-
Committed for:							
Pension funds	-	-	-	-	-	-	-
Assigned for:							
Green projects	-	-	-	-	-	-	-
Capital projects funds	-	-	-	528,095	528,095	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	\$ 19	\$ 239,415	\$ 200,943	\$ 528,095	\$ 2,212,290	\$ 281	\$ 70
Total Liabilities and Fund Balances	\$ 19	\$ 239,415	\$ 200,943	\$ 528,095	\$ 2,281,532	\$ 281	\$ 70

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, 2017

	Debt Service Funds				Total Debt Service Funds	Total Non-Major Governmental Funds
	2010 GO Bond	2015 GO Bond	2009 OLC G/O Bond	2009 Library Bond		
Assets						
Cash and cash equivalents	\$ 73,004	\$ 67,925	\$ 149,733	\$ 145,526	\$ 436,539	\$ 9,030,755
Receivables, net	-	-	-	-	-	171,531
Due from other funds	-	-	-	-	-	140,354
Due from other governments	-	-	-	-	-	186,590
Total Assets	\$ 73,004	\$ 67,925	\$ 149,733	\$ 145,526	\$ 436,539	\$ 9,529,230
Liabilities and Fund Balances						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,910
Accrued expenses	-	-	-	-	-	42,469
Due to other funds	-	-	-	-	-	140,354
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,733
Fund Balances						
Restricted for:						
Debt service	\$ 73,004	\$ 67,925	\$ 149,733	\$ 145,526	\$ 436,539	\$ 436,539
Economic development loans	-	-	-	-	-	2,886,680
Capital projects	-	-	-	-	-	1,684,195
911 System	-	-	-	-	-	811,146
Motor fuel tax projects	-	-	-	-	-	2,292,180
Public safety projects	-	-	-	-	-	256,858
Other projects	-	-	-	-	-	296,342
Committed for:						
Pension funds	-	-	-	-	-	41,878
Assigned for:						
Green projects	-	-	-	-	-	102,594
Capital projects funds	-	-	-	-	-	528,095
Unassigned	-	-	-	-	-	(79,010)
Total Fund Balances	\$ 73,004	\$ 67,925	\$ 149,733	\$ 145,526	\$ 436,539	\$ 9,257,497
Total Liabilities and Fund Balances	\$ 73,004	\$ 67,925	\$ 149,733	\$ 145,526	\$ 436,539	\$ 9,529,230

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, 2017

	Special Revenue Funds								
	State and Federal Grants	911 System	Motor Fuel Tax	Town Road Tax	Police Contributions	Fire Contributions	Franchise Fee "Green"	Economic Development Loan	CDAP Loan
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ 3,639	\$ -	\$ -	\$ -	\$ -	\$ -
Public service taxes	-	649,858	1,029,904	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-	407,496	-	-
Grants and contributions	25,096	-	133,806	-	23,582	6,105	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	62,824	-	-	-	-
Intergovernmental	-	496,052	-	-	-	-	-	-	-
Investment earnings	24	2,681	12,100	407	1,160	94	788	11,025	19,010
Miscellaneous	-	-	-	-	1,250	-	-	116,530	78,365
Total Revenues	\$ 25,120	\$1,148,591	\$ 1,175,810	\$ 4,046	\$ 88,816	\$ 6,199	\$ 408,284	\$ 127,555	\$ 97,375
Expenditures									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ 46,622	\$ -	\$ -	\$ -	\$ -
Fire department	-	-	-	-	-	5,715	-	-	-
911 system	-	1,437,666	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Engineering services	-	-	14,730	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Community development	50,397	-	-	-	-	-	-	83,444	-
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	149,363	1,287,513	-	9,085	-	-	-	-
Total Expenditures	\$ 50,397	\$1,587,029	\$ 1,302,243	\$ -	\$ 55,707	\$ 5,715	\$ -	\$ 83,444	\$ -
Excess (Deficiency) of Revenues Over Expenditures	\$ (25,277)	\$ (438,438)	\$ (126,433)	\$ 4,046	\$ 33,109	\$ 484	\$ 408,284	\$ 44,111	\$ 97,375
Other Financing Sources (Uses)									
Cost share transfers, net	\$ (23,998)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	739,400	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	(1,376)	-	(406,249)	(69,620)	(87,318)
Debt proceeds	-	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ (23,998)	\$ 739,400	\$ -	\$ -	\$ (1,376)	\$ -	\$ (406,249)	\$ (69,620)	\$ (87,318)
Net Change in Fund Balances	\$ (49,275)	\$ 300,962	\$ (126,433)	\$ 4,046	\$ 31,733	\$ 484	\$ 2,035	\$ (25,509)	\$ 10,057
Fund Balances, May 1, 2016	(29,735)	510,184	2,418,613	80,197	206,670	17,971	142,437	853,110	963,005
Fund Balances, April 30, 2017	\$ (79,010)	\$ 811,146	\$ 2,292,180	\$ 84,243	\$ 238,403	\$ 18,455	\$ 144,472	\$ 827,601	\$ 973,062

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, 2017

	Special Revenue Funds				Capital Projects Funds			
	CBD Loan	Neighborhood Rehab Loan	Energy Grant Loan	Tourism Tax	Total Special Revenue Funds	Sanitation Connection	TIF #2	TIF #3
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,639	\$ -	\$ 414,768	\$ 26,368
Public service taxes	-	-	-	1,001,290	2,681,052	-	-	-
Franchise taxes	-	-	-	-	407,496	-	-	-
Grants and contributions	-	-	-	-	188,589	-	16,645	-
Charges for services	-	-	-	-	-	119,072	-	-
Fines and forfeitures	-	-	-	-	62,824	-	-	-
Intergovernmental	-	-	-	-	496,052	-	-	-
Investment earnings	18,259	366	309	620	66,843	2,092	4,873	183
Miscellaneous	248,216	3,839	-	36	448,236	-	298	-
Total Revenues	\$ 266,475	\$ 4,205	\$ 309	\$ 1,001,946	\$ 4,354,731	\$ 121,164	\$ 436,584	\$ 26,551
Expenditures								
Public Safety								
Police department	\$ -	\$ -	\$ -	\$ -	\$ 46,622	\$ -	\$ -	\$ -
Fire department	-	-	-	-	5,715	-	-	-
911 system	-	-	-	-	1,437,666	-	-	-
Public works	-	-	-	-	-	-	-	-
Engineering services	-	-	-	-	14,730	-	-	-
Culture and recreation	-	-	-	745,304	745,304	-	-	-
Community development	50,000	-	-	-	183,841	-	264,342	-
Debt Service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	1,445,961	31,972	133,177	59,107
Total Expenditures	\$ 50,000	\$ -	\$ -	\$ 745,304	\$ 3,879,839	\$ 31,972	\$ 397,519	\$ 59,107
Excess (Deficiency) of Revenues Over Expenditures	\$ 216,475	\$ 4,205	\$ 309	\$ 256,642	\$ 474,892	\$ 89,192	\$ 39,065	\$ (32,556)
Other Financing Sources (Uses)								
Cost share transfers, net	\$ -	\$ -	\$ -	\$ (20,023)	\$ (44,021)	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-	739,400	-	-	-
Operating transfers out	(27,000)	-	-	(235,840)	(827,403)	-	(40,000)	-
Debt proceeds	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ (27,000)	\$ -	\$ -	\$ (255,863)	\$ (132,024)	\$ -	\$ (40,000)	\$ -
Net Change in Fund Balances	\$ 189,475	\$ 4,205	\$ 309	\$ 779	\$ 342,868	\$ 89,192	\$ (935)	\$ (32,556)
Fund Balances, May 1, 2016	636,546	192,703	62,779	211,320	6,265,800	397,517	746,087	44,513
Fund Balances, April 30, 2017	\$ 826,021	\$ 196,908	\$ 63,088	\$ 212,099	\$ 6,608,668	\$ 486,709	\$ 745,152	\$ 11,957

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, 2017

	Capital Projects Funds				Debt Service Funds		
	2009 OLC Capital Projects	Sewer Equipment	QMEA Cap Reserve	Fire Equip Improvement	Total Capital Projects Funds	2013A Bond	2013B HVAC Bond
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 441,136	\$ -	\$ -
Public service taxes	-	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	16,645	-	-
Charges for services	-	-	-	94,918	213,990	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Investment earnings	576	1,173	984	2,432	12,313	789	67
Miscellaneous	-	-	-	-	298	-	-
Total Revenues	\$ 576	\$ 1,173	\$ 984	\$ 97,350	\$ 684,382	\$ 789	\$ 67
Expenditures							
Public Safety							
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire department	-	-	-	-	-	-	-
911 system	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Engineering services	-	-	-	-	-	-	-
Culture and recreation	155,350	-	-	-	155,350	-	-
Community development	-	-	-	-	264,342	-	-
Debt Service							
Principal retirement	-	-	-	-	-	211,294	125,902
Interest and charges	-	-	-	-	-	787	13,590
Capital Outlay	-	-	-	-	224,256	-	-
Total Expenditures	\$ 155,350	\$ -	\$ -	\$ -	\$ 643,948	\$ 212,081	\$ 139,492
Excess (Deficiency) of Revenues Over Expenditures	\$ (154,774)	\$ 1,173	\$ 984	\$ 97,350	\$ 40,434	\$ (211,292)	\$ (139,425)
Other Financing Sources (Uses)							
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-	-	63,980	139,493
Operating transfers out	-	-	-	-	(40,000)	-	-
Debt proceeds	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ (40,000)	\$ 63,980	\$ 139,493
Net Change in Fund Balances	\$ (154,774)	\$ 1,173	\$ 984	\$ 97,350	\$ 434	\$ (147,312)	\$ 68
Fund Balances, May 1, 2016	154,793	238,242	199,959	430,745	2,211,856	147,593	2
Fund Balances, April 30, 2017	\$ 19	\$ 239,415	\$ 200,943	\$ 528,095	\$ 2,212,290	\$ 281	\$ 70

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, 2017

	2010 GO Bond	2015 GO Bond	2009 OLC G/O Bond	2009 Library Bond	2015 GO Note	Total Debt Service Funds	Total Non-Major Governmental Funds
Revenues							
Property taxes	\$ 91,067	\$ 980,817	\$ -	\$ 373,937	\$ -	\$ 1,445,821	\$ 1,890,596
Public service taxes	-	-	-	-	-	-	2,681,052
Franchise taxes	-	-	-	-	-	-	407,496
Grants and contributions	-	-	-	-	-	-	205,234
Charges for services	-	-	-	-	-	-	213,990
Fines and forfeitures	-	-	-	-	-	-	62,824
Intergovernmental	-	-	-	-	-	-	496,052
Investment earnings	372	887	309	961	-	3,385	82,541
Miscellaneous	-	-	-	112,176	-	112,176	560,710
Total Revenues	\$ 91,439	\$ 981,704	\$ 309	\$ 487,074	\$ -	\$ 1,561,382	\$ 6,600,495
Expenditures							
Public Safety							
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,622
Fire department	-	-	-	-	-	-	5,715
911 system	-	-	-	-	-	-	1,437,666
Public works	-	-	-	-	-	-	-
Engineering services	-	-	-	-	-	-	14,730
Culture and recreation	-	-	-	-	-	-	900,654
Community development	-	-	-	-	-	-	448,183
Debt Service							
Principal retirement	80,000	990,000	-	215,000	134,235	1,756,431	1,756,431
Interest and charges	10,700	89,600	44,715	268,213	15,285	442,890	442,890
Capital Outlay	-	-	-	-	-	-	1,670,217
Total Expenditures	\$ 90,700	\$ 1,079,600	\$ 44,715	\$ 483,213	\$ 149,520	\$ 2,199,321	\$ 6,723,108
Excess (Deficiency) of Revenues Over Expenditures	\$ 739	\$ (97,896)	\$ (44,406)	\$ 3,861	\$ (149,520)	\$ (637,939)	\$ (122,613)
Other Financing Sources (Uses)							
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (44,021)
Operating transfers in	-	107,624	171,860	-	149,520	632,477	1,371,877
Operating transfers out	-	-	-	-	-	-	(867,403)
Debt proceeds	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ 107,624	\$ 171,860	\$ -	\$ 149,520	\$ 632,477	\$ 460,453
Net Change in Fund Balances	\$ 739	\$ 9,728	\$ 127,454	\$ 3,861	\$ -	\$ (5,462)	\$ 337,840
Fund Balances, May 1, 2016	72,265	58,197	22,279	141,665	-	442,001	8,919,657
Fund Balances, April 30, 2017	\$ 73,004	\$ 67,925	\$ 149,733	\$ 145,526	\$ -	\$ 436,539	\$ 9,257,497

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, 2017

	Enterprise Funds	Total
	Quincy Municipal Dock	Non-Major Proprietary Funds
Assets		
Current Assets		
Cash and cash equivalents	\$ 418,277	\$ 418,277
Receivables, net	26,558	26,558
Total Current Assets	\$ 444,835	\$ 444,835
Noncurrent Assets		
Capital assets:		
Land	\$ 19,945	\$ 19,945
Systems	145,556	145,556
Buildings and improvements	241,282	241,282
Less: Accumulated depreciation	(307,677)	(307,677)
Total Noncurrent Assets	\$ 99,106	\$ 99,106
Total Assets	\$ 543,941	\$ 543,941
Liabilities		
Current Liabilities		
Accounts payable	\$ 64	\$ 64
Total Liabilities	\$ 64	\$ 64
Net Position		
Invested in capital assets, net of debt	\$ 99,106	\$ 99,106
Unrestricted	444,771	444,771
Total Net Position	\$ 543,877	\$ 543,877

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, 2017

	Enterprise Funds	Total
	Quincy Municipal Dock	Non-Major Proprietary Funds
Operating Revenues		
Charges for services	\$ 203,274	\$ 203,274
Total Revenues	\$ 203,274	\$ 203,274
Operating Expenses		
Purchased services	\$ 3,556	\$ 3,556
Supplies	1,151	1,151
Depreciation expense	20,737	20,737
Total Operating Expenses	\$ 25,444	\$ 25,444
Operating Income	\$ 177,830	\$ 177,830
Nonoperating Revenues (Expenses)		
Interest revenue	\$ 2,055	\$ 2,055
Operating transfers in	-	-
Operating transfers out	(150,000)	(150,000)
Total Nonoperating Revenues (Expenses)	\$ (147,945)	\$ (147,945)
Change in Net Position	\$ 29,885	\$ 29,885
Net Position, May 1, 2016	513,992	513,992
Net Position, April 30, 2017	\$ 543,877	\$ 543,877

City of Quincy, Illinois
Combining Statement of Cash Flows
Non-Major Proprietary Funds
For the Year Ended April 30, 2017

	Enterprise Funds	Total
	Quincy Municipal Dock	Non-Major Proprietary Funds
Cash Flows from Operating Activities		
Receipts from customers	\$ 217,970	\$ 217,970
Payments to suppliers	(4,711)	(4,711)
Payments to employees	-	-
Net Cash Provided by Operations	\$ 213,259	\$ 213,259
Cash Flows from Noncapital Financing Activities		
Operating subsidies and transfers	\$ (150,000)	\$ (150,000)
Cash Flows from Investing Activities		
Interest received	\$ 2,055	\$ 2,055
Net Cash Provided by Investing Activities	\$ 2,055	\$ 2,055
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 65,314	\$ 65,314
Cash and Cash Equivalents, May 1, 2015	352,963	352,963
Cash and Cash Equivalents, April 30, 2016	\$ 418,277	\$ 418,277
Operating Income	\$ 177,830	\$ 177,830
Adjustments to reconcile Operating Income:		
Amortization and depreciation	20,737	20,737
(Increase) Decrease in:		
Accounts receivable	14,696	14,696
Increase (Decrease) in:		
Accounts payable	(4)	(4)
Accrued expenses	-	-
Accrued compensated absences	-	-
Cash flows from operating activities	\$ 213,259	\$ 213,259

City of Quincy, Illinois
Combining Statement of Net Position - Governmental-Type Activities
Internal Service Funds
April 30, 2017

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Assets						
Current Assets						
Cash and cash equivalents	\$ 1,732,399	\$ 201	\$ 107,592	\$ 2,988,283	\$ 1,161,964	\$ 5,990,439
Receivables, net	815	185,795	-	367	95,953	282,930
Inventories	38,545	-	-	-	-	38,545
Total Current Assets	\$ 1,771,759	\$ 185,996	\$ 107,592	\$ 2,988,650	\$ 1,257,917	\$ 6,311,914
Noncurrent Assets						
Capital assets:						
Land	\$ -	\$ 488,071	\$ -	\$ -	\$ -	\$ 488,071
Systems	-	665,167	-	-	-	665,167
Buildings and improvements	-	2,210,394	-	-	-	2,210,394
Vehicles and equipment	3,890,890	1,884,290	-	7,469	-	5,782,649
Less: Accumulated depreciation	(3,576,039)	(2,299,284)	-	(7,469)	-	(5,882,792)
Total Noncurrent Assets	\$ 314,851	\$ 2,948,638	\$ -	\$ -	\$ -	\$ 3,263,489
Total Assets	\$ 2,086,610	\$ 3,134,634	\$ 107,592	\$ 2,988,650	\$ 1,257,917	\$ 9,575,403
Deferred Outflows of Resources - Pension	\$ 155,716	\$ 472,384	\$ -	\$ 38,060	\$ -	\$ 666,160
Liabilities						
Current Liabilities						
Accounts payable	\$ 20,769	\$ 79,603	\$ -	\$ 6,850	\$ 524,918	\$ 632,140
Accrued expenses	8,280	29,602	-	3,933	392,316	434,131
Compensated absences	15,786	56,915	-	6,261	-	78,962
Total Current Liabilities	\$ 44,835	\$ 166,120	\$ -	\$ 17,044	\$ 917,234	\$ 1,145,233
Noncurrent Liabilities						
Compensated absences	\$ 25,132	\$ 110,919	\$ -	\$ 9,882	\$ -	\$ 145,933
Net pension liability	259,177	781,824	-	63,029	-	1,104,030
Total Noncurrent Liabilities	\$ 284,309	\$ 892,743	\$ -	\$ 72,911	\$ -	\$ 1,249,963
Total Liabilities	\$ 329,144	\$ 1,058,863	\$ -	\$ 89,955	\$ 917,234	\$ 2,395,196
Deferred Inflows of Resources - Pension	\$ 40,840	\$ 123,195	\$ -	\$ 9,932	\$ -	\$ 173,967
Net Position						
Invested in capital assets, net of debt	\$ 314,851	\$ 2,948,638	\$ -	\$ -	\$ -	\$ 3,263,489
Restricted for debt service	-	-	-	-	-	-
Unrestricted	1,557,491	(523,678)	107,592	2,926,823	340,683	4,408,911
Total Net Position	\$ 1,872,342	\$ 2,424,960	\$ 107,592	\$ 2,926,823	\$ 340,683	\$ 7,672,400

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, 2017

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Operating Revenues						
Charges for services	\$ 1,457,086	\$ 1,063,013	\$ 41,425	\$ 2,449,217	\$ 5,658,645	\$ 10,669,386
Miscellaneous	27,123	14,999	-	305	2,403	44,830
Total Revenues	\$ 1,484,209	\$ 1,078,012	\$ 41,425	\$ 2,449,522	\$ 5,661,048	\$ 10,714,216
Operating Expenses						
Salaries and wages	\$ 301,990	\$ 1,333,200	\$ -	\$ 111,671	\$ -	\$ 1,746,861
Benefits	235,637	843,271	-	35,187	-	1,114,095
Purchased services	226,362	1,313,811	-	1,918,073	-	3,458,246
Supplies	715,496	88,419	-	14,380	-	818,295
Claims	-	-	29,555	28,002	6,313,306	6,370,863
Other	-	202,007	-	41,785	-	243,792
Depreciation expense	67,552	255,996	-	-	-	323,548
Total Operating Expenses	\$ 1,547,037	\$ 4,036,704	\$ 29,555	\$ 2,149,098	\$ 6,313,306	\$ 14,075,700
Operating Income	\$ (62,828)	\$ (2,958,692)	\$ 11,870	\$ 300,424	\$ (652,258)	\$ (3,361,484)
Nonoperating Revenues (Expenses)						
Interest and investment revenue	\$ 7,809	\$ 14	\$ 499	\$ 13,825	\$ 8,791	\$ 30,938
Operating transfers in	341,982	2,603,500	-	-	-	2,945,482
Operating transfers out	-	(149,520)	-	-	-	(149,520)
Total Nonoperating Revenues (Expenses)	\$ 349,791	\$ 2,453,994	\$ 499	\$ 13,825	\$ 8,791	\$ 2,826,900
Change in Net Position	\$ 286,963	\$ (504,698)	\$ 12,369	\$ 314,249	\$ (643,467)	\$ (534,584)
Net Position, May 1, 2016	1,585,379	2,929,658	95,223	2,612,574	984,150	8,206,984
Net Position, April 30, 2017	\$ 1,872,342	\$ 2,424,960	\$ 107,592	\$ 2,926,823	\$ 340,683	\$ 7,672,400

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, 2017

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Cash Flows from Operating Activities						
Receipts from customers	\$ 1,457,041	\$ 1,183,127	\$ -	\$ -	\$ 2,087,601	\$ 4,727,769
Payments to suppliers	(1,213,059)	(2,230,345)	-	(1,966,652)	-	(5,410,056)
Payments to employees	(360,231)	(1,239,572)	-	(111,075)	(113,651)	(1,824,529)
Internal activity-payments from other funds	-	-	41,425	2,448,855	3,552,749	6,043,029
Claims paid	-	-	(29,555)	(28,002)	(6,231,417)	(6,288,974)
Other receipts (payments)	27,123	(187,008)	-	(41,480)	2,403	(198,962)
Net Cash Provided by Operations	<u>\$ (89,126)</u>	<u>\$ (2,473,798)</u>	<u>\$ 11,870</u>	<u>\$ 301,646</u>	<u>\$ (702,315)</u>	<u>\$ (2,951,723)</u>
Cash Flows from Noncapital Financing Activities						
Operating subsidies and transfers	<u>\$ 341,982</u>	<u>\$ 2,453,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,795,962</u>
Cash Flows from Capital and Related Financing Activities						
Purchases of capital assets	\$ (71,528)	\$ -	\$ -	\$ -	\$ -	\$ (71,528)
Disposal of capital assets	-	20,000	-	-	-	20,000
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ (71,528)</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,528)</u>
Cash Flows from Investing Activities						
Interest received	<u>\$ 7,809</u>	<u>\$ 14</u>	<u>\$ 499</u>	<u>\$ 13,825</u>	<u>\$ 8,791</u>	<u>\$ 30,938</u>
Net Cash Provided by Investing Activities	<u>\$ 7,809</u>	<u>\$ 14</u>	<u>\$ 499</u>	<u>\$ 13,825</u>	<u>\$ 8,791</u>	<u>\$ 30,938</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 189,137	\$ 196	\$ 12,369	\$ 315,471	\$ (693,524)	\$ (176,351)
Cash and Cash Equivalents, May 1, 2016	<u>1,543,262</u>	<u>5</u>	<u>95,223</u>	<u>2,672,812</u>	<u>1,855,488</u>	<u>6,166,790</u>
Cash and Cash Equivalents, April 30, 2017	<u><u>\$ 1,732,399</u></u>	<u><u>\$ 201</u></u>	<u><u>\$ 107,592</u></u>	<u><u>\$ 2,988,283</u></u>	<u><u>\$ 1,161,964</u></u>	<u><u>\$ 5,990,439</u></u>

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, 2017

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Reconciliation of operating income to net cash flows from operating activities						
Operating Income	\$ (62,828)	\$ (2,958,692)	\$ 11,870	\$ 300,424	\$ (652,258)	\$ (3,361,484)
Adjustments to reconcile Operating Income:						
Amortization and depreciation	67,552	255,996	-	-	-	323,548
(Increase) Decrease in:						
Accounts receivable	(45)	120,114	-	(362)	(18,295)	101,412
Inventories	7,024	-	-	-	-	7,024
Deferred outflows	24,929	71,684	-	18,183	-	114,796
Increase (Decrease) in:						
Accounts payable	(42,588)	15,156	-	988	81,889	55,445
Accrued expenses	319	1,906	-	374	(113,651)	(111,052)
Accrued compensated absences	(84,387)	4,378	-	3,279	-	(76,730)
Net pension liability	(31,571)	(82,647)	-	(28,536)	-	(142,754)
Deferred inflows	32,469	98,307	-	7,296	-	138,072
Cash flows from operating activities	<u>\$ (89,126)</u>	<u>\$ (2,473,798)</u>	<u>\$ 11,870</u>	<u>\$ 301,646</u>	<u>\$ (702,315)</u>	<u>\$ (2,951,723)</u>

City of Quincy, Illinois
Combining Statement of Fiduciary Net Position - Pension Funds
April 30, 2017

	Police Retirement Plan	Firefighter Retirement Plan	Total Retirement Plans
Assets			
Current Assets			
Cash and cash equivalents	\$ 565,619	\$ 951,268	\$ 1,516,887
Investments	32,804,159	28,549,521	61,353,680
Receivables, net	1,956,102	2,083,212	4,039,314
Total Assets	\$ 35,325,880	\$ 31,584,001	\$ 66,909,881
Liabilities			
Current Liabilities			
Accrued expenses	\$ 39,457	\$ 28,615	\$ 68,072
Total Liabilities	\$ 39,457	\$ 28,615	\$ 68,072
Deferred Inflows of Resources			
Unearned property taxes	\$ 1,881,947	\$ 2,017,585	\$ 3,899,532
Net Position			
Held in trust for pension benefits	\$ 33,404,476	\$ 29,537,801	\$ 62,942,277
Total Net Position	\$ 33,404,476	\$ 29,537,801	\$ 62,942,277

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

City of Quincy, Illinois
Combining Statement of Changes in Fiduciary Net Position - Pension Funds
For the Year Ended April 30, 2017

	Police Retirement Plan	Firefighter Retirement Plan	Total Retirement Plans
Additions			
Taxes:			
Property taxes	\$ 1,828,188	\$ 2,042,068	\$ 3,870,256
Personal Property Replacement tax	328,606	473,165	801,771
Total taxes	<u>\$ 2,156,794</u>	<u>\$ 2,515,233</u>	<u>\$ 4,672,027</u>
Contributions:			
Plan members	\$ 501,774	\$ 390,594	\$ 892,368
Other	247,677	247,647	495,324
	<u>\$ 749,451</u>	<u>\$ 638,241</u>	<u>\$ 1,387,692</u>
Investment earnings:			
Net increase (decrease) in fair value	\$ 1,571,943	\$ 1,937,253	\$ 3,509,196
Realized gain (loss) on sale of investments	505,422	370,642	876,064
Interest	243,450	261,231	504,681
Dividends	414,538	417,702	832,240
Total investment earnings	<u>\$ 2,735,353</u>	<u>\$ 2,986,828</u>	<u>\$ 5,722,181</u>
Total Additions	<u>\$ 5,641,598</u>	<u>\$ 6,140,302</u>	<u>\$ 11,781,900</u>
Deductions			
Benefits	\$ 3,448,643	\$ 3,524,482	\$ 6,973,125
Administrative expenses	122,126	154,573	276,699
Total Deductions	<u>\$ 3,570,769</u>	<u>\$ 3,679,055</u>	<u>\$ 7,249,824</u>
Change in net position	\$ 2,070,829	\$ 2,461,247	\$ 4,532,076
Net position, May 1, 2016	31,333,647	27,076,554	58,410,201
Net position, April 30, 2017	<u><u>\$ 33,404,476</u></u>	<u><u>\$ 29,537,801</u></u>	<u><u>\$ 62,942,277</u></u>

City of Quincy, Illinois
Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds
April 30, 2017

	Sister City Commission	Lincoln Bicentennial Commission	Human Rights Commission	City Tree Board	Bridge Lighting Fund	Total Private Purpose
Assets						
Current Assets						
Cash and equivalents	\$ 9,995	\$ 1,484	\$ 646	\$ 153	\$ 78,310	\$ 90,588
Receivables, net	-	-	-	-	2,400	2,400
Total Assets	\$ 9,995	\$ 1,484	\$ 646	\$ 153	\$ 80,710	\$ 92,988
Liabilities						
Current Liabilities						
Accounts payable	\$ 1,976	\$ -	\$ -	\$ 153	\$ 272	\$ 2,401
Total Liabilities	\$ 1,976	\$ -	\$ -	\$ 153	\$ 272	\$ 2,401
Net Position						
Restricted for future expenditures	\$ 8,019	\$ 1,484	\$ 646	\$ -	\$ 80,438	\$ 90,587
Total Net Position	\$ 8,019	\$ 1,484	\$ 646	\$ -	\$ 80,438	\$ 90,587

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, 2017

	Sister City Commission	Lincoln Bicentennial Commission	Human Rights Commission	City Tree Board	Bridge Lighting Fund	Total Private Purpose
Additions						
Contributions:						
Outside agencies	\$ 14,065	\$ 3,227	\$ -	\$ -	\$ 5,800	\$ 23,092
Transfers from general fund	5,000	-	-	-	-	5,000
	<u>\$ 19,065</u>	<u>\$ 3,227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,800</u>	<u>\$ 28,092</u>
Investment earnings:						
Interest	\$ 42	\$ 4	\$ 3	\$ 26	\$ -	\$ 75
Total investment earnings	<u>\$ 42</u>	<u>\$ 4</u>	<u>\$ 3</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 75</u>
Total Additions	<u>\$ 19,107</u>	<u>\$ 3,231</u>	<u>\$ 3</u>	<u>\$ 26</u>	<u>\$ 5,800</u>	<u>\$ 28,167</u>
Deductions						
Payments to others	\$ 17,198	\$ 2,254	\$ -	\$ 7,698	\$ 272	\$ 27,422
Total Deductions	<u>\$ 17,198</u>	<u>\$ 2,254</u>	<u>\$ -</u>	<u>\$ 7,698</u>	<u>\$ 272</u>	<u>\$ 27,422</u>
Change in net position	\$ 1,909	\$ 977	\$ 3	\$ (7,672)	\$ 5,528	\$ 745
Net position, May 1, 2016	<u>6,110</u>	<u>507</u>	<u>643</u>	<u>7,672</u>	<u>74,910</u>	<u>89,842</u>
Net position, April 30, 2017	<u><u>\$ 8,019</u></u>	<u><u>\$ 1,484</u></u>	<u><u>\$ 646</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 80,438</u></u>	<u><u>\$ 90,587</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, 2017

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
2018	\$ 90,000	\$ 7,380	\$ -	\$ 93,616	\$ 1,215,000	\$ 67,050
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>\$ 250,000</u>	<u>\$ 12,060</u>	<u>\$ 4,115,000</u>	<u>\$ 848,266</u>	<u>\$ 3,960,000</u>	<u>\$ 121,100</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
2018	\$ 138,387	\$ 7,275	\$ 200,000	\$ 44,215	\$ 240,000	\$ 257,400
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>\$ 411,328</u>	<u>\$ 13,319</u>	<u>\$ 1,245,000</u>	<u>\$ 161,649</u>	<u>\$ 4,495,000</u>	<u>\$ 1,914,420</u>

City of Quincy, Illinois
 Schedule of Long-term Debt Service Requirements (Concluded)
 April 30, 2016

Year Ending April 30	General Obligation (Limited Tax) Notes Series 2014		Total General Obligation Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 138,306	\$ 11,207	\$ 2,021,693	\$ 488,143
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>\$ 665,794</u>	<u>\$ 31,933</u>	<u>\$ 15,142,122</u>	<u>\$ 3,102,747</u>

City of Quincy, Illinois
Principal Taxpayers in the City
April 30, 2016

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

Taxpayer	2002 EAV (Approximate)	% of City's EAV
Quincy Mall, Inc.	\$ 5,999,560	1.64%
QP&S Properties	5,009,540	1.37%
W-H Associates, LLC	2,979,130	0.81%
Wis-Pak of Quincy, Inc.	2,639,500	0.72%
Wal-Mart Real Estate Business Trust	2,441,380	0.67%
Quincy Partners	1,684,360	0.46%
Hollister Whitney Elevator Corp.	1,612,720	0.44%
Sandelman, Sanford & Susan Trust	1,379,070	0.38%
Quincy King Development	1,327,050	0.36%
Quincy King Dev Co-c/o Walmart Stores #55-1454	1,233,210	0.34%
Total of Top 10 EAV's	<u>\$ 26,305,520</u>	<u>7.18%</u>
Total for City of Quincy	<u>\$ 366,448,605</u>	

Source: Adams County, Illinois, Clerk's Office

Taxpayer	2015 EAV (Approximate)	% of City's EAV
QP&S Properties	\$ 8,335,080	1.33%
Quincy-Cullinan LLC	7,053,320	1.12%
Blessing Hospital	6,815,280	1.08%
Charles & Kathie Marx	3,278,190	0.52%
Blessing Corporate Services	3,133,660	0.50%
Menard, Inc.	3,110,700	0.49%
Wal-Mart Real Estate Business Trust	2,948,010	0.47%
Orix Sansone Quincy Venture	2,831,550	0.45%
Walmart	2,544,360	0.40%
Mercantile Bank	2,278,580	0.36%
Wis-Pak of Quincy, Inc.	2,168,570	0.34%
Total of Top 10 EAV's	<u>\$ 44,497,300</u>	<u>7.08%</u>
Total for City of Quincy	<u>\$ 628,824,897</u>	

Source: Adams County, Illinois, Clerk's Office

City of Quincy, Illinois
Revenue Base, Revenue Rates and Property Tax Levies
April 30, 2017

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Residential	\$ 341,632,107	\$ 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
Farm	359,350	389,110	403,190	365,380	373,840	378,270	382,850	390,920	473,770	490,350
Commercial	134,175,431	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
Industrial	8,929,660	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
Railroads	580,234	655,126	770,619	834,400	974,773	1,034,259	1,114,449	1,128,324	1,131,428	1,276,184
Total (Incl. TIF)	<u>\$ 485,676,782</u>	<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>

Source: Adams County, Illinois, Clerk's Office

**Revenue Rates:
Tax Rate Trends**

Purpose	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Corporate	0.11357	0.02103	-	-	-	-	-	-	-	-
Fire Pension	0.24485	0.29390	0.35043	0.36990	0.34708	0.33511	0.34214	0.32564	0.33675	0.32085
Police Pension	0.20623	0.23015	0.26011	0.28697	0.24536	0.24693	0.26093	0.27390	0.30148	0.29928
Library	0.25422	0.26646	0.19829	0.12718	0.14063	0.12939	0.12844	0.12276	0.12064	0.11642
GOCP Bonds	0.18650	0.17649	0.23949	0.22808	0.26963	0.28216	0.28500	0.27540	0.23836	0.29182
Total	<u>1.00537</u>	<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>

Source: Adams County, Illinois, Clerk's Office

**Property Tax Levy:
Tax Extensions**

Levy Year	Assessed Valuation	Tax Extension (Excl. TIF)
2007	485,676,782	4,882,849
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	628,824,897	6,466,647

Source: Adams County, Illinois, Clerk's Office

City of Quincy, Illinois
Debt Capacity and Debt Ratios
April 30, 2017

Debt Capacity:

Direct General Obligation Debt

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Obligation	\$ 16,387,734	\$ 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
Notes Payable - Bank	1,004,775	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
Total	\$ 17,392,509	\$ 16,970,751	\$ 15,392,233	\$ 28,226,316	\$ 26,793,694	\$ 19,929,293	\$ 18,460,128	\$ 16,780,855	\$ 15,963,341	\$ 12,962,480	\$ 15,304,622

Source: Comprehensive Annual Financial Report

Debt Ratios:

Direct Debt

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Est. Full Value of Taxable Property Equalized Assessed Valuation (incl. TIF)	\$ 1,362,778,995	\$ 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
Population, Census	40,366	40,366	40,366	40,366	40,633	40,633	40,633	40,633	40,633	40,633	40,633

Source: Adams County, Illinois, Clerk's Office

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Per Capita	\$ 430.87	\$ 420.42	\$ 381.32	\$ 699.26	\$ 659.41	\$ 490.47	\$ 454.31	\$ 412.99	\$ 392.87	\$ 319.01	\$ 376.65
Percent of Estimated Full Value	1.28%	1.16%	0.99%	1.73%	1.60%	1.18%	1.09%	0.98%	0.89%	0.71%	0.81%
Percent of Equalized Assessed Value	3.83%	3.49%	2.97%	5.19%	4.79%	3.53%	3.26%	2.94%	2.68%	2.14%	2.43%

The City has no debt limit.

City of Quincy, Illinois
Number of Employees and Level of Service
April 30, 2017

Number of Employees

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Full-time	368	338	340	333	332	327	315	297	311
Part-time	53	64	61	49	45	42	40	19	55
Total	421	402	401	382	377	369	355	316	366

Level of Service

Employee Count by Function

Full-time Employees Only

	2009	2010	2011	2012	2013	2015	2015	2016	2017
Police sworn	76	75	76	75	74	75	71	70	74
Fire sworn	69	64	64	64	63	63	60	58	60
911 (all)	20	21	19	20	20	22	20	19	20
Transit (Union only)	23	20	23	20	20	21	20	15	15
822 Union only (Water, Sewer, Airport, Central Services)	99	84	84	82	82	79	77	76	79
Administration (no legal)	81	74	74	72	73	67	67	59	63
Total	368	338	340	333	332	327	315	297	311

City of Quincy, Illinois
Employment Rates for Quincy and Adams County
April 30, 2017

Demographics

Employment Rates for City of Quincy

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Labor Force	22,852	22,538	22,182	22,338	22,064	21,654	21,403	19,446	19,406	19,251
Employed	21,963	21,350	20,424	20,543	20,491	20,214	19,902	18,332	18,366	18,279
Unemployed	889	1,188	1,758	1,795	1,573	1,440	1,501	1,114	1,040	972
Rate	3.9%	5.3%	7.9%	8.0%	7.1%	6.7%	7.0%	5.7%	5.4%	5.0%

Source: Illinois Department of Employment Security

Employment Rates for Adams County

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Labor Force	39,511	38,873	38,092	38,371	37,424	36,751	36,179	32,629	32,588	32,390
Employed	38,108	36,907	35,304	35,525	34,939	34,469	33,841	30,872	30,947	30,832
Unemployed	1,403	1,966	2,788	2,846	2,485	2,282	2,338	1,757	1,641	1,558
Rate	3.6%	5.1%	7.3%	7.4%	6.6%	6.2%	6.5%	5.4%	5.0%	4.8%

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, 2017, 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 13, 2017.

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 13, 2017
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, 2017. 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, 2017.

**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 13, 2017
Quincy, Illinois

City of Quincy, Illinois
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended April 30, 2017

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Number	Expenditures
U.S. Department of Justice			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0623	\$ 7,205
Bulletproof Vest Partnership Program	16.607	2015BUBX14071561	6,831
Total U.S. Department of Justice			\$ 14,036
U.S. Department of Transportation			
Illinois Department of Transportation			
Airport Improvement Program	20.106	UIN-4332-000	\$ 310,984
Airport Improvement Program	20.106	UIN-4418-000	7,996
Airport Improvement Program	20.106	UIN-4486-000	50,722
			<u>\$ 369,702</u>
Formula Grants for Rural Areas	20.509	IL-18-X032	M \$ 600,253
State and Community Highway Safety	20.600	OP16-0138	\$ 7,011
State and Community Highway Safety	20.600	OP17-0048	18,113
National Priority Safety Programs			<u>\$ 25,124</u>
Federal Transit Capital Investment Grant	20.500	IL-04-0085	<u>\$ 285,462</u>
Total U.S. Department of Transportation			\$ 1,280,541
U.S. Department of Homeland Security			
Illinois Law Enforcement Alarm System			
Homeland Security Grant Program	97.067	MFF	\$ 2,214
	97.067	WMD	20,277
Total U.S. Department of Homeland Security			\$ 22,491
Total Federal Expenditures			\$ 1,317,068

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, 2017, the City did not receive any non-monetary assistance.

4. Insurance

As of and for the year ended April 30, 2017, the City had no federal insurance in effect.

5. Federal Loans or Loan Guarantees

As of and for the year ended April 30, 2017, the City had no federal loans or loan guarantees.

6. Indirect Cost Rate

For the year ended April 30, 2017, the City did not elect to use the 10% de minimis indirect cost rate. The City used an indirect cost rate of 3.83% for administrative cost allowances for its Transit grant program.

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, 2017.

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, 2017.

There were no prior findings or questioned costs to report.