

# City of Quincy, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2015

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# City of Quincy, Illinois

## A Home Rule City

### Council/Mayor Form of Government

(As of April 30, 2015)

MAYOR

Kyle A. Moore

#### CITY COUNCIL

1 <sup>st</sup> Ward	Virgil E. Goehl Glenda A. (Lexze) Mann	5 <sup>th</sup> Ward	John M. (Mike) Rein Jennifer M. Lepper
2 <sup>nd</sup> Ward	Steven K. Duesterhaus David A. Bauer	6 <sup>th</sup> Ward	Daniel J. Brink James A. Musolino
3 <sup>rd</sup> Ward	Gregory P. (Paul) Havermale Jared Holbrook	7 <sup>th</sup> Ward	Jack E. Holtschlag Terri L. Heinecke
4 <sup>th</sup> Ward	Michael H. Farha Anthony E. Sassen		

CITY CLERK

Virginia Hayden

CITY TREASURER

Peggy R. Crim

DIRECTOR OF ADMINISTRATIVE SERVICES

Glenda Hackemack

#### 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	Jarred Hester
Purchasing	James E. Murphy
911 System	Steven D. Rowlands
MIS	James E. Murphy
Human Resources	Stacey O'Brien

## 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, 2015, 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, 2015, 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 and combining statement of financial position – component units on pages 3 through 12 and 58 through 63 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2015, 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 27, 2015  
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.

### **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**

The City's combined net position was \$137.4 million as of April 30, 2015. Analyzing the net position and net income of governmental and business-type activities separately, the business type activities net position is \$81.6 million.

By far the largest portion of the City's net position (84.2 percent) 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.

Table 1  
Summary of Net Position  
at April 30, 2015 and 2014  
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 34.3	\$ 32.1	\$ 15.2	\$ 16.4	\$ 49.5	\$ 48.5
Capital assets - net of depreciation	48.1	49.5	67.7	64.8	115.8	114.3
<b>Total Assets</b>	<b>\$ 82.4</b>	<b>\$ 81.6</b>	<b>\$ 82.9</b>	<b>\$ 81.2</b>	<b>\$ 165.3</b>	<b>\$ 162.8</b>
Current liabilities	\$ 1.7	\$ 1.5	\$ 0.9	\$ 0.9	\$ 2.6	\$ 2.4
Long-term liabilities and debt	23.3	24.0	0.4	0.5	23.7	24.5
<b>Total Liabilities</b>	<b>\$ 25.0</b>	<b>\$ 25.5</b>	<b>\$ 1.3</b>	<b>\$ 1.4</b>	<b>\$ 26.3</b>	<b>\$ 26.9</b>
Deferred Inflows of Resources	\$ 1.6	\$ 1.6	\$ -	\$ -	\$ 1.6	\$ 1.6
Net position:						
Invested in capital assets, net of related debt	\$ 48.1	\$ 49.5	\$ 67.6	\$ 64.6	\$ 115.7	\$ 114.1
Restricted	15.9	14.3	-	-	15.9	14.3
Unrestricted	(8.2)	(9.3)	14.0	15.2	5.8	5.9
<b>Total Net Position</b>	<b>\$ 55.8</b>	<b>\$ 54.5</b>	<b>\$ 81.6</b>	<b>\$ 79.8</b>	<b>\$ 137.4</b>	<b>\$ 134.3</b>

### **Normal Impacts**

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

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

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

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

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

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

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

### **Current Year Impacts**

In fiscal year 2015 city wide salaries & wages grew slightly at 0.36%. However, employee benefit costs such as health insurance grew by about 7%, with departmental premiums increasing \$300,000 city wide. The city also noticed a 2% increase in the workers compensation and general liability insurance areas. The IMRF pension contribution rate decreased from calendar year 2013 rate of 13.12% to the calendar year 2014 rate of 12.65%.

Police and Fire pension fund payments increased over previous year by \$344,722. Police pension increased \$177,280 or 10%, while fire pension contributions increased \$167,440 or 7%.

The EAV for the 2013 year (collected in FY 2015) grew by only 0.74%. The property tax rate grew by about 2%. The City relies heavily on sales tax dollars to meet obligations. Sales Tax alone (state and home rule) make up 53% of the City's General Fund revenues. Municipal sales tax revenues were up \$240,000 which represents a 2.6% increase. Home rule purchase tax was also up \$195,000 or 2% from previous year. The City is obligated to rebate limited portions of the home rule sales tax collected for debt issuance and developer agreements. While the rebate agreements are limited to .75% and 1%, the total rebated amount for fiscal year 2014 was over \$595,000, compared to nearly \$535,000 last year.

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 monthly disbursements during the fiscal year, the lag time has grown. Income tax revenues were flat for FYE 2015 compared to previous year.

City of Quincy, Illinois  
Management's Discussion and Analysis  
For the Fiscal Year Ended April 30, 2015  
(Unaudited)

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

Table 2  
Changes in Net Position  
(in millions)

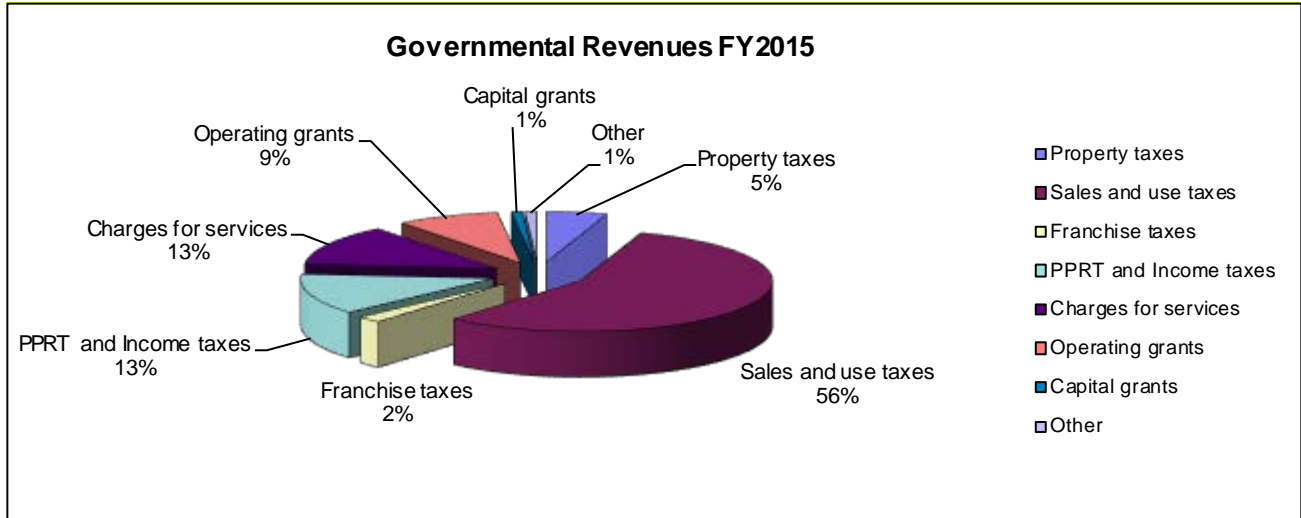
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 5.3	\$ 4.9	\$ 10.3	\$ 11.0	\$ 15.6	\$ 15.9
Operating grants and contributions	3.5	4.5	-	-	3.5	4.5
Capital grants and contributions	0.4	1.0	1.1	0.6	1.5	1.6
<b>General Revenues:</b>						
Property taxes	2.1	2.0	-	-	2.1	2.0
Other taxes	28.8	27.7	-	-	28.8	27.7
Other	0.4	0.4	2.4	1.4	2.8	1.8
<b>Total revenues</b>	<b>\$ 40.5</b>	<b>\$ 40.5</b>	<b>\$ 13.8</b>	<b>\$ 13.0</b>	<b>\$ 54.3</b>	<b>\$ 53.5</b>
<b>Expenses:</b>						
General government	\$ 5.3	\$ 5.0	\$ -	\$ -	\$ 5.3	\$ 5.0
Public safety	18.5	17.7	-	-	18.5	17.7
Public works and engineering	12.2	13.0	-	-	12.2	13.0
Water, Sewer, Airport, Barge Dock	-	-	12.2	13.0	12.2	13.0
Health, Culture, Community Dev	2.3	2.5	-	-	2.3	2.5
Interest on long-term debt	0.7	0.8	-	-	0.7	0.8
<b>Total expenses</b>	<b>\$ 39.0</b>	<b>\$ 39.0</b>	<b>\$ 12.2</b>	<b>\$ 13.0</b>	<b>\$ 51.2</b>	<b>\$ 52.0</b>
Increase (decrease) in net position before transfers and special items	\$ 1.5	\$ 1.5	\$ 1.6	\$ -	\$ 3.1	\$ 1.5
Transfers	(0.2)	(0.8)	0.2	0.8	-	-
Increase (decrease) in net position	\$ 1.3	\$ 0.7	\$ 1.8	\$ 0.8	\$ 3.1	\$ 1.5
Net Position at beginning of year	54.5	53.8	79.8	79.0	134.3	132.8
<b>Net Position at end of year</b>	<b>\$ 55.8</b>	<b>\$ 54.5</b>	<b>\$ 81.6</b>	<b>\$ 79.8</b>	<b>\$ 137.4</b>	<b>\$ 134.3</b>

The City's combined change in net position in FY2015 was an increase of \$3.1 million compared to the increase of \$1.5 million in FY2014. The City's total revenues increased in 2015 by \$0.8 million to \$54.3 million. Of this amount, the Governmental revenues showed no change while Business-type revenues increased by \$0.8 million.

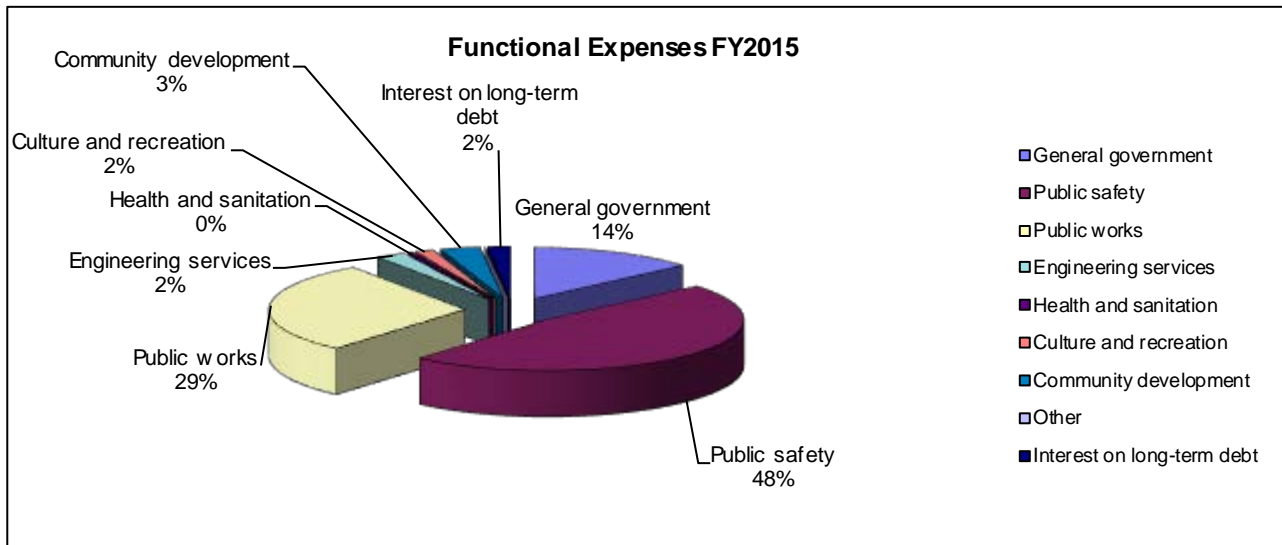
The cost of all City programs decreased by \$0.8 million with the Business-type costs decreasing by \$0.8 million and the Governmental costs remaining the same. In Governmental Activities' expenses, Public Safety expenses increased by \$0.8 million while Public Works/Engineering decreased by \$0.8 million and Health/Culture/Community Development decreased by \$0.2 million. General Government increased by \$0.3 million for FY2015.

The Business-type net position increase of \$1.8 million is due to the \$1 million insurance reimbursement received due to the flooding that occurred in the Spring 2013. The additional revenue impacted net position along with an expense reduction since a bulk of the expenses for the flooding were paid in FY2014.

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

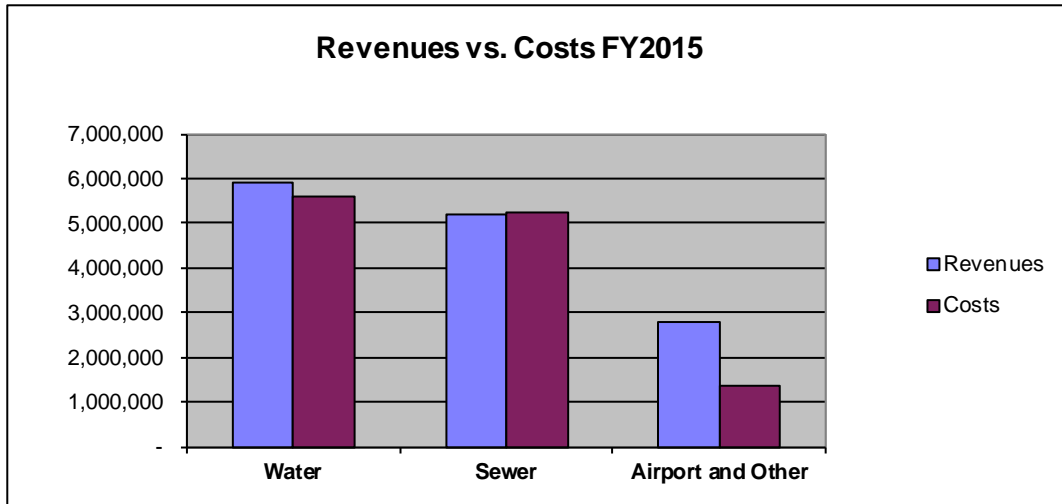


The following graph depicts the different expense categories and the percentage of resources provided for each category:



**Business-type Activities**

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



**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**

Revenues:

For FY2015, revenues from governmental activities totaled \$40.5 million, no change from FY2014. Most significant of the revenue changes was an increase of \$1.1 million in other taxes and a decrease of \$1.0 million in operating grants and contributions.

Intergovernmental revenues (shared state and local sales tax, replacement tax, and income tax) continue to be the City's largest revenue sources, combining for a total of \$28.8 million, or 71.1%, of all Governmental Activities revenues for FY2015.

Business-type Activities saw an increase of \$0.8 million in revenues from the previous fiscal year with charges for services decreasing \$0.7 million and capital grants and contributions increasing by \$0.5 million and other revenue increasing \$1.0 million.

Expenses:

For FY2015, expenditures for governmental activities totaled \$39.0 million, no change from the prior year.

Expenses for Business-type activities decreased by \$0.8 million.

For Governmental Activities the \$40.5 million in revenues was offset by \$39.0 million in expenses resulting in an increase in net position of \$1.5 million before transfers. For Business-type Activities, revenues of \$13.8 million were offset by \$12.2 million in expenses for an increase in net position of \$1.6 million before transfers.

### The City's Funds

For FY2015, the governmental funds of the City reported a combined fund balance of \$22.7 million. This is an increase of 13.4%, or \$2.7 million from last year's combined fund balance of \$20.0 million. The ending balance includes an increase in fund balance of \$0.8 million in the City's General Fund. 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.
- The 2009 Hydro Bond Fund had an increase in fund balance of \$0.5 million. This fund is used to accumulate resources to pay the 2009 Hydro Bond when it comes due. Various transfers were made from other funds to increase this fund balance.

### General Fund Budgeting Highlights

For FY2015, actual expenditures on a budgetary basis were \$27.5 million compared to the budget amount of \$29.0 million. The \$1.5 million variance was due to spending less than budgeted in various areas, especially police, public works, community development and operating transfers out. The largest variances were in the police department of \$0.2 million and the public works and community development of \$0.2 million each. Operating transfers out also had a variance of \$0.5 million with budgeted transfers being more than actual.

The City's actual amounts available for appropriation on a budgetary basis were \$32.4 million as compared to the budget amount of \$32.0 million. This resulted in a variance of \$0.4 million. Much of this variance is due to the budgeting of intergovernmental revenues of \$24.6 million and receiving \$25.0 million due to an increase in sales tax received.

### Capital Assets

At the end of FY2015, the City had \$115.8 million invested in its funds for capital assets. This amount represents a decrease of \$1.5 million or 1.3%. The decrease is due to current year additions exceeding depreciation.

Table 3  
Capital Assets  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Non-Depreciable Assets</b>						
Land	\$ 2.8	\$ 2.8	\$ 1.8	\$ 1.8	\$ 4.6	\$ 4.6
Construction in Progress	0.3	0.3	0.1	-	0.4	0.3
<b>Depreciable Assets</b>						
Vehicles	9.8	8.7	2.8	2.7	12.6	11.4
Buildings and improvements	17.0	16.7	154.2	148.2	171.2	164.9
Equipment and furniture	6.9	6.8	1.9	1.9	8.8	8.7
Infrastructure	124.6	123.1	-	-	124.6	123.1
Accumulated depreciation	(113.3)	(108.9)	(93.1)	(89.8)	(206.4)	(198.7)
	<u>\$ 48.1</u>	<u>\$ 49.5</u>	<u>\$ 67.7</u>	<u>\$ 64.8</u>	<u>\$ 115.8</u>	<u>\$ 114.3</u>



**Debt Outstanding**

At year-end, the City had \$15,683,358 in long-term bond obligations comprised of the following issues:

Table 4  
Outstanding Debt

	Issued	Outstanding
GORN 2014A	\$ 825,000	\$ 419,181
GORN 2015	973,518	930,298
GORN 2014B	907,000	661,350
GORB 2012	1,552,000	415,000
GORB 2005	9,530,000	6,020,000
GOCAB 2009A	6,596,818	1,087,529
GOB 2009B	1,245,000	1,245,000
GOB 2009C	5,533,000	4,905,000
Total	\$ 27,162,336	\$ 15,683,358

**Economic Factors**

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 improved to 4.4% over last year's rate of 4.8%. The city rate is lower than the same-month state unemployment rate of 5.5%.

**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, 2015

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Assets</b>				
Cash and cash equivalents	\$ 23,028,978	\$ 12,300,724	\$ 35,329,702	\$ 890,895
Investments	-	-	-	2,953,595
Receivables, net	10,508,885	2,628,699	13,137,584	733,954
Inventories	32,850	238,117	270,967	-
Prepaid items	-	42,103	42,103	-
Net pension asset	678,133	-	678,133	-
Capital assets, net	48,104,575	67,736,065	115,840,640	6,443,629
<b>Total Assets</b>	<b>\$ 82,353,421</b>	<b>\$ 82,945,708</b>	<b>\$ 165,299,129</b>	<b>\$ 11,022,073</b>
<b>Liabilities</b>				
Accounts payable	\$ 501,423	\$ 338,188	\$ 839,611	\$ 23,281
Accrued expenses	1,050,108	55,732	1,105,840	118,374
Unearned revenue	108,401	288,349	396,750	40,407
Non-current liabilities:				
Accrued interest and accretion	496,104	-	496,104	-
Net pension obligation	550,420	-	550,420	-
OPEB obligation	600,448	-	600,448	-
Due within one year	4,576,004	200,122	4,776,126	-
Due in more than one year	17,039,065	406,402	17,445,467	-
<b>Total Liabilities</b>	<b>\$ 24,921,973</b>	<b>\$ 1,288,793</b>	<b>\$ 26,210,766</b>	<b>\$ 182,062</b>
<b>Deferred Inflows of Resources</b>				
Unearned property taxes	\$ 1,642,292	\$ -	\$ 1,642,292	\$ 732,054
<b>Net Position</b>				
Invested in capital assets, net of related debt	\$ 48,104,575	\$ 67,586,065	\$ 115,690,640	\$ 6,443,629
Restricted for:				
Debt service	1,273,582	-	1,273,582	-
Capital projects	2,870,171	-	2,870,171	-
Economic development loans	5,627,458	-	5,627,458	-
Motor fuel tax projects	3,555,139	-	3,555,139	-
Other purposes	2,575,231	-	2,575,231	426,533
Unrestricted	(8,217,000)	14,070,850	5,853,850	3,237,795
<b>Total Net Position</b>	<b>\$ 55,789,156</b>	<b>\$ 81,656,915</b>	<b>\$ 137,446,071</b>	<b>\$ 10,107,957</b>

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

City of Quincy, Illinois  
Government-wide Statement of Activities  
For the Year Ended April 30, 2015

Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
<b>Primary Government:</b>								
Governmental Activities:								
General government	\$ 5,330,298	\$ 672,494	\$ 2,557	\$ -	\$ (4,655,247)	\$ -	\$ (4,655,247)	\$ -
Public safety	18,460,635	1,091,311	753,526	-	(16,615,798)	-	(16,615,798)	-
Public works	11,259,967	3,262,392	2,743,568	-	(5,254,007)	-	(5,254,007)	-
Engineering services	968,814	-	-	-	(968,814)	-	(968,814)	-
Health and sanitation	147,555	100	-	-	(147,455)	-	(147,455)	-
Culture and recreation	615,815	-	-	-	(615,815)	-	(615,815)	-
Community development	1,280,745	269,204	2,500	364,237	(644,804)	-	(644,804)	-
Interest on long-term debt	722,137	-	-	-	(722,137)	-	(722,137)	-
<b>Total Governmental Activities</b>	<b>\$ 38,785,966</b>	<b>\$ 5,295,501</b>	<b>\$ 3,502,151</b>	<b>\$ 364,237</b>	<b>\$ (29,624,077)</b>	<b>\$ -</b>	<b>\$ (29,624,077)</b>	<b>\$ -</b>
Business-type Activities:								
Water	\$ 5,599,121	\$ 5,885,495	\$ -	\$ -	\$ -	\$ 286,374	\$ 286,374	\$ -
Sewer	5,254,914	4,095,127	-	1,086,993	-	(72,794)	(72,794)	-
Airport	1,256,349	140,276	-	10,000	-	(1,106,073)	(1,106,073)	-
Other	89,304	215,555	6,098	-	-	132,349	132,349	-
<b>Total Business-type Activities</b>	<b>\$ 12,199,688</b>	<b>\$ 10,336,453</b>	<b>\$ 6,098</b>	<b>\$ 1,096,993</b>	<b>\$ -</b>	<b>\$ (760,144)</b>	<b>\$ (760,144)</b>	<b>\$ -</b>
<b>Total Primary Government</b>	<b>\$ 50,985,654</b>	<b>\$ 15,631,954</b>	<b>\$ 3,508,249</b>	<b>\$ 1,461,230</b>	<b>\$ (29,624,077)</b>	<b>\$ (760,144)</b>	<b>\$ (30,384,221)</b>	<b>\$ -</b>
<b>Component Units:</b>								
Woodland Cemetery	\$ 247,119	\$ 6,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (241,094)
Quincy Public Library	2,713,985	352,714	1,013,756	-	-	-	-	(1,347,515)
<b>Total Component Units</b>	<b>\$ 2,961,104</b>	<b>\$ 358,739</b>	<b>\$ 1,013,756</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,588,609)</b>
<b>General Revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					\$ 448,599	\$ -	\$ 448,599	\$ 732,176
Property taxes, levied for debt service					1,625,119	-	1,625,119	-
Personal property replacement tax					1,257,261	-	1,257,261	363,406
Sales and public service taxes					22,761,300	-	22,761,300	-
Income taxes					3,979,377	-	3,979,377	-
Franchise taxes					804,707	-	804,707	-
Payment from City of Quincy					(180,000)	-	(180,000)	180,000
Investment earnings (loss)					158,558	49,291	207,849	164,397
Miscellaneous					244,052	2,348,135	2,592,187	18,062
Transfers					(196,218)	191,218	(5,000)	-
<b>Total General Revenues and Transfers</b>					<b>\$ 30,902,755</b>	<b>\$ 2,588,644</b>	<b>\$ 33,491,399</b>	<b>\$ 1,458,041</b>
<b>Change in Net Position</b>					<b>\$ 1,278,678</b>	<b>\$ 1,828,500</b>	<b>\$ 3,107,178</b>	<b>\$ (130,568)</b>
Net Position at beginning of year					54,510,478	79,828,415	134,338,893	10,238,525
<b>Net Position at end of year</b>					<b>\$ 55,789,156</b>	<b>\$ 81,656,915</b>	<b>\$ 137,446,071</b>	<b>\$ 10,107,957</b>

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

City of Quincy, Illinois  
Balance Sheet  
Governmental Funds  
April 30, 2015

	General Fund	State and Federal Grants Fund	Quincy Transit Lines	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 5,177,227	\$ 156,642	\$ 443,101	\$ 1,813,773	\$ 10,813,040	\$ 18,403,783
Receivables, net	134,796	25,000	5,451	-	190,313	355,560
Due from other funds	-	-	-	-	140,354	140,354
Due from other governments	4,476,152	-	372,647	-	160,880	5,009,679
<b>Total Assets</b>	<b>\$ 9,788,175</b>	<b>\$ 181,642</b>	<b>\$ 821,199</b>	<b>\$ 1,813,773</b>	<b>\$ 11,304,587</b>	<b>\$ 23,909,376</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 98,499	\$ 25,596	\$ 2,987	\$ 34,074	\$ 103,656	\$ 264,812
Accrued expenses	684,232	-	24,283	-	31,636	740,151
Unearned revenue	-	-	-	100,326	8,075	108,401
Due to other funds	-	140,354	-	-	-	140,354
<b>Total Liabilities</b>	<b>\$ 782,731</b>	<b>\$ 165,950</b>	<b>\$ 27,270</b>	<b>\$ 134,400</b>	<b>\$ 143,367</b>	<b>\$ 1,253,718</b>
<b>Fund Balances</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 1,728,286	\$ 1,728,286
Economic development loans	-	-	-	-	2,492,957	2,492,957
Capital projects	-	-	-	1,679,373	1,357,531	3,036,904
911 System	-	-	-	-	1,057,598	1,057,598
Motor fuel tax projects	-	-	-	-	3,555,139	3,555,139
Public safety projects	-	-	-	-	205,254	205,254
Other projects	49,945	-	-	-	286,080	336,025
Housing projects	-	15,692	-	-	-	15,692
Transit	-	-	793,929	-	-	793,929
Committed for:						
Pension funds	249,199	-	-	-	-	249,199
Assigned for:						
Green projects	-	-	-	-	145,635	145,635
Capital projects	-	-	-	-	332,740	332,740
Unassigned	8,706,300	-	-	-	-	8,706,300
<b>Total Fund Balances</b>	<b>\$ 9,005,444</b>	<b>\$ 15,692</b>	<b>\$ 793,929</b>	<b>\$ 1,679,373</b>	<b>\$ 11,161,220</b>	<b>\$ 22,655,658</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,788,175</b>	<b>\$ 181,642</b>	<b>\$ 821,199</b>	<b>\$ 1,813,773</b>	<b>\$ 11,304,587</b>	<b>\$ 23,909,376</b>

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

City of Quincy, Illinois  
 Reconciliation of the Governmental Funds' Balance Sheet to Statement of Net Position  
 April 30, 2015

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Total governmental fund balances	\$	22,655,658
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.</p>		44,422,248
<p>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</p>		
Current assets		4,982,498
Capital assets		3,682,327
Current liabilities		(628,183)
Long-term liabilities		(172,436)
<p>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.</p>		5,497,326
<p>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.</p>		<u>(24,650,282)</u>
Net position of governmental activities	\$	<u><u>55,789,156</u></u>

City of Quincy, Illinois  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended April 30, 2015

	General Fund	State and Federal Grants Fund	Quincy Transit Lines	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 49,496	\$ -	\$ -	\$ -	\$ 2,024,222	\$ 2,073,718
Franchise taxes	439,226	-	-	-	365,481	804,707
Public service taxes	25,297,191	-	-	-	2,700,747	27,997,938
Grants and contributions	115,054	355,545	-	-	107,923	578,522
Charges for services	905,892	-	94,150	-	24,534	1,024,576
Fines and forfeitures	486,606	-	-	-	82,577	569,183
Intergovernmental	13,713	-	2,718,654	-	627,348	3,359,715
Investment earnings	16,827	21	1,919	5,242	115,085	139,094
Miscellaneous	109,703	-	8,161	-	685,000	802,864
<b>Total Revenues</b>	<b>\$ 27,433,708</b>	<b>\$ 355,566</b>	<b>\$ 2,822,884</b>	<b>\$ 5,242</b>	<b>\$ 6,732,917</b>	<b>\$ 37,350,317</b>
<b>Expenditures</b>						
General Government						
Aldermen	\$ 269,516	\$ -	\$ -	\$ -	\$ -	\$ 269,516
Mayor	229,779	-	-	-	-	229,779
City Treasurer	268,224	-	-	-	-	268,224
City Clerk	234,714	-	-	-	-	234,714
Director of Administration	109,807	-	-	-	-	109,807
Purchasing	64,114	-	-	-	-	64,114
Building maintenance	175,761	-	-	-	-	175,761
Comptroller	328,364	-	-	-	-	328,364
Legal department	232,500	-	-	-	-	232,500
Boards and commissions	50,979	-	-	-	-	50,979
Information technology	623,424	-	-	-	-	623,424
Public Safety						
Police Department	8,953,399	-	-	-	72,755	9,026,154
Fire Department	6,688,152	-	-	-	16,479	6,704,631
911 System	-	-	-	-	1,579,736	1,579,736
Public Works	1,132,056	-	2,977,666	12,556	50,402	4,172,680
Engineering Services	575,102	-	-	-	49,014	624,116
Health and Sanitation	146,791	-	-	-	-	146,791
Cemetery	180,000	-	-	-	-	180,000
Culture and Recreation	24,643	-	-	-	591,172	615,815
Community Development	660,172	340,139	-	-	608,668	1,608,979
Debt Service						
Principal retirement	7,588	-	-	170,807	1,631,893	1,810,288
Interest and charges	314	-	-	4,875	651,204	656,393
Capital outlay	48,747	119,159	8,000	639,434	1,226,221	2,041,561
<b>Total Expenditures</b>	<b>\$ 21,004,146</b>	<b>\$ 459,298</b>	<b>\$ 2,985,666</b>	<b>\$ 827,672</b>	<b>\$ 6,477,544</b>	<b>\$ 31,754,326</b>

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



City of Quincy, Illinois  
Statement of Revenues, Expenditures and Changes in Fund Balances (Concluded)  
Governmental Funds  
For the Year Ended April 30, 2015

	General Fund	State and Federal Grants Fund	Quincy Transit Lines	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 6,429,562	\$ (103,732)	\$ (162,782)	\$ (822,430)	\$ 255,373	\$ 5,595,991
<b>Other Financing Sources (Uses)</b>						
Cost share transfers, net	\$ 512,424	\$ -	\$ (101,273)	\$ -	\$ (19,116)	\$ 392,035
Sale of assets	4,208	-	-	-	-	4,208
Operating transfers in	615,614	-	316,625	2,300,560	1,890,653	5,123,452
Operating transfers out	(6,765,423)	-	-	(753,890)	(1,903,621)	(9,422,934)
Debt proceeds	19,256	-	-	-	973,518	992,774
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (5,613,921)</b>	<b>\$ -</b>	<b>\$ 215,352</b>	<b>\$ 1,546,670</b>	<b>\$ 941,434</b>	<b>\$ (2,910,465)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ 815,641</b>	<b>\$ (103,732)</b>	<b>\$ 52,570</b>	<b>\$ 724,240</b>	<b>\$ 1,196,807</b>	<b>\$ 2,685,526</b>
Fund Balances, May 1, 2014	8,189,803	119,424	741,359	955,133	9,964,413	19,970,132
<b>Fund Balances, April 30, 2015</b>	<b>\$ 9,005,444</b>	<b>\$ 15,692</b>	<b>\$ 793,929</b>	<b>\$ 1,679,373</b>	<b>\$ 11,161,220</b>	<b>\$ 22,655,658</b>

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, 2015

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Net change in fund balances - total governmental funds	\$	2,685,526
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the governmental-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation and disposals in the current period.		(2,151,742)
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.		751,770
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.		94,937
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.		993,410
Some expenses reported in the statement of net activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(1,095,223)</u>
Change in net position of governmental activities	\$	<u><u>1,278,678</u></u>

City of Quincy, Illinois  
Statement of Net Position  
Proprietary Funds  
April 30, 2015

	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Regional Training Facility	Other Enterprise Funds		
<b>Assets</b>							
Current Assets							
Cash and cash equivalents	\$ 8,332,115	\$ 3,242,192	\$ 449,417	\$ 589	\$ 276,411	\$ 12,300,724	\$ 4,625,195
Receivables, net	926,472	1,679,946	22,281	-	-	2,628,699	324,453
Inventories	238,117	-	-	-	-	238,117	32,850
Prepaid expenses	16,841	25,262	-	-	-	42,103	-
Total Current Assets	<u>\$ 9,513,545</u>	<u>\$ 4,947,400</u>	<u>\$ 471,698</u>	<u>\$ 589</u>	<u>\$ 276,411</u>	<u>\$ 15,209,643</u>	<u>\$ 4,982,498</u>
Noncurrent Assets							
Land	\$ 242,946	\$ 861,374	\$ 453,124	\$ 220,390	\$ 19,945	\$ 1,797,779	\$ 488,071
Systems	30,003,269	82,058,920	17,782,064	-	145,556	129,989,809	510,500
Building and equipment	3,968,958	14,158,396	5,041,798	911,964	241,282	24,322,398	2,210,394
Vehicles and equipment	790,534	2,044,220	1,890,203	16,835	-	4,741,792	6,359,714
Less: Accumulated depreciation	(18,933,639)	(62,068,117)	(11,548,481)	(299,272)	(266,204)	(93,115,713)	(5,886,352)
Total Noncurrent Assets	<u>\$ 16,072,068</u>	<u>\$ 37,054,793</u>	<u>\$ 13,618,708</u>	<u>\$ 849,917</u>	<u>\$ 140,579</u>	<u>\$ 67,736,065</u>	<u>\$ 3,682,327</u>
<b>Total Assets</b>	<u><b>\$ 25,585,613</b></u>	<u><b>\$ 42,002,193</b></u>	<u><b>\$ 14,090,406</b></u>	<u><b>\$ 850,506</b></u>	<u><b>\$ 416,990</b></u>	<u><b>\$ 82,945,708</b></u>	<u><b>\$ 8,664,825</b></u>
<b>Liabilities</b>							
Current Liabilities							
Accounts payable	\$ 256,017	\$ 70,285	\$ 6,182	\$ 5,632	\$ 72	\$ 338,188	\$ 236,611
Accrued expenses	39,417	12,115	4,200	-	-	55,732	309,957
Customer deposits	288,349	-	-	-	-	288,349	-
Compensated absences	89,900	50,687	9,535	-	-	150,122	81,615
Bonds, notes and loans payable	-	-	-	50,000	-	50,000	-
Total Current Liabilities	<u>\$ 673,683</u>	<u>\$ 133,087</u>	<u>\$ 19,917</u>	<u>\$ 55,632</u>	<u>\$ 72</u>	<u>\$ 882,391</u>	<u>\$ 628,183</u>
Noncurrent liabilities							
Compensated absences	\$ 207,288	\$ 76,206	\$ 22,908	\$ -	\$ -	\$ 306,402	\$ 172,436
Bonds, notes and loans payable	-	-	-	100,000	-	100,000	-
Total Noncurrent Liabilities	<u>\$ 207,288</u>	<u>\$ 76,206</u>	<u>\$ 22,908</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 406,402</u>	<u>\$ 172,436</u>
<b>Total Liabilities</b>	<u><b>\$ 880,971</b></u>	<u><b>\$ 209,293</b></u>	<u><b>\$ 42,825</b></u>	<u><b>\$ 155,632</b></u>	<u><b>\$ 72</b></u>	<u><b>\$ 1,288,793</b></u>	<u><b>\$ 800,619</b></u>
<b>Net Position</b>							
Invested in capital assets, net of related debt	\$ 16,072,068	\$ 37,054,793	\$ 13,618,708	\$ 699,917	\$ 140,579	\$ 67,586,065	\$ 3,682,327
Unrestricted	8,632,574	4,738,107	428,873	(5,043)	276,339	14,070,850	4,181,879
<b>Total Net Position</b>	<u><b>\$ 24,704,642</b></u>	<u><b>\$ 41,792,900</b></u>	<u><b>\$ 14,047,581</b></u>	<u><b>\$ 694,874</b></u>	<u><b>\$ 416,918</b></u>	<u><b>\$ 81,656,915</b></u>	<u><b>\$ 7,864,206</b></u>

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

City of Quincy, Illinois  
Statement of Revenues, Expenses and  
Changes in Net Position - Proprietary Funds  
For the Year Ended April 30, 2015

	<b>Business-type Activities - Enterprise Funds</b>					<b>Total Enterprise Funds</b>	<b>Governmental Activities- Internal Service Funds</b>
	<b>Water Department</b>	<b>Sewer Department</b>	<b>Quincy Regional Airport</b>	<b>Regional Training Facility</b>	<b>Other Enterprise Funds</b>		
<b>Operating Revenues</b>							
Charges for services	\$ 5,885,495	\$ 4,095,127	\$ 140,276	\$ 27,055	\$ 188,500	\$ 10,336,453	\$ 11,956,502
Miscellaneous	41,816	2,015,692	290,144	483	-	2,348,135	38,203
<b>Total Operating Revenues</b>	<b>\$ 5,927,311</b>	<b>\$ 6,110,819</b>	<b>\$ 430,420</b>	<b>\$ 27,538</b>	<b>\$ 188,500</b>	<b>\$ 12,684,588</b>	<b>\$ 11,994,705</b>
<b>Operating Expenses</b>							
Salaries and wages	\$ 1,625,567	\$ 856,812	\$ 214,863	\$ 865	\$ 1,718	\$ 2,699,825	\$ 1,692,878
Benefits	1,035,192	642,103	107,551	163	4,440	1,789,449	1,105,260
Purchased services	537,896	996,037	132,773	14,785	2,491	1,683,982	3,990,230
Supplies	1,238,815	614,639	133,409	5,147	2,541	1,994,551	1,268,059
Claims and judgments	-	-	-	-	-	-	6,796,271
Noncapitalized equipment	165,025	423	-	-	-	165,448	-
Other objects	253,283	265,939	15,170	1,044	-	535,436	45,447
Depreciation	743,343	1,878,961	652,583	35,373	20,737	3,330,997	225,878
<b>Total Operating Expenses</b>	<b>\$ 5,599,121</b>	<b>\$ 5,254,914</b>	<b>\$ 1,256,349</b>	<b>\$ 57,377</b>	<b>\$ 31,927</b>	<b>\$ 12,199,688</b>	<b>\$ 15,124,023</b>
<b>Operating Income (Loss)</b>	<b>\$ 328,190</b>	<b>\$ 855,905</b>	<b>\$ (825,929)</b>	<b>\$ (29,839)</b>	<b>\$ 156,573</b>	<b>\$ 484,900</b>	<b>\$ (3,129,318)</b>
<b>Non-Operating Revenues (Expenses)</b>							
Interest income	\$ 32,879	\$ 13,776	\$ 1,584	\$ 4	\$ 1,048	\$ 49,291	\$ 19,464
Grants and contributions	-	1,086,993	10,000	6,098	-	1,103,091	-
<b>Total Non-operating Revenues (Expenses)</b>	<b>\$ 32,879</b>	<b>\$ 1,100,769</b>	<b>\$ 11,584</b>	<b>\$ 6,102</b>	<b>\$ 1,048</b>	<b>\$ 1,152,382</b>	<b>\$ 19,464</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>\$ 361,069</b>	<b>\$ 1,956,674</b>	<b>\$ (814,345)</b>	<b>\$ (23,737)</b>	<b>\$ 157,621</b>	<b>\$ 1,637,282</b>	<b>\$ (3,109,854)</b>
Transfers in	-	-	369,600	44,437	-	414,037	4,153,104
Transfers out	(53,812)	(53,812)	(15,195)	-	(100,000)	(222,819)	(49,840)
<b>Change in Net Position</b>	<b>\$ 307,257</b>	<b>\$ 1,902,862</b>	<b>\$ (459,940)</b>	<b>\$ 20,700</b>	<b>\$ 57,621</b>	<b>\$ 1,828,500</b>	<b>\$ 993,410</b>
<b>Net Position at beginning of year</b>	<b>24,397,385</b>	<b>39,890,038</b>	<b>14,507,521</b>	<b>674,174</b>	<b>359,297</b>	<b>79,828,415</b>	<b>6,870,796</b>
<b>Net Position at year end</b>	<b>\$ 24,704,642</b>	<b>\$ 41,792,900</b>	<b>\$ 14,047,581</b>	<b>\$ 694,874</b>	<b>\$ 416,918</b>	<b>\$ 81,656,915</b>	<b>\$ 7,864,206</b>

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

City of Quincy, Illinois  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended April 30, 2015

	<b>Business-type Activities - Enterprise Funds</b>					<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Water Department</b>	<b>Sewer Department</b>	<b>Quincy Regional Airport</b>	<b>Regional Training Facility</b>	<b>Other Enterprise Funds</b>		
<b>Cash Flows from Operating Activities:</b>							
Receipts from customers	\$ 5,916,691	\$ 3,122,415	\$ 140,870	\$ 27,055	\$ 194,344	\$ 9,401,375	\$ 5,640,852
Payments to suppliers	(2,154,669)	(1,809,597)	(279,662)	(20,996)	(7,022)	(4,271,946)	(6,339,064)
Payments to employees	(2,679,927)	(1,490,133)	(314,478)	(1,028)	(15,268)	(4,500,834)	(1,800,608)
Internal activity - payments to other funds	-	-	-	-	-	-	6,322,261
Claims paid	-	-	-	-	-	-	(6,758,570)
Other receipts (payments)	41,816	2,015,692	290,144	483	-	2,348,135	(7,244)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,123,911</u>	<u>\$ 1,838,377</u>	<u>\$ (163,126)</u>	<u>\$ 5,514</u>	<u>\$ 172,054</u>	<u>\$ 2,976,730</u>	<u>\$ (2,942,373)</u>
<b>Cash Flows from NonCapital Financing Activities:</b>							
Operating subsidies and transfers	<u>\$ (53,812)</u>	<u>\$ (53,812)</u>	<u>\$ 354,405</u>	<u>\$ 44,437</u>	<u>\$ (100,000)</u>	<u>\$ 191,218</u>	<u>\$ 4,103,264</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>							
Proceeds from sale of debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital contributions	-	-	-	-	-	-	-
Purchases of capital assets	(843,131)	(5,310,370)	(108,501)	(5,896)	-	(6,267,898)	(980,694)
Disposal of capital assets	-	-	-	-	-	-	-
Principal paid on capital debt	-	-	-	(50,000)	-	(50,000)	-
Interest paid on capital debt	-	-	-	-	-	-	-
Other receipts (payments)	-	1,086,993	10,000	6,098	-	1,103,091	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (843,131)</u>	<u>\$ (4,223,377)</u>	<u>\$ (98,501)</u>	<u>\$ (49,798)</u>	<u>\$ -</u>	<u>\$ (5,214,807)</u>	<u>\$ (980,694)</u>
<b>Cash Flows from Investing Activities:</b>							
Interest received	<u>\$ 32,879</u>	<u>\$ 13,776</u>	<u>\$ 1,584</u>	<u>\$ 4</u>	<u>\$ 1,048</u>	<u>\$ 49,291</u>	<u>\$ 19,464</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 32,879</u>	<u>\$ 13,776</u>	<u>\$ 1,584</u>	<u>\$ 4</u>	<u>\$ 1,048</u>	<u>\$ 49,291</u>	<u>\$ 19,464</u>
<b>Net Increase (Decrease) in Cash and Cash Investments</b>	<u>\$ 259,847</u>	<u>\$ (2,425,036)</u>	<u>\$ 94,362</u>	<u>\$ 157</u>	<u>\$ 73,102</u>	<u>\$ (1,997,568)</u>	<u>\$ 199,661</u>
Cash and Cash Equivalents, May 1, 2014	<u>8,072,268</u>	<u>5,667,228</u>	<u>355,055</u>	<u>432</u>	<u>203,309</u>	<u>14,298,292</u>	<u>4,425,534</u>
<b>Cash and Cash Equivalents, April 30, 2015</b>	<u><u>\$ 8,332,115</u></u>	<u><u>\$ 3,242,192</u></u>	<u><u>\$ 449,417</u></u>	<u><u>\$ 589</u></u>	<u><u>\$ 276,411</u></u>	<u><u>\$ 12,300,724</u></u>	<u><u>\$ 4,625,195</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, 2015

	<b>Business-type Activities Enterprise Funds</b>					<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Water Department</b>	<b>Sewer Department</b>	<b>Quincy Regional Airport</b>	<b>Regional Training Facility</b>	<b>Other Enterprise Funds</b>		
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>							
Income (loss) from operations	\$ 328,190	\$ 855,905	\$ (825,929)	\$ (29,839)	\$ 156,573	\$ 484,900	\$ (3,129,318)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:							
Amortization and depreciation	743,343	1,878,961	652,583	35,373	20,737	3,330,997	225,878
(Gain)/Loss on sale of fixed assets	-	-	-	-	-	-	3,000
(Increase) Decrease in:							
Accounts receivable	49,437	(972,712)	594	-	5,844	(916,837)	3,611
Inventories	27,695	-	-	-	-	27,695	1,931
Prepaid items	45,144	36,911	-	-	-	82,055	-
Increase (Decrease) in:							
Accounts payable	(32,489)	30,530	1,690	(20)	(1,990)	(2,279)	60,255
Accrued expenses	17,145	488	1,439	-	(695)	18,377	(34,119)
Customer deposits	(18,241)	-	-	-	-	(18,241)	-
Compensated absences	(36,313)	8,294	6,497	-	(8,415)	(29,937)	(73,611)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 1,123,911</u></b>	<b><u>\$ 1,838,377</u></b>	<b><u>\$ (163,126)</u></b>	<b><u>\$ 5,514</u></b>	<b><u>\$ 172,054</u></b>	<b><u>\$ 2,976,730</u></b>	<b><u>\$ (2,942,373)</u></b>

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

City of Quincy, Illinois  
Statement of Fiduciary Net Position - Fiduciary Funds  
April 30, 2015

	<b>Pension Trust Funds</b>	<b>Private Purpose Trusts</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,390,569	\$ 174,016
Investments	59,212,306	-
Receivables, net	3,692,424	-
<b>Total Assets</b>	<b>\$ 64,295,299</b>	<b>\$ 174,016</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ -	\$ 2,029
Accrued expenses	70,061	-
<b>Total Liabilities</b>	<b>\$ 70,061</b>	<b>\$ 2,029</b>
<b>Deferred Inflows of Resources</b>		
Unearned property taxes	\$ 3,575,235	-
<b>Net Position</b>		
Held in trust for pension benefits	\$ 60,650,003	\$ -
Restricted for future expenditures	-	171,987
<b>Total Net Position</b>	<b>\$ 60,650,003</b>	<b>\$ 171,987</b>

City of Quincy, Illinois  
Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
For the Year Ended April 30, 2015

	<b>Pension Trust Funds</b>	<b>Private Purpose Trusts</b>
<b>Additions</b>		
Taxes:		
Property taxes	\$ 3,437,818	\$ -
Personal Property Replacement tax	753,382	-
Total taxes	<u>\$ 4,191,200</u>	<u>\$ -</u>
Contributions:		
Plan members	\$ 926,453	\$ -
Outside Agencies	-	8,065
Transfers from City	215,516	5,000
Total contributions	<u>\$ 1,141,969</u>	<u>\$ 13,065</u>
Investment earnings:		
Net increase (decrease) in fair value	\$ 1,867,521	\$ -
Realized gain (loss) on sale of investments	398,261	-
Interest	624,871	99
Dividends	1,023,422	-
Total investment earnings	<u>\$ 3,914,075</u>	<u>\$ 99</u>
Total Additions	<u>\$ 9,247,244</u>	<u>\$ 13,164</u>
<b>Deductions</b>		
Benefits	\$ 6,261,695	\$ -
Administrative expenses	362,805	-
Payments to others	-	30,747
Total Deductions	<u>\$ 6,624,500</u>	<u>\$ 30,747</u>
Change in net position	\$ 2,622,744	\$ (17,583)
Net position, May 1, 2014	<u>58,027,259</u>	<u>189,570</u>
<b>Net position, April 30, 2015</b>	<u><u>\$ 60,650,003</u></u>	<u><u>\$ 171,987</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.

**State and Federal Grants Fund**

The State and Federal Grants Fund is used to account for the various community development and housing grants received from the Federal and State government.

**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.

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

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

1. **Governmental Funds (Concluded)**

**Capital Projects Fund**

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

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: 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 (Continued)**

**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 2014 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.

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**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 and 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, 2015.

**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 \$13,322,110 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 \$249,199 as of April 30, 2015.

**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 \$478,375 as of April 30, 2015.

**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 an other 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.

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

**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.

**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.

**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, 2015, the carrying amount of the City's deposits (excluding component units) was \$36,892,362 and the respective bank balances totaled \$38,237,138. Included in the bank balances are Certificates of Deposit totaling \$22,685,000. The insured and collateral status of the bank balances, by category risk, was as follows:

	<b>Primary Government</b>
FDIC Insured	\$ 14,057,831
Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	22,040,509
Invested in Money Market Funds	1,205,831
Invested in Illinois Funds	932,967
	<b>\$ 38,237,138</b>

#### Investments

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

#### Interest Rate Risk

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

#### Credit Risk

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

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

**3) Deposits and Investments (Concluded)**

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

	<b>Amortized Cost</b>	<b>Fair Value</b>
Investments Available for Sale:		
U.S. Government Agencies	\$ 21,445,878	\$ 21,936,714
Corporate bonds	820,281	832,221
Mutual Funds	14,216,881	14,863,895
Common and Preferred Stocks	19,048,714	21,579,476
	\$ 55,531,754	\$ 59,212,306
Investment Maturities (in years):		
Maturing 2015-2045	\$ 22,266,159	\$ 22,768,935
	\$ 22,266,159	\$ 22,768,935
Equity Securities	33,265,595	36,443,371
	\$ 55,531,754	\$ 59,212,306

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	36,892,362
Investments	59,212,306
<b>Total Cash and Investments</b>	<b>\$ 96,106,593</b>

	<b>Cash and Equivalents</b>	<b>Investments</b>	<b>Total</b>
Government-wide Statement of Net Assets	\$ 35,329,702	\$ -	\$ 35,329,702
Statement of Fiduciary Net Assets	1,564,585	59,212,306	60,776,891
	\$ 36,894,287	\$ 59,212,306	\$ 96,106,593

**4) Capital Assets**

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

<b>Governmental Activities</b>	
General government	\$ 113,798
Public safety	370,504
Public works	3,371,949
Other governmental activities	560,551
Total Governmental activities	\$ 4,416,802
<b>Business-Type Activities</b>	
Water	\$ 743,343
Sewer	1,878,961
Airport	673,319
Other enterprise	35,373
Total Business-type activities	\$ 3,330,996

**4) Capital Assets (Concluded)**

The following is a summary of Capital Asset transactions for the year ended April 30, 2015:

Governmental Activities

	<b>Balance, April 30, 2014</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance, April 30, 2015</b>
Buildings	\$ 15,340,491	\$ 45,487	\$ -	\$ 15,385,978
Improvements	1,444,888	170,030	-	1,614,918
Infrastructure	123,023,969	1,514,993	-	124,538,962
Machinery and equipment	6,463,702	32,064	-	6,495,766
Vehicles	8,702,551	1,187,808	(70,147)	9,820,212
Furniture and intangibles	340,253	67,337	-	407,590
Total assets being depreciated	<u>\$ 155,315,854</u>	<u>\$ 3,017,719</u>	<u>\$ (70,147)</u>	<u>\$ 158,263,426</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (5,623,431)	\$ (369,954)	\$ -	\$ (5,993,385)
Improvements	(796,187)	(40,425)	-	(836,612)
Infrastructure	(91,707,955)	(3,198,190)	-	(94,906,145)
Machinery and equipment	(4,470,974)	(217,941)	-	(4,688,915)
Vehicles	(6,111,636)	(559,109)	65,118	(6,605,627)
Furniture and intangibles	(189,342)	(30,033)	-	(219,375)
Total accumulated depreciation	<u>\$ (108,899,525)</u>	<u>\$ (4,415,652)</u>	<u>\$ 65,118</u>	<u>\$ (113,250,059)</u>
Net total of capital assets being depreciated	<u>\$ 46,416,329</u>	<u>\$ (1,397,933)</u>	<u>\$ (5,029)</u>	<u>\$ 45,013,367</u>
Land	2,766,572	-	(1,500)	2,765,072
Construction in Progress	321,600	61,422	(56,886)	326,136
<b>Governmental Activities Capital Assets</b>	<u><u>\$ 49,504,501</u></u>	<u><u>\$ (1,336,511)</u></u>	<u><u>\$ (63,415)</u></u>	<u><u>\$ 48,104,575</u></u>

Business-Type Activities

	<b>Balance, April 30, 2014</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance, April 30, 2015</b>
Buildings	\$ 19,567,097	\$ 4,755,302	\$ -	\$ 24,322,399
Systems	128,550,264	1,339,898	-	129,890,162
Machinery and equipment	1,919,051	26,868	-	1,945,919
Vehicles	2,749,691	46,182	-	2,795,873
Total assets being depreciated	<u>\$ 152,786,103</u>	<u>\$ 6,168,250</u>	<u>\$ -</u>	<u>\$ 158,954,353</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (10,217,468)	\$ (544,737)	\$ -	\$ (10,762,205)
Systems	(76,543,445)	(2,608,190)	-	(79,151,635)
Machinery and equipment	(1,050,027)	(82,848)	-	(1,132,875)
Vehicles	(1,973,777)	(95,221)	-	(2,068,998)
Total accumulated depreciation	<u>\$ (89,784,717)</u>	<u>\$ (3,330,996)</u>	<u>\$ -</u>	<u>\$ (93,115,713)</u>
Net total of capital assets being depreciated	<u>\$ 63,001,386</u>	<u>\$ 2,837,254</u>	<u>\$ -</u>	<u>\$ 65,838,640</u>
Land	1,797,779	-	-	1,797,779
Construction in Progress	-	99,646	-	99,646
<b>Business-Type Activities Capital Assets</b>	<u><u>\$ 64,799,165</u></u>	<u><u>\$ 2,936,900</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,736,065</u></u>

**5) Non-current Liabilities**

For the Year Ended April 30, 2015, the changes in non-current liabilities are as follows:

Governmental Activities

	<b>Balance April 30, 2014</b>	<b>(Retirements) Additions</b>	<b>Balance April 30, 2015</b>
General Obligation Bonds	\$ 16,341,733	\$ (658,375)	\$ 15,683,358
Accreted value on bond	321,343	68,023	389,366
Accrued interest on bonds	109,017	(2,279)	106,738
Notes Payable - Bank	439,122	(159,139)	279,983
Compensated absences	3,419,276	(168,548)	3,250,728
Pension obligation	456,912	93,508	550,420
OPEB obligation	434,198	166,250	600,448
Landfill post-closure	2,401,000	-	2,401,000
	<u>\$ 23,922,601</u>	<u>\$ (660,560)</u>	<u>\$ 23,262,041</u>

Business-Type Activities

	<b>Balance April 30, 2014</b>	<b>(Retirements) Additions</b>	<b>Balance April 30, 2015</b>
Loan from Econ Development	\$ 200,000	\$ (50,000)	\$ 150,000
Compensated absences	486,461	(29,937)	456,524
	<u>\$ 686,461</u>	<u>\$ (79,937)</u>	<u>\$ 606,524</u>

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

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

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

**General Obligation Bonds**

At April 30, 2015, 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.	\$ 415,000
\$825,000 General Obligation (Limited Tax) Notes, Series 2013A, dated April 14, 2013, due in monthly installments of \$17,763.37 each through April 24, 2017, with interest at 1.60%, payable the 24th of each month.	419,181
\$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.	661,350
\$9,530,000 General Obligation Refunding Bonds, Series 2005, dated November 22, 2005, due in annual installments ranging from \$30,000 to \$1,320,000 through 2020, with interest from 3.0% to 4.0%, payable April 15 and October 15.	6,020,000
\$973,518 General Obligation (Limited Tax) Notes, Series 2014, dated December 31, 2014, due in monthly installments of \$12,459.41 each through December 31, 2021, with interest at 2.07%, payable monthly.	930,298
\$6,596,818.30 (\$7,290,000 Compounded Accreted Value at Maturity) General Obligation Capital Appreciation Bonds, Series 2009A, dated September 21, 2009, with principal and interest of \$4,970,000 due on December 1, 2012, and principal and interest of \$2,320,000 due on December 1, 2015, with interest from 2.0% to 3.0%	1,087,529
\$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.	4,905,000
Total	\$ 15,683,358
Less: Current portion of bonds payable	(2,888,655)
Net Long-Term Bonds Payable	<u>\$ 12,794,703</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 April 14, 2013, the City issued General Obligation (Limited Tax) Notes in the amount of \$825,000 to currently refund the 1996 Corporate Purpose Bonds originally issued to finance the construction of the Oakley-Lindsay Center.

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 November 15, 2005, the City issued \$9,530,000 in General Obligation Bonds with an average interest rate of 3.5% to advance refund \$9,420,000 of outstanding 1998, 1999 and 2000 Series bonds. The net proceeds of \$9,494,494 (after payment of \$35,506 in underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1998, 1999 and 2000 Series bonds. As a result, the 1998, 1999 and 2000 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position. The City completed the advance refunding to reduce its total debt service payments over the next 13 years by \$841,923 and to obtain an economic gain of \$676,286.

On September 21, 2009, the City issued General Obligation Capital Appreciation Bonds in the amount of \$6,596,818.30 with a compounded accreted value of \$7,290,000. The bond proceeds are being used for engineering, design and other preliminary work for a regional hydro-electric plant and lock and dam facilities. These bonds do not pay semiannual interest. Instead the Compounded Accreted Value will accrue from the date of delivery and compound on June 1 and December 1 each year at the per annum rate. This Compounded Accreted Value will be payable in two installments: \$4,970,000 on December 1, 2011 and \$2,320,000 on December 1, 2015. During the year ended April 30, 2012, the City used the unused proceeds from this bond along with City funds to partially repay this bond in the amount of \$5,813,105 including the accumulated accretion. The accretion for the remaining bond balance due for the year ended April 30, 2015, is \$389,366 and the accumulated accretion is included in the government-wide statement of net assets.

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.

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, 2015, 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 \$722,137 has been included as a direct function expense. No interest was required to be capitalized during the year ended April 30, 2015.



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

**General Obligation Bonds (Concluded)**

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

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

Year Ending April 30	Principal	Interest	Total
2016	\$ 2,888,655	\$ 983,267	\$ 3,871,922
2017	1,880,004	525,592	2,405,596
2018	1,954,270	459,831	2,414,101
2019	2,229,949	381,851	2,611,800
2020	2,145,749	298,990	2,444,739
2021-2025	2,689,731	947,543	3,637,274
2026-2030	1,895,000	284,320	2,179,320
	<u>\$ 15,683,358</u>	<u>\$ 3,881,394</u>	<u>\$ 19,564,752</u>

**Notes Payable – Bank**

On November 30, 2009, the City entered into a loan agreement with Bank of Springfield in the amount of \$336,428.26 to refinance loans with First Bankers Trust Company (for a pump truck for the Fire Department) and Associated Bank (for an Airport Hangar building). This agreement calls for 66 monthly payments of \$5,527 each at a fixed interest rate of 2.94%. The balance outstanding at April 30, 2015, was \$4,822.

On November 20, 2009, the City entered into a loan agreement with Bank of Springfield in the amount of \$729,172 to provide financing to purchase fire equipment. The agreement calls for 72 monthly payments of \$11,049 each at a fixed interest rate of 2.91%. The balance outstanding at April 30, 2015, was \$75,993.

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, 2015, was \$187,500.

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, 2015, was \$150,000.

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 balance outstanding at April 30, 2015, was \$11,668.

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

**Notes Payable – Bank (Concluded)**

The annual requirements to amortize the outstanding loans as of April 30, 2015, are as follows:

**Governmental Activities**

Year Ending April 30	Principal	Interest	Total
2016	\$ 101,055	\$ 923	\$ 101,978
2017	16,428	23	16,451
2018	12,500	-	12,500
2019	12,500	-	12,500
2020	12,500	-	12,500
2021-2025	62,500	-	62,500
2026-2030	62,500	-	62,500
	<u>\$ 279,983</u>	<u>\$ 946</u>	<u>\$ 280,929</u>

**Business-Type Activities**

Year Ending April 30	Principal	Interest	Total
2016	\$ 150,000	-	\$ 150,000
	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>
<b>Total Notes Payable</b>	<u>\$ 429,983</u>	<u>\$ 946</u>	<u>\$ 430,929</u>

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

**Compensated Absences**

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, 2015.

A summary of the liability for compensated absences by function at April 30, 2015, follows:

	<u>Sick Leave</u>	<u>Vacation</u>	<u>Comp Time</u>	<u>Total</u>	<u>Current Portion</u>
<b>Governmental activities:</b>					
General government	\$ 94,175	\$ 62,153	\$ -	\$ 156,328	\$ 65,474
Public safety	1,392,120	615,962	546,668	2,554,750	1,302,706
Public works	271,764	121,065	37,606	430,435	167,898
Engineering services	34,566	29,879	-	64,445	31,321
Community development	26,552	18,218	-	44,770	18,895
	<u>\$ 1,819,177</u>	<u>\$ 847,277</u>	<u>\$ 584,274</u>	<u>\$ 3,250,728</u>	<u>\$ 1,586,294</u>
<b>Business-type activities:</b>					
Water	\$ 210,207	\$ 86,981	\$ -	\$ 297,188	\$ 89,900
Sewer	80,307	46,586	-	126,893	50,687
Airport	23,216	9,227	-	32,443	9,535
	<u>\$ 313,730</u>	<u>\$ 142,794</u>	<u>\$ -</u>	<u>\$ 456,524</u>	<u>\$ 150,122</u>
Total Compensated Absences	<u>\$ 2,132,907</u>	<u>\$ 990,071</u>	<u>\$ 584,274</u>	<u>\$ 3,707,252</u>	<u>\$ 1,736,416</u>

**Other Non-current Liabilities**

As stated above, the City issued General Obligation Capital Appreciation Bonds in the amount of \$6,596,818.30 with a compounded accreted value of \$7,290,000. The Compounded Accreted Value will accrue from the date of delivery and compound on June 1 and December 1 each year at the per annum rate. The accumulated accretion on these bonds at April 30, 2015, is \$389,366.

Accrued interest on bonds is comprised of the following:

	<u>Next Interest Payment Due</u>	<u>Accrued Interest April 30, 2015</u>
GOB 2009B	\$ 22,108	\$ 14,738
GOB 2009C	137,999	91,999
	<u>\$ 160,107</u>	<u>\$ 106,737</u>

## 5) Non-current Liabilities (Concluded)

### Other Non-current Liabilities (Concluded)

On May 13, 1996, a consent order judgment was entered against the City and other co-defendants in a lawsuit brought by the State of Illinois Environmental Protection Agency resulting from the City's Landfill #5. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years. \$2,401,000 has been accrued as a landfill post-closure liability at April 30, 2015, 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.

The City currently maintains three defined benefit pension plans for its employees as explained later in these notes to financial statements. In accordance with Government Accounting Standards Board (GASB) Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as amended by GASB Statement No. 50, *Pension Disclosures*, 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, 2015, the City had accumulated a liability of \$550,420.

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, 2015, the City had accumulated a liability of \$600,448.

## 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, 2014 for the 2013 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 \$1,642,292 in the Governmental activities and \$3,575,235 in the Pension Trust funds, levied for 2014, have been recorded as unearned income 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, 2015, were 100% of the 2013 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 employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

***Funding Policy***

As set by statute, the employer 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 employer annual required contribution rate for calendar 2014 was 12.65 percent. 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.

***Annual Pension Cost***

For the fiscal year ended April 30, 2015, the City's actual contributions for pension cost for the regular plan was \$1,138,200. Its required contribution for the fiscal year ended April 30, 2015 was \$1,132,090.

Trend Information

Fiscal Year <u>Ended</u>	Annual Pension Cost (APC) <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>Obligation</u>
4/30/2015	\$ 1,140,835	100%	\$ 459,547
4/30/2014	1,387,854	99%	456,912
4/30/2013	1,386,617	99%	447,819

The required contribution for FY2015 was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the employer regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

**7) Pension Plans (Continued)**

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

***Funded Status and Funding Progress***

As of December 31, 2014, the most recent actuarial valuation date, the regular plan was 84.06 percent funded. The actuarial accrued liability for benefits was \$39,013,819 and the actuarial value of assets was \$32,793,291, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,220,528. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$10,384,397 and the ratio of the UAAL to the covered payroll was 60 percent.

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

Illinois Municipal Retirement Fund						
Actuarial		Actuarial	Unfunded	Funded	Covered	UAAL as a
Valuation	Value	Accrued	Actuarial	Ratio	Payroll	Percentage
Date	of Assets (a)	Liability	Liability	(a/b)	(c)	of Covered
		(b)	(b-a)			Payroll
						((b-a)/c)
12/31/2014	\$ 32,793,291	\$39,013,819	\$6,220,528	84.06%	\$10,384,397	59.90%
12/31/2013	32,837,393	38,800,939	5,963,546	84.63%	10,683,444	55.82%
12/31/2012	30,320,667	38,591,095	8,270,428	78.57%	10,577,469	78.19%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$39,934,150. On a market basis, the funded ration would be 102.36%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with City of Quincy. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**Police and Firefighter's Pension Funds**

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. 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, 2014.

***Police Pension Plan***

Covered employees are currently required to contribute 9.91 percent of their regular salary to the Police 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.

**7) Pension Plans (Continued)**

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

The City's annual pension cost and net pension obligation (asset) for the plan for the year ended April 30, 2015 were as follows:

**Police Pension:**

Annual required contribution	\$ 2,329,776
Interest on net pension obligation(asset)	(24,006)
Adjustment to annual required contribution	17,940
Annual pension cost	<u>\$ 2,323,710</u>
Contributions made	<u>(1,889,890)</u>
Decrease in net pension obligation	\$ 433,820
Net pension obligation (asset), beginning of year	<u>(342,947)</u>
Net pension obligation (asset), end of year	<u><u>\$ 90,873</u></u>

The annual required contribution for the year ended April 30, 2015, was determined as part of the April 30, 2014 actuarial valuation using the Projected Unit Credit method. The actuarial assumptions at April 30, 2014, included (a) 7.0% investment rate of return, (b) projected salary increases of 5.0% per year, and (c) additional cost-of-living increases of 3.0% per year. The actuarial value of the Police Pension Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the April 30, 2014, valuation was 27 years.

Trend Information				
Fiscal Year Ended	Annual Pension Cost	Total Employer Contribution	% of Annual Pension Cost Contributed	Net Pension Obligation (Asset)
2015	\$ 2,323,710	\$ 1,889,890	81.3%	\$ 90,873
2014	2,129,612	1,712,630	80.4%	(342,947)
2013	1,667,007	1,673,930	100.4%	(759,929)

As of April 30, 2014, the most recent actuarial valuation date, the Police Pension Plan was 54.7 percent funded. The actuarial accrued liability for benefits was \$60,643,090 and the actuarial value of assets was \$33,198,613, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,444,477. The covered payroll (annual payroll of active employees covered by the plan) was \$4,920,814 and the ratio of the UAAL to covered payroll was 557.7 percent.

**7) Pension Plans (Continued)**

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

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.

Police Pension Fund						
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)
4/30/2014	\$ 33,198,613	\$60,643,090	\$27,444,477	54.7%	\$4,920,814	557.7%
4/30/2013	31,961,573	57,519,701	25,558,128	55.6%	4,679,072	546.2%
4/30/2012	30,546,174	51,797,508	21,251,334	59.0%	4,577,057	464.3%
4/30/2011	28,665,007	49,345,302	20,680,295	58.1%	4,612,594	448.3%
4/30/2010	27,454,875	46,370,363	18,915,488	59.2%	4,610,924	410.2%
4/30/2009	26,545,765	42,792,496	16,246,731	62.0%	4,397,805	369.4%

At April 30, 2014, the Police Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	65
Terminated plan members entitled to but not yet receiving benefits	1
Separated deferred members	2
Active vested plan members	75
Total members	143

**Firefighters' Pension Plan**

Covered employees are currently required to contribute 9.455 percent of their regular salary to the Firefighters' Pension Plan. The member rate is determined by State Statute. 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.

The City's annual pension cost and net pension obligation (asset) for the plan for the year ended April 30, 2015 were as follows:

Annual required contribution	\$ 2,881,904
Interest on net pension obligation(asset)	(71,687)
Adjustment to annual required contribution	53,571
Annual pension cost	\$ 2,863,788
Contributions made	(2,517,819)
Decrease in net pension obligation	\$ 345,969
Net pension obligation (asset), beginning of year	(1,024,102)
Net pension obligation (asset), end of year	\$ (678,133)



**7) Pension Plans (Concluded)**

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

The annual required contribution for the year ended April 30, 2015, was determined as part of the April 30, 2014 actuarial valuation using the Projected Unit Credit method. The actuarial assumptions at April 30, 2014, included (a) 7.0% investment rate of return, (b) projected salary increases of 5.0% per year, and (c) additional cost-of-living increases of 3.0% per year. The actuarial value of the Firefighters' Pension Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the April 30, 2014, valuation was 27 years.

Trend Information				
Fiscal Year Ended	Annual Pension Cost	Total Employer Contribution	% of Annual Pension Cost Contributed	Net Pension Obligation (Asset)
2015	\$ 2,863,788	\$ 2,517,819	87.9%	\$ (678,133)
2014	2,730,689	2,350,426	86.1%	(1,024,102)
2013	2,214,726	2,375,224	107.2%	(1,404,365)

As of April 30, 2014, the most recent actuarial valuation date, the Firefighters' Pension Plan was 41.6 percent funded. The actuarial accrued liability for benefits was \$62,811,125 and the actuarial value of assets was \$26,140,139, resulting in an unfunded actuarial accrued liability (UAAL) of \$36,670,986. The covered payroll (annual payroll of active employees covered by the plan) was \$4,047,255 and the ratio of the UAAL to covered payroll was 906.1 percent.

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.

Quincy Firefighters' Pension Fund						
Actuarial Valuation Date	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)
4/30/2014	\$ 26,140,139	\$62,811,125	\$36,670,986	41.6%	\$4,047,255	906.1%
4/30/2013	25,038,861	60,813,650	35,774,789	41.2%	3,890,117	919.6%
4/30/2012	23,941,801	56,674,993	32,733,192	42.2%	3,800,199	861.4%
4/30/2011	22,675,748	54,898,220	32,222,472	41.3%	3,764,337	856.0%
4/30/2010	21,946,266	51,510,483	29,564,217	42.6%	3,770,411	784.1%
4/30/2009	22,097,645	47,167,100	25,069,455	46.8%	3,796,581	660.3%

At April 30, 2014, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	83
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	63
Total members	146

**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, 2015 were as follows:

Annual required contribution	\$ 445,225
Interest on net OPEB obligation	17,368
Adjustment to annual required contribution	<u>(14,473)</u>
Annual pension cost	\$ 448,120
Contributions made	<u>(281,870)</u>
Increase in net OPEB obligation	\$ 166,250
Net OPEB obligation, beginning of year	<u>434,198</u>
Net OPEB obligation, end of year	<u><u>\$ 600,448</u></u>

The annual required contribution for the year ended April 30, 2015, was determined as part of the April 30, 2014 actuarial valuation using the Entry Age Normal Cost method. The actuarial assumptions at April 30, 2014, included (a) 4.0% investment rate of return, (b) projected salary increases of 4.0% per year, (c) health care inflation rate of 7.5% initial and 5.5% ultimate, and (d) 30% 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, 2014, valuation was 30 years.

Trend Information				
Fiscal Year Ended	Annual OPEB Cost	Total Contributions Made	% of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 448,120	\$ 281,870	62.9%	\$ 600,448
2014	349,132	205,932	59.0%	434,198
2013	347,192	205,932	59.3%	290,998

As of April 30, 2014, the most recent actuarial valuation date, the Plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$8,384,766 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,384,766. The covered payroll (annual payroll of active employees covered by the plan) was \$19,843,209 and the ratio of the UAAL to covered payroll was 42.3 percent.

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

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 as follows:

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)
4/30/2015	\$ -	\$ 8,384,766	\$8,384,766	0.00%	\$19,843,209	42.26%
4/30/2014	-	8,384,766	8,384,766	0.00%	19,843,209	42.26%
4/30/2013	-	6,052,208	6,052,208	0.00%	19,419,222	31.17%

At April 30, 2015, the Plan membership consisted of:

Retirees and beneficiaries receiving benefits	24
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	262
Active nonvested plan members	<u>112</u>
Total members	<u><u>398</u></u>

**9) Individual Fund Disclosures**

For the year ended April 30, 2015, 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.

**10) Self Insurance Funds (Concluded)**

**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, 2015, was \$2,300,742. Limits of liability are as follows:

Type of Coverage	Risk Level		Excess Insurance Coverage Limits
	City	Loss Fund	
Property Insurance	\$ 1,000	\$ 150,000	\$ 50,000,000
Third Party Liability	\$ 1,000	\$ 200,000	\$ 2,400,000
Worker's Compensation	N/A	\$ 600,000	Statutory limits
Crime Coverage	\$ 1,000	\$ 50,000	\$ 500,000

**11) Internal Balances**

Interfund transfers during the year ended April 30, 2015, were as follows:

	Transfers In	Transfers Out
Governmental activities:		
General Fund	\$ 615,614	\$ 6,765,423
State and Federal Grants Fund	-	-
Quincy Transit Lines	316,625	-
Capital Projects Fund	2,300,560	753,890
Other governmental funds	1,890,653	1,903,621
	<u>\$ 5,123,452</u>	<u>\$ 9,422,934</u>
Water Department	\$ -	\$ 53,812
Sewer Department	-	53,812
Quincy Regional Airport	369,600	15,195
Regional Training Facility	44,437	-
Other enterprise funds	-	100,000
	<u>\$ 414,037</u>	<u>\$ 222,819</u>
Central Garage	\$ 315,111	\$ -
Central Services	3,837,993	49,840
	<u>\$ 4,153,104</u>	<u>\$ 49,840</u>
Private Purpose Trust Funds:		
Sister City Commission	\$ 5,000	\$ -
	<u>\$ 5,000</u>	<u>\$ -</u>
	<u>\$ 9,695,593</u>	<u>\$ 9,695,593</u>

**11) Internal Balances (Concluded)**

Interfund receivables and payables at April 30, 2015, were as follows:

Due to	Due from Neighborhood Stabilization	Total
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, 2015.

**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 \$653,999 into the plans for the year ended April 30, 2015.

**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, 2015 for these funds is as follows:

	<b>Water Department</b>	<b>Sanitation Department</b>	<b>Quincy Regional Airport</b>	<b>Regional Training Facility</b>	<b>Other Enterprise Funds</b>	<b>Total</b>
Operating revenues	\$ 5,927,311	\$ 6,110,819	\$ 430,420	\$ 27,538	\$ 188,500	\$12,684,588
Operating expenses (excluding depreciation)	4,855,778	3,375,953	603,766	22,004	11,190	8,868,691
Depreciation	743,343	1,878,961	652,583	35,373	20,737	3,330,997
Operating income	\$ 328,190	\$ 855,905	\$ (825,929)	\$ (29,839)	\$ 156,573	\$ 484,900
Non-operating revenues/ (expenses)	32,879	1,100,769	11,584	6,102	1,048	1,152,382
Capital contributions	-	-	-	-	-	-
Operating transfers	(53,812)	(53,812)	354,405	44,437	(100,000)	191,218
Net income (loss)	<u>\$ 307,257</u>	<u>\$ 1,902,862</u>	<u>\$ (459,940)</u>	<u>\$ 20,700</u>	<u>\$ 57,621</u>	<u>\$ 1,828,500</u>
Capital asset additions	\$ (843,131)	\$ (5,310,370)	\$ (108,500)	\$ (5,895)	\$ -	\$ (6,267,896)
Net working capital	\$ 8,839,862	\$ 4,814,313	\$ 451,781	\$ (55,043)	\$ 276,339	\$14,327,252
Total assets	\$25,585,613	\$42,002,193	\$14,090,406	\$ 850,506	\$ 416,990	\$82,945,708
Notes payable from operating revenues	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000
Total equity	\$24,704,642	\$41,792,900	\$14,047,581	\$ 694,874	\$ 416,918	\$81,656,915

**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, 2015, follows:

	<b>Loans Outstanding</b>
Revolving Loan Fund	\$ 1,079,199
CDBG Revolving Loan Fund	1,240,266
Business and Housing Loans	815,006
Energy Grant Loans	1,030
Total	<u>\$ 3,135,501</u>

The City has contracted with Two Rivers Regional Council of Public Officials to administer the Housing and Urban Development (HUD) Rental Rehabilitation Loan program. The ten-year loans are made to landlords for improvements to qualifying properties. At the end of each year, 10% of the loan is forgiven if all requirements of the program are being met. Due to the nature of the loans (no repayment if all requirements are met), the amount outstanding at April 30, 2015, 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, 2015, the City received rental income for the property in the amount of \$43,885.

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, 2015, the City received rental income in the amount of \$24,176.

The City also leases ground for communication services. This lease, dated October 21, 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 \$12,452 in rental income from this property for the year ended April 30, 2015.

**17) Leases (as Lessee)**

The City entered into a lease agreement with the Ruth M. Waterkotte Revocable Trust for use of property used as a parking lot for the Amtrak Station. The lease is dated November 1, 2008 and ends October 31, 2014 with the option to renew for three successive renewals of five years each. The lease was renewed through October 31, 2018. The lease calls for monthly payments of \$585 each, adjusted for inflation, bringing the payment to \$626 for this renewal period. The future minimum rentals are as follows:

<b>Year Ending April 30</b>	<b>Total</b>
2016	\$ 7,513
2017	7,513
2018	7,513
2019	3,757
	<u>\$ 26,296</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. For the year ended April 30, 2015, the City had not incurred costs yet related to this agreement as it had an interim agreement until the final contract was implemented. The following table depicts the future minimum fees under this agreement:

<b>Year Ending April 30</b>	<b>Total</b>
2016	\$ 734,050
2017	734,050
2018	734,050
2019	734,050
2020	734,050
	<u>\$ 3,670,250</u>

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, 2015. These projects include the Bayview Bridge Lighting project of \$531,620 that was twenty percent complete at April 30, 2015.

**20) Subsequent Events**

Subsequent events have been evaluated through October 27, 2015, which is the date the financial statements were available to be issued.



## 21) Recently Issued Pronouncements

As of April 30, 2015, 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. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, will be effective for the City beginning with its year ending April 30, 2016. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This will be effective with the implementation of GASB Statement No. 68.

Statement No. 72, *Fair Value Measurement and Application*, will address accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement will be effective for the year ended April 30, 2017.

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.

Statement No. 77, *Tax Abatement Disclosures*, will be effective for the year ended April 30, 2017. Although many governments offer tax abatements and provide information to the public about them, they do not always provide the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

Management has not yet completed its evaluation of the impact, if any, of all of the provisions of these statements on its financial statements. The GASB 68 pronouncement will make a significant impact to the City's financial statements for the year ended April 30, 2016, however, an estimate of the impact is not yet available.

## Required Supplementary Information

Budgetary comparison schedules are presented as Required Supplementary information (RSI) for the general fund and each major special revenue and capital projects 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 Schedules of Funding Progress for each of the City's defined benefit pension plans present information used to consistently measure the City's funded status over a ten-year period.

City of Quincy, Illinois  
 Budgetary Comparison Schedule - General Fund  
 For the Year Ended April 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, May 1, 2014</b>	\$ 4,221,533	\$ 4,221,533	\$ 4,221,533	\$ -
Resources (inflows):				
Property taxes	50,000	50,000	49,496	(504)
Franchise taxes	409,100	409,100	435,637	26,537
Charges for services	780,216	780,216	900,382	120,166
Fines and forfeitures	484,500	484,500	486,606	2,106
Intergovernmental	24,399,295	24,626,088	24,992,777	366,689
Grants and contributions	77,200	77,200	103,510	26,310
Investment earnings	21,530	21,530	16,828	(4,702)
Miscellaneous	206,117	206,117	109,703	(96,414)
Sale of assets	27,000	27,000	4,208	(22,792)
Cost share transfers, net	577,509	577,509	512,424	(65,085)
Operating transfers in	565,027	565,027	615,613	50,586
Amounts available for Appropriation	<u>\$ 31,819,027</u>	<u>\$ 32,045,820</u>	<u>\$ 32,448,717</u>	<u>\$ 402,897</u>
Charges to appropriations (outflows)				
General Government				
Aldermen	\$ 266,699	\$ 266,699	\$ 262,110	\$ 4,589
Mayor	250,703	248,312	225,903	22,409
City Treasurer	273,579	275,352	262,751	12,601
City Clerk	233,668	234,997	230,972	4,025
Director of Administration	110,555	110,555	107,630	2,925
Purchasing	62,663	63,333	63,116	217
Building Maintenance	249,730	249,799	181,864	67,935
Comptroller	337,886	340,046	323,066	16,980
Legal Department	244,727	244,727	227,341	17,386
Boards and Commissions	72,490	72,490	50,386	22,104
Information Technology	656,585	658,609	676,994	(18,385)
Public Safety				
Police Department	9,059,578	9,063,823	8,825,923	237,900
Fire Department	6,530,452	6,568,076	6,549,967	18,109
Public Works	1,368,974	1,374,794	1,111,058	263,736
Engineering Services	662,548	674,969	565,735	109,234
Health and sanitation	257,177	249,325	200,171	49,154
Community development	851,602	851,602	660,346	191,256
Culture and recreation	38,643	38,643	24,643	14,000
Cemetery	180,000	180,000	180,000	-
Nondepartmental				
Operating transfers out	7,025,566	7,244,467	6,765,422	479,045
Total Charges to Appropriations	<u>\$ 28,733,825</u>	<u>\$ 29,010,618</u>	<u>\$ 27,495,398</u>	<u>\$ 1,515,220</u>
<b>Budgetary Balance, April 30, 2015</b>	<u>\$ 3,085,202</u>	<u>\$ 3,035,202</u>	<u>\$ 4,953,319</u>	<u>\$ 1,918,117</u>

City of Quincy, Illinois  
 Budgetary Comparison Schedule - State and Federal Grants Fund  
 For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, May 1, 2014</b>	\$ 142,730	\$ 142,730	\$ 142,730	\$ -
Resources (inflows):				
Grants and contributions	1,404,756	1,404,756	243,361	(1,161,395)
Investment earnings	-	-	21	21
Amounts available for Appropriation	<u>\$ 1,547,486</u>	<u>\$ 1,547,486</u>	<u>\$ 386,112</u>	<u>\$ (1,161,374)</u>
Charges to appropriations (outflows)				
Community development	\$ 1,403,256	\$ 1,403,256	\$ 251,317	\$ 1,151,939
Nondepartmental				
Operating transfers out	-	-	-	-
Total Charges to Appropriations	<u>\$ 1,403,256</u>	<u>\$ 1,403,256</u>	<u>\$ 251,317</u>	<u>\$ 1,151,939</u>
<b>Budgetary Balance, April 30, 2015</b>	<u>\$ 144,230</u>	<u>\$ 144,230</u>	<u>\$ 134,795</u>	<u>\$ (9,435)</u>

City of Quincy, Illinois  
 Budgetary Comparison Schedule - Quincy Transit Lines Fund  
 For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, May 1, 2014</b>	\$ 361,519	\$ 361,519	\$ 361,519	\$ -
Resources (inflows):				
Charges for services	110,200	110,200	94,311	(15,889)
Grants and contributions	3,382,439	3,382,439	2,746,457	(635,982)
Investment earnings	1,200	1,200	1,919	719
Cost share transfers, net	(190,000)	(190,000)	(101,273)	88,727
Operating transfers in	316,625	318,861	316,625	(2,236)
Amounts available for Appropriation	<u>\$ 3,981,983</u>	<u>\$ 3,984,219</u>	<u>\$ 3,419,558</u>	<u>\$ (564,661)</u>
Charges to appropriations (outflows)				
Public Works	\$ 3,555,464	\$ 3,557,700	\$ 2,968,853	\$ 588,847
Capital outlay	65,000	65,000	2,678	62,322
Total Charges to Appropriations	<u>\$ 3,620,464</u>	<u>\$ 3,622,700</u>	<u>\$ 2,971,531</u>	<u>\$ 651,169</u>
<b>Budgetary Balance, April 30, 2015</b>	<u>\$ 361,519</u>	<u>\$ 361,519</u>	<u>\$ 448,027</u>	<u>\$ 86,508</u>

City of Quincy, Illinois  
 Budgetary Comparison Schedule - Capital Projects Fund  
 For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, May 1, 2014</b>	\$ 956,646	\$ 956,646	\$ 956,646	\$ -
Resources (inflows):				
Grants and contributions	-	7,613	104,789	97,176
Miscellaneous	-	-	-	-
Investment earnings	5,000	5,000	5,242	242
Operating transfers in	2,162,000	2,282,195	2,300,560	18,365
Amounts available for Appropriation	<u>\$ 3,123,646</u>	<u>\$ 3,251,454</u>	<u>\$ 3,367,237</u>	<u>\$ 115,783</u>
Charges to appropriations (outflows)				
General government	\$ 15,000	\$ 15,000	\$ 14,948	\$ 52
Public Safety	143,500	143,500	129,578	13,922
Public Works	2,016,103	2,140,511	455,396	1,685,115
Community development	49,484	52,884	52,728	156
Health and sanitation	-	-	-	-
Loan/Lease payments	175,682	175,682	175,681	1
Nondepartmental				
Operating transfers out	740,390	740,390	753,890	(13,500)
Total Charges to Appropriations	<u>\$ 3,140,159</u>	<u>\$ 3,267,967</u>	<u>\$ 1,582,221</u>	<u>\$ 1,685,746</u>
<b>Budgetary Balance, April 30, 2015</b>	<u>\$ (16,513)</u>	<u>\$ (16,513)</u>	<u>\$ 1,785,016</u>	<u>\$ 1,801,529</u>

City of Quincy, Illinois  
 Budgetary Comparison Schedule  
 Budget - to - GAAP Reconciliation  
 For the Year Ended April 30, 2015

	<u>General Fund</u>	<u>State and Federal Grants Fund</u>	<u>Quincy Transit Lines</u>	<u>Capital Projects Fund</u>
<b>Sources/Inflows of Resources</b>				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 32,448,717	\$ 386,112	\$ 3,419,558	\$ 3,367,237
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.	(4,221,533)	(142,730)	(361,519)	(956,646)
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.	338,769	(95,414)	(19,803)	(4,463)
Transfers from other funds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	(1,132,245)	-	(215,352)	(2,300,560)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 27,433,708</u>	<u>\$ 147,968</u>	<u>\$ 2,822,884</u>	<u>\$ 105,568</u>
<b>Uses/Outflows of Resources</b>				
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$ 27,495,398	\$ 251,317	\$ 2,971,531	\$ 1,582,221
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.	254,914	383	14,135	(659)
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	(6,765,422)	-	-	(753,890)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 20,984,890</u>	<u>\$ 251,700</u>	<u>\$ 2,985,666</u>	<u>\$ 827,672</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, 2015

	<b>Quincy Public Library</b>	<b>Woodland Cemetery</b>	<b>Total Component Units</b>
<b>Assets</b>			
Cash and cash investments	\$ 836,659	\$ 54,236	\$ 890,895
Investments	1,450,911	1,502,684	2,953,595
Receivables, net	733,954	-	733,954
Capital assets, net	6,012,896	430,733	6,443,629
<b>Total Assets</b>	<b>\$ 9,034,420</b>	<b>\$ 1,987,653</b>	<b>\$ 11,022,073</b>
<b>Liabilities</b>			
Accounts payable	\$ 20,259	\$ 3,022	\$ 23,281
Accrued expenses	115,343	3,031	118,374
Unearned revenue	40,407	-	40,407
<b>Total Liabilities</b>	<b>\$ 176,009</b>	<b>\$ 6,053</b>	<b>\$ 182,062</b>
<b>Deferred Inflows of Resources</b>			
Unearned property taxes	\$ 732,054	\$ -	\$ 732,054
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$ 6,012,896	\$ 430,733	\$ 6,443,629
Restricted for:			
Other purposes	105,606	320,927	426,533
Unrestricted	2,007,855	1,229,940	3,237,795
<b>Total Net Position</b>	<b>\$ 8,126,357</b>	<b>\$ 1,981,600</b>	<b>\$ 10,107,957</b>

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



## 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, 2015

	<b>Special Revenue Funds</b>							
	<b>911 System</b>	<b>Motor Fuel Tax</b>	<b>Town Road Tax</b>	<b>Police Contributions</b>	<b>Fire Contributions</b>	<b>Franchise Fee "Green"</b>	<b>Economic Development Loan</b>	<b>CDAP Loan</b>
<b>Assets</b>								
Cash and cash equivalents	\$ 1,000,250	\$ 3,430,456	\$ 76,256	\$ 201,252	\$ 13,393	\$ 206,468	\$ 854,144	\$ 902,514
Receivables, net	36,564	33,563	-	-	-	24,167	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	66,376	94,504	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,103,190</b>	<b>\$ 3,558,523</b>	<b>\$ 76,256</b>	<b>\$ 201,252</b>	<b>\$ 13,393</b>	<b>\$ 230,635</b>	<b>\$ 854,144</b>	<b>\$ 902,514</b>
<b>Liabilities and Fund Balances</b>								
Accounts payable	\$ 13,956	\$ 3,384	\$ -	\$ 1,316	\$ -	\$ 85,000	\$ -	\$ -
Accrued expenses	31,636	-	-	-	-	-	-	-
Unearned revenue	-	-	-	8,075	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 45,592</b>	<b>\$ 3,384</b>	<b>\$ -</b>	<b>\$ 9,391</b>	<b>\$ -</b>	<b>\$ 85,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	-	-	-	-	-	-	854,144	902,514
Capital projects	-	-	-	-	-	-	-	-
911 System	1,057,598	-	-	-	-	-	-	-
Motor fuel tax projects	-	3,555,139	-	-	-	-	-	-
Public safety projects	-	-	-	191,861	13,393	-	-	-
Other projects	-	-	76,256	-	-	-	-	-
Assigned for:								
Green projects	-	-	-	-	-	145,635	-	-
Capital projects funds	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 1,057,598</b>	<b>\$ 3,555,139</b>	<b>\$ 76,256</b>	<b>\$ 191,861</b>	<b>\$ 13,393</b>	<b>\$ 145,635</b>	<b>\$ 854,144</b>	<b>\$ 902,514</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,103,190</b>	<b>\$ 3,558,523</b>	<b>\$ 76,256</b>	<b>\$ 201,252</b>	<b>\$ 13,393</b>	<b>\$ 230,635</b>	<b>\$ 854,144</b>	<b>\$ 902,514</b>

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

City of Quincy, Illinois  
Combining Balance Sheet (Continued)  
Non-Major Governmental Funds  
April 30, 2015

	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
<b>Assets</b>								
Cash and cash equivalents	\$ 484,920	\$ 49,586	\$ 61,439	\$ 114,905	\$ 7,395,583	\$ 367,955	\$ 359,853	\$ 25,431
Receivables, net	-	-	-	94,919	189,213	1,100	-	-
Due from other funds	-	140,354	-	-	140,354	-	-	-
Due from other governments	-	-	-	-	160,880	-	-	-
<b>Total Assets</b>	<b>\$ 484,920</b>	<b>\$ 189,940</b>	<b>\$ 61,439</b>	<b>\$ 209,824</b>	<b>\$ 7,886,030</b>	<b>\$ 369,055</b>	<b>\$ 359,853</b>	<b>\$ 25,431</b>
<b>Liabilities and Fund Balances</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 103,656	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	31,636	-	-	-
Unearned revenue	-	-	-	-	8,075	-	-	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 143,367</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development loans	484,920	189,940	61,439	-	2,492,957	-	-	-
Capital projects	-	-	-	-	-	369,055	359,853	25,431
911 System	-	-	-	-	1,057,598	-	-	-
Motor fuel tax projects	-	-	-	-	3,555,139	-	-	-
Public safety projects	-	-	-	-	205,254	-	-	-
Other projects	-	-	-	209,824	286,080	-	-	-
Assigned for:								
Green projects	-	-	-	-	145,635	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 484,920</b>	<b>\$ 189,940</b>	<b>\$ 61,439</b>	<b>\$ 209,824</b>	<b>\$ 7,742,663</b>	<b>\$ 369,055</b>	<b>\$ 359,853</b>	<b>\$ 25,431</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 484,920</b>	<b>\$ 189,940</b>	<b>\$ 61,439</b>	<b>\$ 209,824</b>	<b>\$ 7,886,030</b>	<b>\$ 369,055</b>	<b>\$ 359,853</b>	<b>\$ 25,431</b>

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

City of Quincy, Illinois  
Combining Balance Sheet (Continued)  
Non-Major Governmental Funds  
April 30, 2015

	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
<b>Assets</b>							
Cash and cash equivalents	\$ 166,733	\$ 237,295	\$ 199,164	\$ 332,740	\$ 1,689,171	\$ 143,807	\$ 1
Receivables, net	-	-	-	-	1,100	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 166,733</b>	<b>\$ 237,295</b>	<b>\$ 199,164</b>	<b>\$ 332,740</b>	<b>\$ 1,690,271</b>	<b>\$ 143,807</b>	<b>\$ 1</b>
<b>Liabilities and Fund Balances</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,807	\$ 1
Economic development loans	-	-	-	-	-	-	-
Capital projects	166,733	237,295	199,164	-	1,357,531	-	-
911 System	-	-	-	-	-	-	-
Motor fuel tax projects	-	-	-	-	-	-	-
Public safety projects	-	-	-	-	-	-	-
Other projects	-	-	-	-	-	-	-
Assigned for:							
Green projects	-	-	-	-	-	-	-
Capital projects funds	-	-	-	332,740	332,740	-	-
<b>Total Fund Balances</b>	<b>\$ 166,733</b>	<b>\$ 237,295</b>	<b>\$ 199,164</b>	<b>\$ 332,740</b>	<b>\$ 1,690,271</b>	<b>\$ 143,807</b>	<b>\$ 1</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 166,733</b>	<b>\$ 237,295</b>	<b>\$ 199,164</b>	<b>\$ 332,740</b>	<b>\$ 1,690,271</b>	<b>\$ 143,807</b>	<b>\$ 1</b>

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, 2015

	<b>Debt Service Funds</b>						<b>Total</b>	
	<b>2010 GO Bond</b>	<b>2005 GO Bond</b>	<b>2009 OLC G/O Bond</b>	<b>2009 Library Bond</b>	<b>2009 Hydro Bond</b>	<b>2014 GO Note</b>	<b>Total Debt Service Funds</b>	<b>Non-Major Governmental Funds</b>
<b>Assets</b>								
Cash and cash equivalents	\$ 72,430	\$ 55,416	\$ 21,336	\$ 141,320	\$ 1,293,976	\$ -	\$ 1,728,286	\$ 10,813,040
Receivables, net	-	-	-	-	-	-	-	190,313
Due from other funds	-	-	-	-	-	-	-	140,354
Due from other governments	-	-	-	-	-	-	-	160,880
<b>Total Assets</b>	<b>\$ 72,430</b>	<b>\$ 55,416</b>	<b>\$ 21,336</b>	<b>\$ 141,320</b>	<b>\$ 1,293,976</b>	<b>\$ -</b>	<b>\$ 1,728,286</b>	<b>\$ 11,304,587</b>
<b>Liabilities and Fund Balances</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,656
Accrued expenses	-	-	-	-	-	-	-	31,636
Unearned revenue	-	-	-	-	-	-	-	8,075
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 143,367</b>
<b>Fund Balances</b>								
Restricted for:								
Debt service	\$ 72,430	\$ 55,416	\$ 21,336	\$ 141,320	\$ 1,293,976	\$ -	\$ 1,728,286	\$ 1,728,286
Economic development loans	-	-	-	-	-	-	-	2,492,957
Capital projects	-	-	-	-	-	-	-	1,357,531
911 System	-	-	-	-	-	-	-	1,057,598
Motor fuel tax projects	-	-	-	-	-	-	-	3,555,139
Public safety projects	-	-	-	-	-	-	-	205,254
Other projects	-	-	-	-	-	-	-	286,080
Assigned for:								
Green projects	-	-	-	-	-	-	-	145,635
Capital projects funds	-	-	-	-	-	-	-	332,740
<b>Total Fund Balances</b>	<b>\$ 72,430</b>	<b>\$ 55,416</b>	<b>\$ 21,336</b>	<b>\$ 141,320</b>	<b>\$ 1,293,976</b>	<b>\$ -</b>	<b>\$ 1,728,286</b>	<b>\$ 11,161,220</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 72,430</b>	<b>\$ 55,416</b>	<b>\$ 21,336</b>	<b>\$ 141,320</b>	<b>\$ 1,293,976</b>	<b>\$ -</b>	<b>\$ 1,728,286</b>	<b>\$ 11,304,587</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds  
For the Year Ended April 30, 2015

	<b>Special Revenue Funds</b>							
	<b>911 System</b>	<b>Motor Fuel Tax</b>	<b>Town Road Tax</b>	<b>Police Contributions</b>	<b>Fire Contributions</b>	<b>Franchise Fee "Green"</b>	<b>Economic Development Loan</b>	<b>CDAP Loan</b>
<b>Revenues</b>								
Property taxes	\$ -	\$ -	\$ 3,438	\$ -	\$ -	\$ -	\$ -	\$ -
Public service taxes	390,428	1,346,392	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	365,481	-	-
Grants and contributions	-	-	-	66,887	29,844	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	82,577	-	-	-	-
Intergovernmental	532,711	-	-	-	-	-	-	-
Investment earnings	3,794	18,555	305	890	46	712	17,996	27,871
Miscellaneous	-	-	-	-	-	-	116,471	214,680
<b>Total Revenues</b>	<b>\$ 926,933</b>	<b>\$ 1,364,947</b>	<b>\$ 3,743</b>	<b>\$ 150,354</b>	<b>\$ 29,890</b>	<b>\$ 366,193</b>	<b>\$ 134,467</b>	<b>\$ 242,551</b>
<b>Expenditures</b>								
Public Safety								
Police department	\$ -	\$ -	\$ -	\$ 72,755	\$ -	\$ -	\$ -	\$ -
Fire department	-	-	-	-	16,479	-	-	-
911 system	1,579,736	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Engineering services	-	49,014	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	78,845	485,588
Debt Service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-
Capital Outlay	9,032	1,118,918	-	64,723	11,490	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,588,768</b>	<b>\$ 1,167,932</b>	<b>\$ -</b>	<b>\$ 137,478</b>	<b>\$ 27,969</b>	<b>\$ -</b>	<b>\$ 78,845</b>	<b>\$ 485,588</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (661,835)</b>	<b>\$ 197,015</b>	<b>\$ 3,743</b>	<b>\$ 12,876</b>	<b>\$ 1,921</b>	<b>\$ 366,193</b>	<b>\$ 55,622</b>	<b>\$ (243,037)</b>
<b>Other Financing Sources (Uses)</b>								
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	796,816	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	(376,027)	(174,890)	-
Debt proceeds	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 796,816</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (376,027)</b>	<b>\$ (174,890)</b>	<b>\$ -</b>
<b>Net Change in Fund Balances</b>	<b>\$ 134,981</b>	<b>\$ 197,015</b>	<b>\$ 3,743</b>	<b>\$ 12,876</b>	<b>\$ 1,921</b>	<b>\$ (9,834)</b>	<b>\$ (119,268)</b>	<b>\$ (243,037)</b>
Fund Balances, May 1, 2014	922,617	3,358,124	72,513	178,985	11,472	155,469	973,412	1,145,551
<b>Fund Balances, April 30, 2015</b>	<b>\$ 1,057,598</b>	<b>\$ 3,555,139</b>	<b>\$ 76,256</b>	<b>\$ 191,861</b>	<b>\$ 13,393</b>	<b>\$ 145,635</b>	<b>\$ 854,144</b>	<b>\$ 902,514</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Non-Major Governmental Funds  
For the Year Ended April 30, 2015

	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
<b>Revenues</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,438	\$ -	\$ 379,559	\$ 16,105
Public service taxes	-	-	-	963,927	2,700,747	-	-	-
Franchise taxes	-	-	-	-	365,481	-	-	-
Grants and contributions	-	-	-	-	96,731	-	11,192	-
Charges for services	-	-	-	-	-	24,534	-	-
Fines and forfeitures	-	-	-	-	82,577	-	-	-
Intergovernmental	-	-	-	-	532,711	-	-	-
Investment earnings	28,138	193	283	296	99,079	1,445	1,238	93
Miscellaneous	225,148	3,312	2,434	4,906	566,951	-	-	-
<b>Total Revenues</b>	<b>\$ 253,286</b>	<b>\$ 3,505</b>	<b>\$ 2,717</b>	<b>\$ 969,129</b>	<b>\$ 4,447,715</b>	<b>\$ 25,979</b>	<b>\$ 391,989</b>	<b>\$ 16,198</b>
<b>Expenditures</b>								
Public Safety								
Police department	\$ -	\$ -	\$ -	\$ -	\$ 72,755	\$ -	\$ -	\$ -
Fire department	-	-	-	-	16,479	-	-	-
911 system	-	-	-	-	1,579,736	-	-	-
Public works	-	-	-	-	-	-	48,735	1,667
Engineering services	-	-	-	-	49,014	-	-	-
Culture and recreation	-	-	-	561,807	561,807	-	-	-
Community development	44,235	-	-	-	608,668	-	-	-
Debt Service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	1,204,163	-	22,058	-
<b>Total Expenditures</b>	<b>\$ 44,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 561,807</b>	<b>\$ 4,092,622</b>	<b>\$ -</b>	<b>\$ 70,793</b>	<b>\$ 1,667</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 209,051</b>	<b>\$ 3,505</b>	<b>\$ 2,717</b>	<b>\$ 407,322</b>	<b>\$ 355,093</b>	<b>\$ 25,979</b>	<b>\$ 321,196</b>	<b>\$ 14,531</b>
<b>Other Financing Sources (Uses)</b>								
Cost share transfers, net	\$ -	\$ -	\$ -	\$ (19,116)	\$ (19,116)	\$ -	\$ -	\$ -
Operating transfers in	4,890	-	-	-	801,706	-	-	-
Operating transfers out	(27,000)	-	-	(352,186)	(930,103)	-	-	-
Debt proceeds	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (22,110)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (371,302)</b>	<b>\$ (147,513)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Change in Fund Balances</b>	<b>\$ 186,941</b>	<b>\$ 3,505</b>	<b>\$ 2,717</b>	<b>\$ 36,020</b>	<b>\$ 207,580</b>	<b>\$ 25,979</b>	<b>\$ 321,196</b>	<b>\$ 14,531</b>
Fund Balances, May 1, 2014	297,979	186,435	58,722	173,804	7,535,083	343,076	38,657	10,900
<b>Fund Balances, April 30, 2015</b>	<b>\$ 484,920</b>	<b>\$ 189,940</b>	<b>\$ 61,439</b>	<b>\$ 209,824</b>	<b>\$ 7,742,663</b>	<b>\$ 369,055</b>	<b>\$ 359,853</b>	<b>\$ 25,431</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Non-Major Governmental Funds  
For the Year Ended April 30, 2015

	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
<b>Revenues</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 395,664	\$ -	\$ -
Public service taxes	-	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	11,192	-	-
Charges for services	-	-	-	-	24,534	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental	-	-	-	94,637	94,637	-	-
Investment earnings	915	960	764	1,319	6,734	1,693	-
Miscellaneous	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 915</b>	<b>\$ 960</b>	<b>\$ 764</b>	<b>\$ 95,956</b>	<b>\$ 532,761</b>	<b>\$ 1,693</b>	<b>\$ -</b>
<b>Expenditures</b>							
Public Safety							
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire department	-	-	-	-	-	-	-
911 system	-	-	-	-	-	-	-
Public works	-	-	-	-	50,402	-	-
Engineering services	-	-	-	-	-	-	-
Culture and recreation	29,365	-	-	-	29,365	-	-
Community development	-	-	-	-	-	-	-
Debt Service							
Principal retirement	-	-	-	-	-	204,554	124,119
Interest and charges	-	-	-	-	-	8,606	15,373
Capital Outlay	-	-	-	-	22,058	-	-
<b>Total Expenditures</b>	<b>\$ 29,365</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 101,825</b>	<b>\$ 213,160</b>	<b>\$ 139,492</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (28,450)</b>	<b>\$ 960</b>	<b>\$ 764</b>	<b>\$ 95,956</b>	<b>\$ 430,936</b>	<b>\$ (211,467)</b>	<b>\$ (139,492)</b>
<b>Other Financing Sources (Uses)</b>							
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	40,000	-	40,000	216,000	139,493
Operating transfers out	-	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ 216,000</b>	<b>\$ 139,493</b>
<b>Net Change in Fund Balances</b>	<b>\$ (28,450)</b>	<b>\$ 960</b>	<b>\$ 40,764</b>	<b>\$ 95,956</b>	<b>\$ 470,936</b>	<b>\$ 4,533</b>	<b>\$ 1</b>
Fund Balances, May 1, 2014	195,183	236,335	158,400	236,784	1,219,335	139,274	-
<b>Fund Balances, April 30, 2015</b>	<b>\$ 166,733</b>	<b>\$ 237,295</b>	<b>\$ 199,164</b>	<b>\$ 332,740</b>	<b>\$ 1,690,271</b>	<b>\$ 143,807</b>	<b>\$ 1</b>

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



City of Quincy, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Concluded)  
Non-Major Governmental Funds  
For the Year Ended April 30, 2015

	2010 GO Bond	2005 GO Bond	2009 OLC G/O Bond	2009 Library Bond	2009 Hydro Bond	2014 GO Note	Total Debt Service Funds	Total Non-Major Governmental Funds
<b>Revenues</b>								
Property taxes	\$ 95,882	\$ 1,180,975	\$ -	\$ 348,263	\$ -	\$ -	\$ 1,625,120	\$ 2,024,222
Public service taxes	-	-	-	-	-	-	-	2,700,747
Franchise taxes	-	-	-	-	-	-	-	365,481
Grants and contributions	-	-	-	-	-	-	-	107,923
Charges for services	-	-	-	-	-	-	-	24,534
Fines and forfeitures	-	-	-	-	-	-	-	82,577
Intergovernmental	-	-	-	-	-	-	-	627,348
Investment earnings	434	1,298	56	949	4,842	-	9,272	115,085
Miscellaneous	-	-	-	118,049	-	-	118,049	685,000
<b>Total Revenues</b>	<b>\$ 96,316</b>	<b>\$ 1,182,273</b>	<b>\$ 56</b>	<b>\$ 467,261</b>	<b>\$ 4,842</b>	<b>\$ -</b>	<b>\$ 1,752,441</b>	<b>\$ 6,732,917</b>
<b>Expenditures</b>								
Public Safety								
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,755
Fire department	-	-	-	-	-	-	-	16,479
911 system	-	-	-	-	-	-	-	1,579,736
Public works	-	-	-	-	-	-	-	50,402
Engineering services	-	-	-	-	-	-	-	49,014
Culture and recreation	-	-	-	-	-	-	-	591,172
Community development	-	-	-	-	-	-	-	608,668
Debt Service								
Principal retirement	80,000	1,000,000	-	180,000	-	43,220	1,631,893	1,631,893
Interest and charges	15,310	276,642	44,715	283,438	500	6,620	651,204	651,204
Capital Outlay	-	-	-	-	-	-	-	1,226,221
<b>Total Expenditures</b>	<b>\$ 95,310</b>	<b>\$ 1,276,642</b>	<b>\$ 44,715</b>	<b>\$ 463,438</b>	<b>\$ 500</b>	<b>\$ 49,840</b>	<b>\$ 2,283,097</b>	<b>\$ 6,477,544</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 1,006</b>	<b>\$ (94,369)</b>	<b>\$ (44,659)</b>	<b>\$ 3,823</b>	<b>\$ 4,342</b>	<b>\$ (49,840)</b>	<b>\$ (530,656)</b>	<b>\$ 255,373</b>
<b>Other Financing Sources (Uses)</b>								
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (19,116)
Operating transfers in	-	107,624	45,600	-	490,390	49,840	1,048,947	1,890,653
Operating transfers out	-	-	-	-	-	(973,518)	(973,518)	(1,903,621)
Debt proceeds	-	-	-	-	-	973,518	973,518	973,518
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 107,624</b>	<b>\$ 45,600</b>	<b>\$ -</b>	<b>\$ 490,390</b>	<b>\$ 49,840</b>	<b>\$ 1,048,947</b>	<b>\$ 941,434</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,006</b>	<b>\$ 13,255</b>	<b>\$ 941</b>	<b>\$ 3,823</b>	<b>\$ 494,732</b>	<b>\$ -</b>	<b>\$ 518,291</b>	<b>\$ 1,196,807</b>
Fund Balances, May 1, 2014	71,424	42,161	20,395	137,497	799,244	-	1,209,995	9,964,413
<b>Fund Balances, April 30, 2015</b>	<b>\$ 72,430</b>	<b>\$ 55,416</b>	<b>\$ 21,336</b>	<b>\$ 141,320</b>	<b>\$ 1,293,976</b>	<b>\$ -</b>	<b>\$ 1,728,286</b>	<b>\$ 11,161,220</b>

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

City of Quincy, Illinois  
Combining Statement of Net Position  
Non-Major Proprietary Funds  
April 30, 2015

	<b>Enterprise Funds</b>	<b>Total</b>
	<b>Quincy Municipal Dock</b>	<b>Non-Major Proprietary Funds</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 276,411	\$ 276,411
Receivables, net	-	-
<b>Total Current Assets</b>	<b>\$ 276,411</b>	<b>\$ 276,411</b>
<b>Noncurrent Assets</b>		
Capital assets:		
Land	\$ 19,945	\$ 19,945
Systems	145,556	145,556
Buildings and improvements	241,282	241,282
Less: Accumulated depreciation	(266,204)	(266,204)
<b>Total Noncurrent Assets</b>	<b>\$ 140,579</b>	<b>\$ 140,579</b>
<b>Total Assets</b>	<b>\$ 416,990</b>	<b>\$ 416,990</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 72	\$ 72
Accrued expenses	-	-
Accrued compensated absences	-	-
Bonds, notes and loans payable	-	-
<b>Total Current Liabilities</b>	<b>\$ 72</b>	<b>\$ 72</b>
<b>Noncurrent Liabilities</b>		
Accrued compensated absences	\$ -	\$ -
<b>Total Noncurrent Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Liabilities</b>	<b>\$ 72</b>	<b>\$ 72</b>
<b>Net Position</b>		
Invested in capital assets, net of debt	\$ 140,579	\$ 140,579
Unrestricted	276,339	276,339
<b>Total Net Position</b>	<b>\$ 416,918</b>	<b>\$ 416,918</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenses and Changes in Net Position  
Non-Major Proprietary Funds  
For the Year Ended April 30, 2015

	<u>Enterprise Funds</u> <u>Quincy Municipal Dock</u>	<u>Total Non-Major Proprietary Funds</u>
<b>Operating Revenues</b>		
Charges for services	\$ 188,500	\$ 188,500
<b>Total Revenues</b>	<u>\$ 188,500</u>	<u>\$ 188,500</u>
<b>Operating Expenses</b>		
Salaries and wages	\$ 1,718	\$ 1,718
Benefits	4,440	4,440
Purchased services	2,491	2,491
Supplies	2,541	2,541
Depreciation expense	20,737	20,737
<b>Total Operating Expenses</b>	<u>\$ 31,927</u>	<u>\$ 31,927</u>
<b>Operating Income</b>	<u>\$ 156,573</u>	<u>\$ 156,573</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest revenue	\$ 1,048	\$ 1,048
Operating transfers in	-	-
Operating transfers out	(100,000)	(100,000)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>\$ (98,952)</u>	<u>\$ (98,952)</u>
<b>Change in Net Position</b>	<u>\$ 57,621</u>	<u>\$ 57,621</u>
Net Position, May 1, 2014	359,297	359,297
<b>Net Position, April 30, 2015</b>	<u><u>\$ 416,918</u></u>	<u><u>\$ 416,918</u></u>

City of Quincy, Illinois  
Combining Statement of Cash Flows  
Non-Major Proprietary Funds  
For the Year Ended April 30, 2015

	<b>Enterprise Funds</b>	<b>Total</b>
	<b>Quincy Municipal Dock</b>	<b>Non-Major Proprietary Funds</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	\$ 194,344	\$ 194,344
Payments to suppliers	(7,022)	(7,022)
Payments to employees	(15,268)	(15,268)
<b>Net Cash Provided by Operations</b>	<b>\$ 172,054</b>	<b>\$ 172,054</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Operating subsidies and transfers	\$ (100,000)	\$ (100,000)
<b>Cash Flows from Investing Activities</b>		
Interest received	\$ 1,048	\$ 1,048
<b>Net Cash Provided by Investing Activities</b>	<b>\$ 1,048</b>	<b>\$ 1,048</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 73,102</b>	<b>\$ 73,102</b>
Cash and Cash Equivalents, May 1, 2014	203,309	203,309
<b>Cash and Cash Equivalents, April 30, 2015</b>	<b>\$ 276,411</b>	<b>\$ 276,411</b>
<b>Operating Income</b>	<b>\$ 156,573</b>	<b>\$ 156,573</b>
Adjustments to reconcile Operating Income:		
Amortization and depreciation	20,737	20,737
(Increase) Decrease in:		
Accounts receivable	5,844	5,844
Increase (Decrease) in:		
Accounts payable	(1,990)	(1,990)
Accrued expenses	(695)	(695)
Accrued compensated absences	(8,415)	(8,415)
<b>Cash flows from operating activities</b>	<b>\$ 172,054</b>	<b>\$ 172,054</b>

City of Quincy, Illinois  
Combining Statement of Net Position - Governmental-Type Activities  
Internal Service Funds  
April 30, 2015

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 1,495,809	\$ 48	\$ 100,442	\$ 2,435,629	\$ 593,267	\$ 4,625,195
Receivables, net	758	257,214	-	163	66,318	324,453
Inventories	32,850	-	-	-	-	32,850
<b>Total Current Assets</b>	<b>\$ 1,529,417</b>	<b>\$ 257,262</b>	<b>\$ 100,442</b>	<b>\$ 2,435,792</b>	<b>\$ 659,585</b>	<b>\$ 4,982,498</b>
<b>Noncurrent Assets</b>						
Capital assets:						
Land	\$ -	\$ 488,071	\$ -	\$ -	\$ -	\$ 488,071
Systems	-	510,500	-	-	-	510,500
Buildings and improvements	-	2,210,394	-	-	-	2,210,394
Vehicles and equipment	4,467,955	1,884,290	-	7,469	-	6,359,714
Less: Accumulated depreciation	(4,092,006)	(1,786,877)	-	(7,469)	-	(5,886,352)
<b>Total Noncurrent Assets</b>	<b>\$ 375,949</b>	<b>\$ 3,306,378</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,682,327</b>
<b>Total Assets</b>	<b>\$ 1,905,366</b>	<b>\$ 3,563,640</b>	<b>\$ 100,442</b>	<b>\$ 2,435,792</b>	<b>\$ 659,585</b>	<b>\$ 8,664,825</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 110,790	\$ 65,859	\$ -	\$ 22,002	\$ 37,960	\$ 236,611
Accrued expenses	6,764	18,741	-	6,084	278,368	309,957
Compensated absences	14,243	61,323	-	6,049	-	81,615
<b>Total Current Liabilities</b>	<b>\$ 131,797</b>	<b>\$ 145,923</b>	<b>\$ -</b>	<b>\$ 34,135</b>	<b>\$ 316,328</b>	<b>\$ 628,183</b>
<b>Noncurrent Liabilities</b>						
Compensated absences	\$ 30,777	\$ 133,523	\$ -	\$ 8,136	\$ -	\$ 172,436
<b>Total Noncurrent Liabilities</b>	<b>\$ 30,777</b>	<b>\$ 133,523</b>	<b>\$ -</b>	<b>\$ 8,136</b>	<b>\$ -</b>	<b>\$ 172,436</b>
<b>Total Liabilities</b>	<b>\$ 162,574</b>	<b>\$ 279,446</b>	<b>\$ -</b>	<b>\$ 42,271</b>	<b>\$ 316,328</b>	<b>\$ 800,619</b>
<b>Net Position</b>						
Invested in capital assets, net of debt	\$ 375,949	\$ 3,306,378	\$ -	\$ -	\$ -	\$ 3,682,327
Restricted for debt service	-	-	-	-	-	-
Unrestricted	1,366,843	(22,184)	100,442	2,393,521	343,257	4,181,879
<b>Total Net Position</b>	<b>\$ 1,742,792</b>	<b>\$ 3,284,194</b>	<b>\$ 100,442</b>	<b>\$ 2,393,521</b>	<b>\$ 343,257</b>	<b>\$ 7,864,206</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenses and Changes in Net Position - Governmental-Type Activities  
Internal Service Funds  
For the Year Ended April 30, 2015

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Operating Revenues</b>						
Charges for services	\$ 1,534,533	\$ 969,304	\$ 33,100	\$ 2,832,736	\$ 6,586,829	\$ 11,956,502
Miscellaneous	24,013	12,941	-	1,249	-	38,203
<b>Total Revenues</b>	<b>\$ 1,558,546</b>	<b>\$ 982,245</b>	<b>\$ 33,100</b>	<b>\$ 2,833,985</b>	<b>\$ 6,586,829</b>	<b>\$ 11,994,705</b>
<b>Operating Expenses</b>						
Salaries and wages	\$ 339,507	\$ 1,189,260	\$ -	\$ 164,111	\$ -	\$ 1,692,878
Benefits	224,958	816,889	-	63,413	-	1,105,260
Purchased services	272,185	1,307,044	-	2,411,001	-	3,990,230
Supplies	864,413	402,937	-	709	-	1,268,059
Claims	-	-	24,943	21,387	6,749,941	6,796,271
Other	-	320	-	44,377	750	45,447
Depreciation expense	65,323	160,555	-	-	-	225,878
<b>Total Operating Expenses</b>	<b>\$ 1,766,386</b>	<b>\$ 3,877,005</b>	<b>\$ 24,943</b>	<b>\$ 2,704,998</b>	<b>\$ 6,750,691</b>	<b>\$ 15,124,023</b>
<b>Operating Income</b>	<b>\$ (207,840)</b>	<b>\$ (2,894,760)</b>	<b>\$ 8,157</b>	<b>\$ 128,987</b>	<b>\$ (163,862)</b>	<b>\$ (3,129,318)</b>
<b>Nonoperating Revenues (Expenses)</b>						
Interest and investment revenue	\$ 5,488	\$ 5	\$ 398	\$ 9,193	\$ 4,380	\$ 19,464
Operating transfers in	315,111	3,837,993	-	-	-	4,153,104
Operating transfers out	-	(49,840)	-	-	-	(49,840)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 320,599</b>	<b>\$ 3,788,158</b>	<b>\$ 398</b>	<b>\$ 9,193</b>	<b>\$ 4,380</b>	<b>\$ 4,122,728</b>
<b>Change in Net Position</b>	<b>\$ 112,759</b>	<b>\$ 893,398</b>	<b>\$ 8,555</b>	<b>\$ 138,180</b>	<b>\$ (159,482)</b>	<b>\$ 993,410</b>
Net Position, May 1, 2014	1,630,033	2,390,796	91,887	2,255,341	502,739	6,870,796
<b>Net Position, April 30, 2015</b>	<b>\$ 1,742,792</b>	<b>\$ 3,284,194</b>	<b>\$ 100,442</b>	<b>\$ 2,393,521</b>	<b>\$ 343,257</b>	<b>\$ 7,864,206</b>

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

City of Quincy, Illinois  
Combining Statement of Cash Flows - Governmental-Type Activities  
Internal Service Funds  
For the Year Ended April 30, 2015

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Cash Flows from Operating Activities</b>						
Receipts from customers	\$ 1,537,663	\$ 937,884	\$ -	\$ -	\$ 3,165,305	\$ 5,640,852
Payments to suppliers	(1,333,693)	(2,546,142)	-	(2,459,229)	-	(6,339,064)
Payments to employees	(353,249)	(1,222,457)	-	(182,184)	(42,718)	(1,800,608)
Internal activity-payments from other funds	-	-	33,100	2,832,869	3,456,292	6,322,261
Claims paid	-	-	(24,943)	(21,387)	(6,712,240)	(6,758,570)
Other receipts (payments)	24,013	12,621	-	(43,128)	(750)	(7,244)
<b>Net Cash Provided by Operations</b>	<u>\$ (125,266)</u>	<u>\$ (2,818,094)</u>	<u>\$ 8,157</u>	<u>\$ 126,941</u>	<u>\$ (134,111)</u>	<u>\$ (2,942,373)</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Operating subsidies and transfers	<u>\$ 315,111</u>	<u>\$ 3,788,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,103,264</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Purchases of capital assets	\$ -	\$ (980,694)	\$ -	\$ -	\$ -	\$ (980,694)
Disposal of capital assets	-	-	-	-	-	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>\$ -</u>	<u>\$ (980,694)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (980,694)</u>
<b>Cash Flows from Investing Activities</b>						
Interest received	<u>\$ 5,488</u>	<u>\$ 5</u>	<u>\$ 398</u>	<u>\$ 9,193</u>	<u>\$ 4,380</u>	<u>\$ 19,464</u>
<b>Net Cash Provided by Investing Activities</b>	<u>\$ 5,488</u>	<u>\$ 5</u>	<u>\$ 398</u>	<u>\$ 9,193</u>	<u>\$ 4,380</u>	<u>\$ 19,464</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ 195,333</u>	<u>\$ (10,630)</u>	<u>\$ 8,555</u>	<u>\$ 136,134</u>	<u>\$ (129,731)</u>	<u>\$ 199,661</u>
Cash and Cash Equivalents, May 1, 2014	<u>1,300,476</u>	<u>10,678</u>	<u>91,887</u>	<u>2,299,495</u>	<u>722,998</u>	<u>4,425,534</u>
<b>Cash and Cash Equivalents, April 30, 2015</b>	<u><u>\$ 1,495,809</u></u>	<u><u>\$ 48</u></u>	<u><u>\$ 100,442</u></u>	<u><u>\$ 2,435,629</u></u>	<u><u>\$ 593,267</u></u>	<u><u>\$ 4,625,195</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, 2015

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Reconciliation of operating income to net cash flows from operating activities</b>						
<b>Operating Income</b>	\$ (207,840)	\$ (2,894,760)	\$ 8,157	\$ 128,987	\$ (163,862)	\$ (3,129,318)
Adjustments to reconcile Operating Income:						
Amortization and depreciation	65,323	160,555	-	-	-	225,878
(Gain) Loss on disposal of capital assets	3,000	-	-	-	-	3,000
(Increase) Decrease in:						
Accounts receivable	130	(31,420)	-	133	34,768	3,611
Inventories	1,931	-	-	-	-	1,931
Increase (Decrease) in:						
Accounts payable	25,932	(19,272)	-	15,894	37,701	60,255
Accrued expenses	1,819	3,014	-	3,766	(42,718)	(34,119)
Accrued compensated absences	(15,561)	(36,211)	-	(21,839)	-	(73,611)
<b>Cash flows from operating activities</b>	<u>\$ (125,266)</u>	<u>\$ (2,818,094)</u>	<u>\$ 8,157</u>	<u>\$ 126,941</u>	<u>\$ (134,111)</u>	<u>\$ (2,942,373)</u>



City of Quincy, Illinois  
Combining Statement of Fiduciary Net Position - Pension Funds  
April 30, 2015

	<b>Police Retirement Plan</b>	<b>Firefighter Retirement Plan</b>	<b>Total Retirement Plans</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 513,016	\$ 877,553	\$ 1,390,569
Investments	32,711,088	26,501,218	59,212,306
Receivables, net	1,685,476	2,006,948	3,692,424
<b>Total Assets</b>	<b>\$ 34,909,580</b>	<b>\$ 29,385,719</b>	<b>\$ 64,295,299</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accrued expenses	\$ 43,103	\$ 26,958	\$ 70,061
<b>Total Liabilities</b>	<b>\$ 43,103</b>	<b>\$ 26,958</b>	<b>\$ 70,061</b>
<b>Deferred Inflows of Resources</b>			
Unearned property taxes	\$ 1,633,347	\$ 1,941,888	\$ 3,575,235
<b>Net Position</b>			
Held in trust for pension benefits	\$ 33,233,130	\$ 27,416,873	\$ 60,650,003
<b>Total Net Position</b>	<b>\$ 33,233,130</b>	<b>\$ 27,416,873</b>	<b>\$ 60,650,003</b>

City of Quincy, Illinois  
Combining Statement of Changes in Fiduciary Net Position - Pension Funds  
For the Year Ended April 30, 2015

	<b>Police Retirement Plan</b>	<b>Firefighter Retirement Plan</b>	<b>Total Retirement Plans</b>
<b>Additions</b>			
Taxes:			
Property taxes	\$ 1,487,439	\$ 1,950,379	\$ 3,437,818
Personal Property Replacement tax	308,774	444,608	753,382
Total taxes	<u>\$ 1,796,213</u>	<u>\$ 2,394,987</u>	<u>\$ 4,191,200</u>
Contributions:			
Plan members	\$ 543,579	\$ 382,874	\$ 926,453
Other	93,247	122,269	215,516
	<u>\$ 636,826</u>	<u>\$ 505,143</u>	<u>\$ 1,141,969</u>
Investment earnings:			
Net increase (decrease) in fair value	\$ 934,972	\$ 932,549	\$ 1,867,521
Realized gain (loss) on sale of investments	236,322	161,939	398,261
Interest	332,926	291,945	624,871
Dividends	598,917	424,505	1,023,422
Total investment earnings	<u>\$ 2,103,137</u>	<u>\$ 1,810,938</u>	<u>\$ 3,914,075</u>
Total Additions	<u>\$ 4,536,176</u>	<u>\$ 4,711,068</u>	<u>\$ 9,247,244</u>
<b>Deductions</b>			
Benefits	\$ 2,977,298	\$ 3,284,397	\$ 6,261,695
Administrative expenses	175,459	187,346	362,805
Total Deductions	<u>\$ 3,152,757</u>	<u>\$ 3,471,743</u>	<u>\$ 6,624,500</u>
Change in net position	\$ 1,383,419	\$ 1,239,325	\$ 2,622,744
Net position, May 1, 2014	31,849,711	26,177,548	58,027,259
<b>Net position, April 30, 2015</b>	<u><u>\$ 33,233,130</u></u>	<u><u>\$ 27,416,873</u></u>	<u><u>\$ 60,650,003</u></u>

City of Quincy, Illinois  
Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds  
April 30, 2015

	Learn Not to Burn Fund	Sister City Commission	Stay Alive House	Lincoln Bicentennial Commission	Human Rights Commission	City Tree Board	Bridge Lighting Fund	Total Private Purpose
<b>Assets</b>								
<b>Current Assets</b>								
Cash and equivalents	\$ 2,381	\$ 7,101	\$ 2,124	\$ 667	\$ 640	\$ 7,773	\$ 153,330	\$ 174,016
<b>Total Assets</b>	<b>\$ 2,381</b>	<b>\$ 7,101</b>	<b>\$ 2,124</b>	<b>\$ 667</b>	<b>\$ 640</b>	<b>\$ 7,773</b>	<b>\$ 153,330</b>	<b>\$ 174,016</b>
<b>Liabilities</b>								
<b>Current Liabilities</b>								
Accounts payable	\$ -	\$ 1,898	\$ -	\$ -	\$ -	\$ 131	\$ -	\$ 2,029
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 1,898</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 131</b>	<b>\$ -</b>	<b>\$ 2,029</b>
<b>Net Position</b>								
Restricted for future expenditures	\$ 2,381	\$ 5,203	\$ 2,124	\$ 667	\$ 640	\$ 7,642	\$ 153,330	\$ 171,987
<b>Total Net Position</b>	<b>\$ 2,381</b>	<b>\$ 5,203</b>	<b>\$ 2,124</b>	<b>\$ 667</b>	<b>\$ 640</b>	<b>\$ 7,642</b>	<b>\$ 153,330</b>	<b>\$ 171,987</b>

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

City of Quincy, Illinois  
Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds  
For the Year Ended April 30, 2015

	Learn Not to Burn Fund	Sister City Commission	Stay Alive House	Lincoln Bicentennial Commission	Human Rights Commission	City Tree Board	Bridge Lighting Fund	Total Private Purpose
<b>Additions</b>								
Contributions:								
Outside agencies	\$ -	\$ 5,165	\$ 400	\$ -	\$ -	\$ 2,500	\$ -	\$ 8,065
Transfers from general fund	-	5,000	-	-	-	-	-	5,000
	<u>\$ -</u>	<u>\$ 10,165</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 13,065</u>
Investment earnings:								
Interest	\$ 10	\$ 15	\$ 7	\$ 2	\$ 2	\$ 63	\$ -	\$ 99
Total investment earnings	<u>\$ 10</u>	<u>\$ 15</u>	<u>\$ 7</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 99</u>
Total Additions	<u>\$ 10</u>	<u>\$ 10,180</u>	<u>\$ 407</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2,563</u>	<u>\$ -</u>	<u>\$ 13,164</u>
<b>Deductions</b>								
Payments to others	\$ 169	\$ 13,704	\$ -	\$ 552	\$ -	\$ 13,522	\$ 2,800	\$ 30,747
Total Deductions	<u>\$ 169</u>	<u>\$ 13,704</u>	<u>\$ -</u>	<u>\$ 552</u>	<u>\$ -</u>	<u>\$ 13,522</u>	<u>\$ 2,800</u>	<u>\$ 30,747</u>
Change in net position	\$ (159)	\$ (3,524)	\$ 407	\$ (550)	\$ 2	\$ (10,959)	\$ (2,800)	\$ (17,583)
Net position, May 1, 2014	<u>2,540</u>	<u>8,727</u>	<u>1,717</u>	<u>1,217</u>	<u>638</u>	<u>18,601</u>	<u>156,130</u>	<u>189,570</u>
<b>Net position, April 30, 2015</b>	<u><u>\$ 2,381</u></u>	<u><u>\$ 5,203</u></u>	<u><u>\$ 2,124</u></u>	<u><u>\$ 667</u></u>	<u><u>\$ 640</u></u>	<u><u>\$ 7,642</u></u>	<u><u>\$ 153,330</u></u>	<u><u>\$ 171,987</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, 2015

Year Ending April 30	General Obligation Refunding Bonds Series 2010		General Obligation (Limited Tax) Notes Series 2013A		General Obligation Refunding Bonds Series 2005A	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 85,000	\$ 12,675	\$ 207,885	\$ 5,274	\$ 1,055,000	\$ 224,975
2017	80,000	10,200	211,296	1,866	1,110,000	176,400
2018	90,000	7,380	-	-	1,155,000	131,100
2019	110,000	3,780	-	-	1,380,000	80,400
2020	50,000	900	-	-	1,320,000	26,400
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
	<u>\$ 415,000</u>	<u>\$ 34,935</u>	<u>\$ 419,181</u>	<u>\$ 7,140</u>	<u>\$ 6,020,000</u>	<u>\$ 639,275</u>

Year Ending April 30	General Obligation Capital Appreciation Bonds Series 2009A		General Obligation Bonds Series 2009B		General Obligation Bonds Series 2009C	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,087,529	\$ 389,366	\$ -	\$ 44,215	\$ 195,000	\$ 275,998
2017	-	-	-	44,215	215,000	267,613
2018	-	-	200,000	44,215	240,000	257,400
2019	-	-	205,000	38,215	260,000	245,400
2020	-	-	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>\$ 1,087,529</u>	<u>\$ 389,366</u>	<u>\$ 1,245,000</u>	<u>\$ 250,079</u>	<u>\$ 4,905,000</u>	<u>\$ 2,458,031</u>

City of Quincy, Illinois  
Schedule of Long-term Debt Service Requirements (Concluded)  
April 30, 2015

Year Ending April 30	General Obligation (Limited Tax) Notes Series 2013B		General Obligation (Limited Tax) Notes Series 2014		Total General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 126,730	\$ 12,762	\$ 131,511	\$ 18,002	\$ 2,888,655	\$ 983,267
2017	129,461	10,032	134,247	15,266	1,880,004	525,592
2018	132,218	7,275	137,052	12,461	1,954,270	459,831
2019	135,033	4,459	139,916	9,597	2,229,949	381,851
2020	137,908	1,585	142,841	6,672	2,145,749	298,990
2021	-	-	145,825	3,688	675,825	244,381
2022	-	-	98,906	769	658,906	216,272
2023	-	-	-	-	545,000	188,080
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>\$ 661,350</u>	<u>\$ 36,113</u>	<u>\$ 930,298</u>	<u>\$ 66,455</u>	<u>\$ 15,683,358</u>	<u>\$ 3,881,394</u>

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

City of Quincy, Illinois  
Principal Taxpayers in the City  
April 30, 2015

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	2014 EAV (Approximate)	% of City's EAV
QP&S Properties	\$ 8,335,080	1.40%
Quincy-Cullinan LLC	7,053,320	1.18%
Blessing Hospital	6,815,280	1.14%
Charles & Kathie Marx	3,278,190	0.55%
Blessing Corporate Services	3,133,660	0.53%
Menard, Inc.	3,110,700	0.52%
Wal-Mart Real Estate Business Trust	2,948,010	0.49%
Orix Sansone Quincy Venture	2,831,550	0.47%
Walmart	2,544,360	0.43%
Mercantile Bank	2,278,580	0.38%
Wis-Pak of Quincy, Inc.	2,168,570	0.36%
Total of Top 10 EAV's	<u>\$ 44,497,300</u>	<u>7.46%</u>
Total for City of Quincy	<u>\$ 596,329,719</u>	

Source: Adams County, Illinois, Clerk's Office



City of Quincy, Illinois  
Revenue Base, Revenue Rates and Property Tax Levies  
April 30, 2015

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Residential	\$295,835,789	\$316,156,656	\$341,632,107	\$362,541,713	\$375,674,413	\$386,241,601	\$397,693,834	\$401,318,370	\$402,529,470	\$411,709,982
Farm	327,680	369,140	359,350	389,110	403,190	365,380	373,840	378,270	382,850	390,920
Commercial	121,638,999	128,649,380	134,175,431	144,683,476	152,263,556	157,040,192	152,961,509	150,707,812	154,028,492	171,079,789
Industrial	7,867,660	8,564,330	8,929,660	9,480,010	14,537,570	14,506,004	12,487,934	12,362,694	11,932,094	12,020,704
Railroads	498,841	520,149	580,234	655,126	770,619	834,400	974,773	1,034,259	1,114,449	1,128,324
Total (Incl. TIF)	<u>\$426,168,969</u>	<u>\$454,259,655</u>	<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>

Source: Adams County, Illinois, Clerk's Office

**Revenue Rates:  
Tax Rate Trends**

Purpose	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Corporate	0.20037	0.16764	0.11357	0.02103	-	-	-	-	-	-
Fire Pension	0.19531	0.22175	0.24485	0.29390	0.35043	0.36990	0.34708	0.33511	0.34214	0.32564
Police Pension	0.16380	0.16906	0.20623	0.23015	0.26011	0.28697	0.24536	0.24693	0.26093	0.27390
Library	0.27886	0.27104	0.25422	0.26646	0.19829	0.12718	0.14063	0.12939	0.12844	0.12276
GOCP Bonds	0.23476	0.20263	0.18650	0.17649	0.23949	0.22808	0.26963	0.28216	0.28500	0.27540
Total	<u>1.07310</u>	<u>1.03212</u>	<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>

Source: Adams County, Illinois, Clerk's Office

**Property Tax Levy:  
Tax Extensions**

Levy Year	Assessed Valuation	Tax Extension (Excl. TIF)
2005	426,168,969	4,573,220
2006	454,259,655	4,688,505
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

Source: Adams County, Illinois, Clerk's Office

City of Quincy, Illinois  
Debt Capacity and Debt Ratios  
April 30, 2015

Debt Capacity:  
Direct General Obligation Debt

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Obligation	\$ 16,892,673	\$ 16,253,899	\$ 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
Notes Payable - Bank	1,794,152	1,610,392	1,004,775	1,754,984	1,396,740	2,207,185	1,971,876	1,741,764	605,599	439,122	279,983
<b>Total</b>	<b>\$ 18,686,825</b>	<b>\$ 17,864,291</b>	<b>\$ 17,392,509</b>	<b>\$ 16,970,751</b>	<b>\$ 15,392,233</b>	<b>\$ 28,226,316</b>	<b>\$ 26,793,694</b>	<b>\$ 19,929,293</b>	<b>\$ 18,460,128</b>	<b>\$ 16,780,855</b>	<b>\$ 15,963,341</b>

Source: Comprehensive Annual Financial Report

Debt Ratios:  
Direct Debt

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Est. Full Value of Taxable Property	\$ 1,181,755,413	\$ 1,278,506,907	\$ 1,362,778,965	\$ 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
Equalized Assessed Valuation (incl. TIF)	\$ 393,918,471	\$ 426,168,969	\$ 454,259,655	\$ 485,676,782	\$ 517,749,435	\$ 543,649,348	\$ 558,987,577	\$ 564,491,890	\$ 565,801,405	\$ 569,987,355	\$ 596,329,719
Population, Census	40,366	40,366	40,366	40,366	40,366	40,366	40,633	40,633	40,633	40,633	40,633

Source: Adams County, Illinois, Clerk's Office

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Per Capita	\$ 462.93	\$ 442.56	\$ 430.87	\$ 420.42	\$ 381.32	\$ 699.26	\$ 659.41	\$ 490.47	\$ 454.31	\$ 412.99	\$ 392.87
Percent of Estimated Full Value	1.58%	1.40%	1.28%	1.16%	0.99%	1.73%	1.60%	1.18%	1.09%	0.98%	0.89%
Percent of Equalized Assessed Value	4.74%	4.19%	3.83%	3.49%	2.97%	5.19%	4.79%	3.53%	3.26%	2.94%	2.68%

The City has no debt limit.

City of Quincy, Illinois  
Number of Employees and Level of Service  
April 30, 2015

**Number of Employees**

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Full-time	370	369	368	338	340	333	332	327	315
Part-time	48	61	53	64	61	49	45	42	40
<b>Total</b>	<b>418</b>	<b>430</b>	<b>421</b>	<b>402</b>	<b>401</b>	<b>382</b>	<b>377</b>	<b>369</b>	<b>355</b>

**Level of Service**

**Employee Count by Function**

**Full-time Employees Only**

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police sworn	73	77	76	75	76	75	74	75	71
Fire sworn	66	66	69	64	64	64	63	63	60
911 (all)	22	20	20	21	19	20	20	22	20
Transit (Union only)	24	23	23	20	23	20	20	21	20
822 Union only (Water, Sewer, Airport, Central Services)	101	97	99	84	84	82	82	79	77
Administration (no legal)	84	86	81	74	74	72	73	67	67
<b>Total</b>	<b>370</b>	<b>369</b>	<b>368</b>	<b>338</b>	<b>340</b>	<b>333</b>	<b>332</b>	<b>327</b>	<b>315</b>

City of Quincy, Illinois  
Employment Rates for Quincy and Adams County  
April 30, 2015

**Demographics**

**Employment Rates for City of Quincy**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Labor Force	21,566	22,607	22,852	22,538	22,182	22,338	22,064	21,654	21,403	19,446
Employed	20,601	21,495	21,963	21,350	20,424	20,543	20,491	20,214	19,902	18,332
Unemployed	965	1,112	889	1,188	1,758	1,795	1,573	1,440	1,501	1,114
Rate	4.5%	4.9%	3.9%	5.3%	7.9%	8.0%	7.1%	6.7%	7.0%	5.7%

Source: Illinois Department of Employment Security

**Employment Rates for Adams County**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Labor Force	37,338	39,222	39,511	38,873	38,092	38,371	37,424	36,751	36,179	32,629
Employed	35,916	37,854	38,108	36,907	35,304	35,525	34,939	34,469	33,841	30,872
Unemployed	1,422	1,368	1,403	1,966	2,788	2,846	2,485	2,282	2,338	1,757
Rate	3.8%	3.5%	3.6%	5.1%	7.3%	7.4%	6.6%	6.2%	6.5%	5.4%

Source: Illinois Department of Employment Security

## Compliance Section

The accompanying information is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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, 2015, 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 27, 2015.

**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 27, 2015  
Quincy, Illinois



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**Independent Auditor's Report on Compliance for Each  
Major Program and on Internal Control over Compliance  
Required by OMB Circular A-133**

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.



**Independent Auditor's Report on Compliance for Each  
Major Program and on Internal Control over Compliance  
Required by OMB Circular A-133 (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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

October 27, 2015  
Quincy, Illinois

City of Quincy, Illinois  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended April 30, 2015

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Number	Expenditures
<b>U.S. Department of Housing &amp; Urban Development</b>			
Economic Development Initiative-Special Projects, Neighborhood Initiative and Miscellaneous Grants	14.251	B-08-SP-IL-0556	\$ 59,755
Illinois Department of Commerce and Economic Opportunity Community Development Block Grants	14.228	11-240011	\$ 11,192
	14.228	09-240022	2,500
			<u>\$ 13,692</u>
Illinois Housing Development Authority Home Investment Partnerships Program	14.239	HS-50535	\$ 31,747
	14.239	HO-50843	52,945
			<u>\$ 84,692</u>
<b>Total U.S. Department of Housing &amp; Urban Development</b>			<u>\$ 158,139</u>
<b>U.S. Department of Justice</b>			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0092	\$ 8,074
<i>Total JAG Program Cluster</i>			<u>\$ 8,074</u>
Bulletproof Vest Partnership Grant Program	16.607	2014BUBX14071561	\$ 7,690
<b>Total U.S. Department of Justice</b>			<u>\$ 15,764</u>
<b>U.S. Department of Transportation</b>			
Illinois Department of Transportation Airport Improvement Program	20.106	UIN-3841-0000	\$ 100,326
Highway Planning and Construction	20.205	ITEP Grant #602219	\$ 207,598
Formula Grants for Other Than Urbanized Areas	20.509	IL-18-X031	<b>M</b> \$ 600,253
State and Community Highway Safety	20.600	OP14-0058	\$ 25,120
National Priority Safety Programs	20.616	OP0-4780-203	\$ 24,664
<b>Total Illinois Department of Transportation</b>			<u>\$ 957,961</u>
<b>Total U.S. Department of Transportation</b>			<u>\$ 957,961</u>
<b>U.S. Department of Homeland Security</b>			
Illinois Department of Transportation Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0213HSLR722	\$ 62,633
Illinois Law Enforcement Alarm System Homeland Security Grant Program	97.067	MFF	\$ 6,120
	97.067	WMD	12,312
			<u>\$ 18,432</u>
Illinois Emergency Management Agency Disaster Grants-Public Assistance	97.036	001-62367-00	<b>M</b> \$ 1,108,709
<b>Total U.S. Department of Homeland Security</b>			<u>\$ 1,189,774</u>
<b>Total Federal Expenditures</b>			<u><u>\$ 2,321,638</u></u>

**M** - Denotes Major Program

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

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Quincy, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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, 2015, the City did not receive any non-monetary assistance.

**4. Insurance**

As of and for the year ended April 30, 2015, the City had no federal insurance in effect.

**5. Federal Loans or Loan Guarantees**

As of and for the year ended April 30, 2015, the City had no federal loans or loan guarantees.

**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 in internal control over financial reporting 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 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)
  - Disaster Grants – Public Assistance (CFDA# 97.036)
- H. The threshold for distinguishing Types A and B programs was \$300,000.
- I. The City of Quincy, Illinois did not qualify 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, 2015.*

**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 OMB Circular A-133 for the year ended April 30, 2015.*

**Finding 2014-001:**

**Federal Agency: Department of Homeland Security**  
**Pass-through Entity: Illinois Emergency Management Agency**  
**Federal Program: Disaster Grants – Public Assistance (CFDA No. 97.036)**

*Requirement:* Provisions of OMB Circular A-87 requires that direct charges to federal awards are for allowable costs. Also, under the Special Tests and Provisions Compliance requirement, the City must have documents to support the allowable costs. In addition, A-102 Common Rule requires that nonfederal entities received federal awards to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations and program compliance requirements.

*Condition:* The City overstated labor, equipment, and materials expenditures. This caused the City to receive a greater reimbursement than what was allowable.

*Cause of Condition:* Invoices were inadvertently duplicated on the Reimbursement Report and labor and equipment usage was not calculated correctly. Oversight in this area is already increased and the expenditures were independently reviewed by two employees. However, neither review discovered these errors.

*Criteria:* Internal controls should be in place that ensure correct amounts are being reported in order for accurate reimbursements to be received.

*Effect:* The City received reimbursements in excess of allowable expenditures.

*Questioned Costs:* The City had questioned costs due to the overstatement of labor, equipment, and materials expenses totaling \$15,631. The questioned costs were computed by reviewing the detail of the expenditures submitted to FEMA and comparing it to the supporting documentation. The total overstated expenditures were then multiplied by the 75% FEMA reimbursement rate to determine the amount of questioned costs.

*Recommendation* The City employs project codes within its accounting software. We recommend using a project code for these grant expenditures. This would allow the FEMA reports and accounting records to be easily reconciled. This would also avoid including the same invoice twice. We also recommend that the City continue having two independent reviews of the reporting to also ensure that the expenditures being charged to the grant are eligible expenditures.

*Response and Corrective Action Plan:* The City Comptroller accepts full responsibility for the overstatement on the FEMA 4116 project worksheet category B (Emergency Protective Measures) PA ID number 001-62367-00. The flooding occurred in mid-April, which is the same time the former Comptroller was leaving. The Comptroller's office was functioning short-staffed by one position for about a six-month period. The former senior accountant was transitioning into the position of Comptroller and simply did not spend enough time training the staff person who prepared the project worksheet. In addition, the project worksheet was closed out during the short-staffing period and the Comptroller did not double check the project worksheet.

While the City did inadvertently overstate the labor, equipment, and material on the project worksheet, it should be noted that the granting agency (FEMA) signed off on the worksheet as well, and awarded the funds as requested. The City is currently working with FEMA/IEMA to correct the project worksheet and refund the overstatement/overpayment of \$15,631.

The error was unintentional. The overstatement of labor occurred due to the fact that all hours worked during the emergency response must be reported. When reporting the police patrol 2.2 regular hours on 4/20/14, the amount was entered in the wrong field as 2.2 overtime hours on 4/19/14. Since only overtime wages are reimbursable under the grant, the entire overtime labor is considered an overstatement of \$106. The vehicle hours error resulted from a patrol vehicle which was used for a total of four hours (two hours on 4/20/14 and two hours on 4/21/14). These vehicle hours were mistakenly entered on the project worksheet as four hours for each day instead of two hours each day, resulting in an overstatement of four vehicle hours. This vehicle reimbursement error totaled \$65. The major discrepancy was the duplication of two invoices for fuel to power the generators during the power outage. The two duplicated invoices totaled \$20,670.

In summary, the overstatement is as follows:

	<u>City's Cost</u>	<u>FEMA 75%</u>
Labor	\$ 106	\$ 80
Equipment	\$ 65	\$ 49
Material	<u>\$ 20,670</u>	<u>\$ 15,502</u>
<b>Total</b>	<b>\$ 20,841</b>	<b>\$ 15,631</b>

The City does use project codes for sub-ledger accounting. Unfortunately, when the flooding occurred we only assumed we would be having emergency protective measures (FEMA category B). However, the damage was so great, that we ended up having permanent repair work and mitigation work done. The project code that we used had to be broken down manually into one of the three FEMA project worksheets. In the future, we plan to use the project codes for better tracking and also will use the project data to reconcile the project worksheets submitted. In addition, we will use a second employee to verify the data.

*Status of Finding:*

The City reimbursed the Illinois Emergency Management Agency in December 2014 for all overpaid funds. The City has implemented a review process to ensure this would not occur in the future and is continuing to use the project codes to track expenses. This process was verified during the current year major program testing with no exceptions noted.