

City of Quincy, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2011

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City of Quincy, Illinois

A Home Rule City

Council/Mayor Form of Government

(As of April 30, 2011)

MAYOR

John A. Spring

CITY COUNCIL

1 st Ward	Virgil E. Goehl Benjamin J. Bumbry III	5 th Ward	Michael J. Rein Jennifer Lepper
2 nd Ward	Steven K. Duesterhaus David Bauer	6 th Ward	Raymond B. Vahlkamp Dan Brink
3 rd Ward	Gregory P. Havermale Kyle Moore	7 th Ward	Richard K. Reis Jack Holtschlag
4 th Ward	Michael H. Farha Anthony Sassen		

CITY CLERK

Virginia Hayden

CITY TREASURER

Peggy R. Crim

DIRECTOR OF ADMINISTRATIVE SERVICES

Gary Sparks

DEPARTMENT DIRECTORS

Corporation Counsel	Andrew W. Staff
Comptroller	Ann Scott
Engineering	Jeffrey H. Steinkamp
Utilities	David M. Kent
Police	Robert R. Copley
Planning and Development	Charles T. Bevelheimer
Central Services	Jeffrey H. Steinkamp
Fire	Joe Henning
Quincy Transit Lines	Marty Stegeman
Quincy Regional Airport	Marty Stegeman
Purchasing	Ann Scott
911 System	Steven D. Rowlands
MIS	James E. Murphy
Human Services	Douglas Olson

Financial Section



Independent Auditor's Report

The Honorable Mayor
and City Council
City of Quincy, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Quincy, Illinois (the City) as of and for the year ended April 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 aggregate remaining fund information of the City of Quincy, Illinois, as of April 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2011, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of funding progress on pages 3 through 12 and 55 through 64 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.

Independent Auditor's Report (Concluded)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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 financial statements. The Quincy Transit Lines reports are presented for purposes of additional analysis as required by the Illinois Department of Transportation, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards and the Quincy Transit Lines reports are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

November 10, 2011
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 Assets represents information on all of the City of Quincy's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year.

In the Statement of Net Assets 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). 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 bonds proceeds and interfund transfers as other financial sources as well as capital expenditures and bond 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 and the Schedule of Funding Progress for the pension plans are presented immediately following the notes to financial statements.

The City as a Whole – Government-Wide Financial Analysis

The City's combined net assets were \$137.2 million as of April 30, 2011. Analyzing the net assets and net income of governmental and business-type activities separately, the business type activities net assets are \$77.6 million.

By far the largest portion of the City's net assets (88.0 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 Assets
at April 30, 2011 and 2010
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 36.7	\$ 37.7	\$ 11.4	\$ 9.0	\$ 48.1	\$ 46.7
Capital assets - net of depreciation	60.3	61.4	68.0	69.4	128.3	130.8
Total Assets	\$ 97.0	\$ 99.1	\$ 79.4	\$ 78.4	\$ 176.4	\$ 177.5
Current liabilities	\$ 5.1	\$ 9.1	\$ 0.9	\$ 1.0	\$ 6.0	\$ 10.1
Long-term liabilities and debt	31.1	28.3	0.9	1.0	32.0	29.3
Total Liabilities	\$ 36.2	\$ 37.4	\$ 1.8	\$ 2.0	\$ 38.0	\$ 39.4
Net assets:						
Invested in capital assets, net of related debt	\$ 53.4	\$ 54.1	\$ 67.3	\$ 68.6	\$ 120.7	\$ 122.7
Restricted	10.0	5.7	-	-	10.0	5.7
Unrestricted	(3.8)	1.9	10.3	7.8	6.5	9.7
Total Net Assets	\$ 59.6	\$ 61.7	\$ 77.6	\$ 76.4	\$ 137.2	\$ 138.1

Normal Impacts

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

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

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 assets 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 assets 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

After a number of years of little or no increase in Liability and Worker's Compensation premiums, the City saw the need to increase the amounts charged to departments in FY2011. While the premium paid by the City increased by only 4.5%, the amounts charged to departments increased by almost 18%. This was necessitated by the loss of interest earnings over the last several years which had helped pay the premiums in the past. Fortunately, Health Insurance Premiums increased by only 5% in FY2011.

Payments to the Police and Fire Pension funds increased significantly once again in 2011. Payments to the Fire Pension fund increased by \$416,000, or 21.5%, on top of last year's increase of \$225,000 while payments for the Police Pension fund increased \$246,000, or 16.7%, after 2010's increase of \$115,000.

Due to the retirement incentive offered by the City which saw seventeen employees on the IMRF pension system retire by December 31, 2009, total contributions to the Illinois Municipal Retirement Fund decreased by \$35,000 or 4% in FY2011.

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

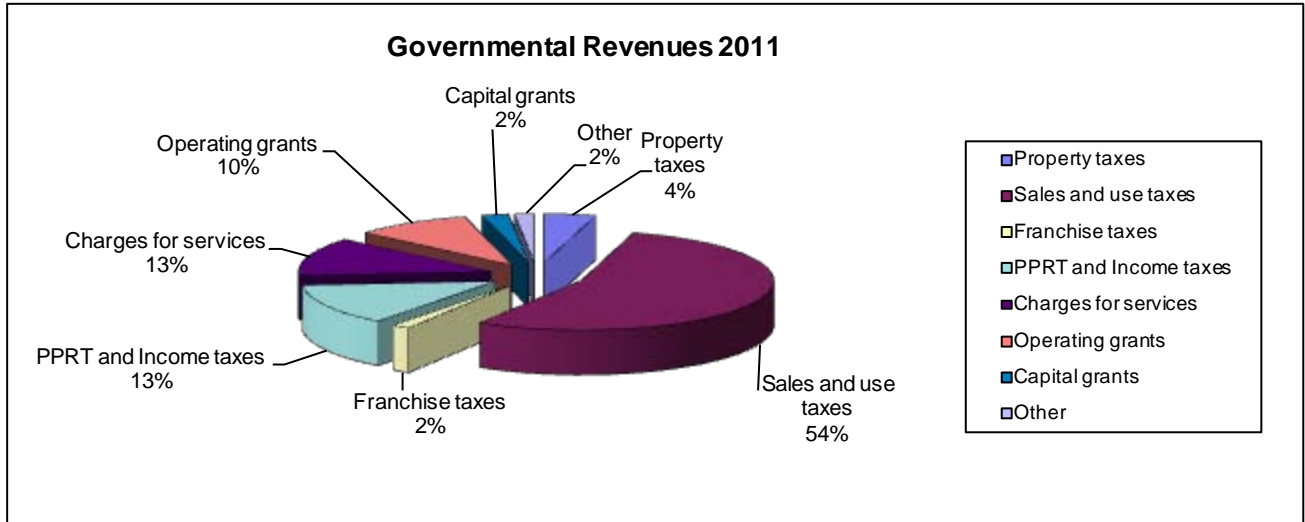
Table 2
Changes in Net Assets
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	\$ 4.8	\$ 4.7	\$ 11.1	\$ 10.8	\$ 15.9	\$ 15.5
Operating grants and contributions	3.7	3.4	-	-	3.7	3.4
Capital grants and contributions	0.8	1.7	0.6	1.7	1.4	3.4
General Revenues:						
Property taxes	1.6	1.3	-	-	1.6	1.3
Other taxes	26.0	22.6	-	-	26.0	22.6
Other	0.6	0.8	0.3	0.2	0.9	1.0
Total revenues	\$ 37.5	\$ 34.5	\$ 12.0	\$ 12.7	\$ 49.5	\$ 47.2
Expenses:						
General government	\$ 6.1	\$ 4.8	\$ -	\$ -	\$ 6.1	\$ 4.8
Public safety	13.8	15.3	-	-	13.8	15.3
Public works and engineering	13.1	13.8	-	-	13.1	13.8
Water, Sewer, Airport, Barge Dock	-	-	11.1	11.5	11.1	11.5
Health, Culture, Community Dev	5.3	2.6	-	-	5.3	2.6
Interest on long-term debt	1.0	1.2	-	-	1.0	1.2
Total expenses	\$ 39.3	\$ 37.7	\$ 11.1	\$ 11.5	\$ 50.4	\$ 49.2
Increase (decrease) in net assets before transfers	\$ (1.8)	\$ (3.2)	\$ 0.9	\$ 1.2	\$ (0.9)	\$ (2.0)
Transfers	(0.3)	(1.2)	0.3	1.2	-	-
Increase (decrease) in net assets	\$ (2.1)	\$ (4.4)	\$ 1.2	\$ 2.4	\$ (0.9)	\$ (2.0)
Net Assets at beginning of year	61.7	66.1	76.4	74.0	138.1	140.1
Net Assets at end of year	\$ 59.6	\$ 61.7	\$ 77.6	\$ 76.4	\$ 137.2	\$ 138.1

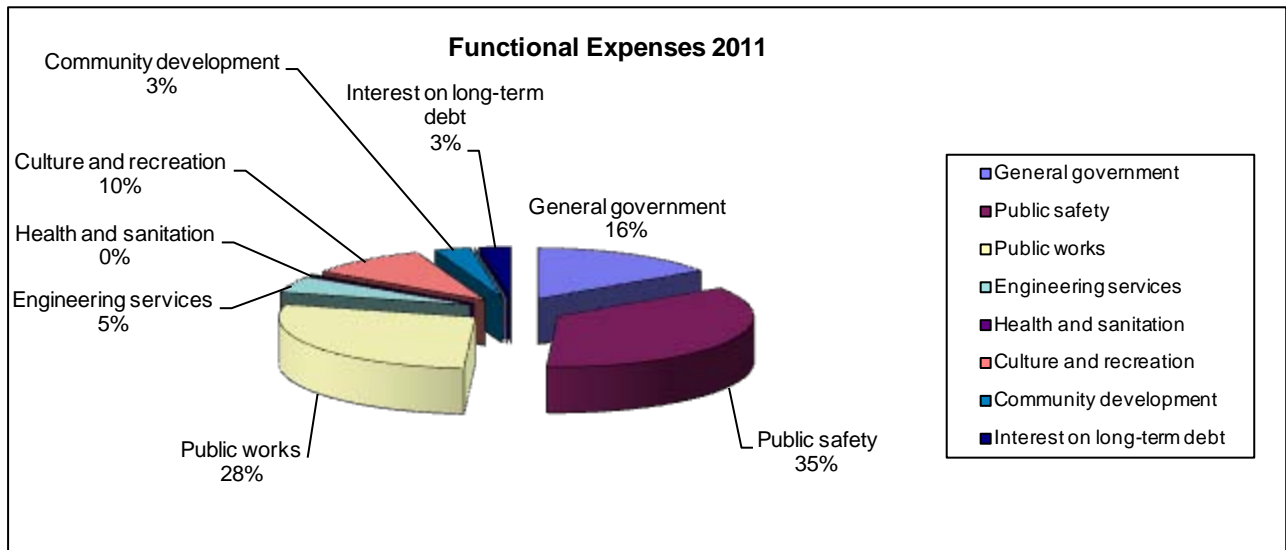
The City's combined change in net assets in fiscal year 2010/2011 was a decrease of \$0.9 million compared to the decrease of \$2.0 million in fiscal year 2009/2010. The City's total revenues increased in 2011 by \$2.3 million to \$49.5 million. Of this amount, the Governmental revenues increased by \$3.0 million while Business-type revenues decreased by \$0.7 million.

The cost of all City programs increased by \$1.2 million while the Business-type costs decreased by \$0.4 million. Of the increase in Governmental Activities expenses, the largest was in Health, Culture and Community Development which increased by \$2.7 million in FY2011.

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

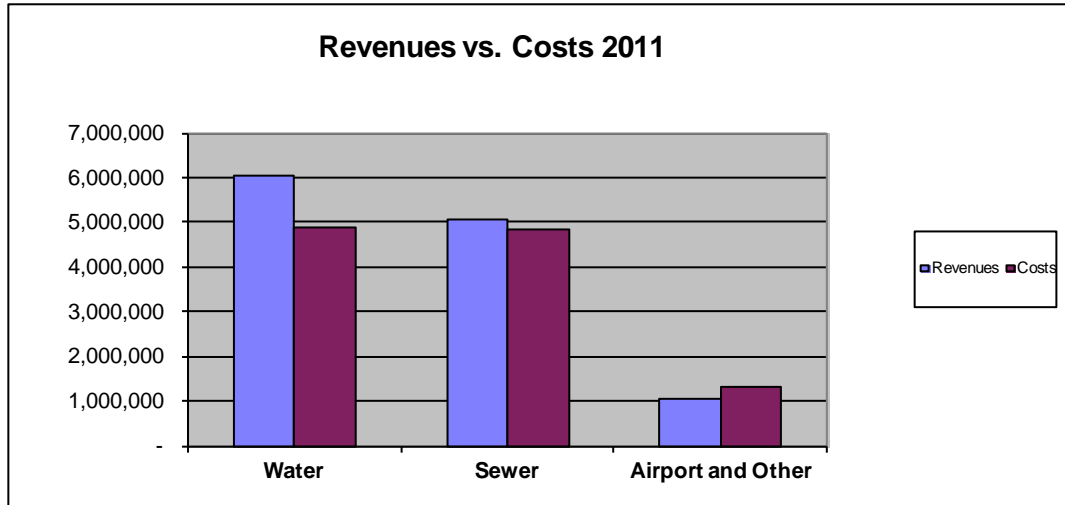


The following graph depicts the different expense categories and the percentage of resources provided for each category:



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 the fiscal year ended April 30, 2011, revenues from governmental activities totaled \$37.5 million, an increase of \$3.0 million from fiscal 2010. Most significant of the revenue changes was an increase of \$3.4 million in other taxes. This increase was offset by a reduction in operating and capital grants of \$0.6 million.

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 \$26.0 million, or 69%, of all Governmental Activities revenues for fiscal year 2011.

Business-type Activities saw an increase of \$0.3 million in charges for services from the previous fiscal year. However, capital grants and contributions to Business-type Activities decreased by \$1.1 million.

Expenses:

For the fiscal year ended April 30, 2011, expenditures for governmental activities totaled \$39.3 million, an increase of \$1.6 million. The largest increase was to health, culture and community development (\$2.7 million).

Expenses for Business-type activities decreased by \$0.4 million.

For Governmental Activities the \$37.5 million in revenues was offset by \$39.3 million in expenses resulting in a reduction in net assets of \$1.8 million before transfers. For Business-type Activities, revenues of \$12.0 million were offset by \$11.1 million in expenses for an increase in net assets of \$0.9 million before transfers.

The City's Funds

At the close of the City's fiscal year on April 30, 2011, the governmental funds of the City reported a combined fund balance of \$23.3 million. This is a decrease of 7.0%, or \$1.7 million from last year's combined fund balance of \$25.1 million. The ending balance includes an increase in fund balance of \$3.1 million in the City's General Fund. In addition, these other changes in fund balances should be noted:

- The 2009 G/O Hydro Project Fund had a decrease in fund balance of \$1.7 million. This fund is used to account for the bond proceeds and related costs for the Hydroelectric project. This decrease is due to the spending of prior year unspent debt proceeds.
- The 2009C G/O Library Project Fund had a decrease in fund balance of \$3.1 million for the year ended April 30, 2011. This fund is used to account for the bond proceeds and related costs of the construction and renovation of the Quincy Public Library, a component unit of the City of Quincy. The decrease is due to the spending of prior year unspent debt proceeds.

General Fund Budgeting Highlights

For fiscal year ending April 30, 2011, actual expenditures on a budgetary basis were \$22.4 million compared to the budget amount of \$23.3 million. The \$0.9 million variance was due to spending less than budgeted in various areas, especially police, fire and building maintenance. The largest variances were in the police department of \$0.3 million and the fire department of \$0.2 million.

The City's actual amounts available for appropriation on a budgetary basis were \$27.2 million as compared to the budget amount of \$23.7 million. This resulted in a variance of \$3.5 million. Much of this variance is due to the budgeting of intergovernmental revenues of \$12.5 million and receiving \$14.4 million due to late payments received by the State of Illinois in this fiscal year from the prior year. There was also a large variance of \$1.5 million in operating transfers where the budgeted amount was \$7.2 million and the actual amount transferred in was \$8.8 million.

Capital Assets

At the end of the fiscal year, the City had \$128.3 million invested in its funds for capital assets. This amount represents a decrease of \$2.5 million or 1.9%. \$1.4 million of this decrease occurred in the business-type activities due to current year depreciation exceeding current year additions.

Table 3
Capital Assets
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Non-Depreciable Assets						
Land	\$ 2.2	\$ 2.2	\$ 1.8	\$ 1.8	\$ 4.0	\$ 4.0
Construction in Progress	5.2	4.6	-	0.2	5.2	4.8
Depreciable Assets						
Vehicles	8.6	7.8	2.6	2.6	11.2	10.4
Buildings and improvements	16.3	16.3	142.5	140.7	158.8	157.0
Equipment and furniture	5.6	5.2	1.8	1.7	7.4	6.9
Infrastructure	118.2	117.1	-	-	118.2	117.1
Accumulated depreciation	(95.8)	(91.8)	(80.7)	(77.6)	(176.5)	(169.4)
	<u>\$ 60.3</u>	<u>\$ 61.4</u>	<u>\$ 68.0</u>	<u>\$ 69.4</u>	<u>\$ 128.3</u>	<u>\$ 130.8</u>

Debt Outstanding

At year-end, the City had \$24,821,818 in long-term bond obligations comprised of the following issues:

	Issued	Outstanding
GOCP 1996	\$ 5,000,000	\$ 1,170,000
GOCP 1999	9,850,000	-
GORB 2010	1,552,000	1,170,000
GORB 2005	9,530,000	9,165,000
GON 2006	1,300,000	-
GOCAB 2009A	6,596,818	6,596,818
GOB 2009B	1,245,000	1,245,000
GOB 2009C	5,533,000	5,475,000
Total	\$ 40,606,818	\$ 24,821,818

Economic Factors

The City of Quincy serves as an economic hub for West Central Illinois. The presence of health care providers and retail shopping in our city creates a regional draw. This also provides a significant level of employment in our area. The City's unemployment rate in April was 6.6% compared to 8.1% at the same time last year. This is well below the state average of 10.3% last year. Our community offers diversity among the employed population which is a huge factor for our economy. Manufacturing in Adams County accounts for 16.69% of the employed population, compared to 11.95% in Illinois and 10.82% in the United States.

Despite continuing lagging payments from the state, the income tax revenue decline has seemed to flatten while sales tax revenues were up in FY2011 over FY2010 showing some recovery from the recent recession. Residential housing may be experiencing a decline; 57 permits with a value of \$16.6 million were issued in FY2011 compared to 74 permits with a value of \$24.8 million in FY2010. The total fees collected by inspections were down 22.62% from last year. The City's EAV has increased by 2.82% for tax year 2010 with a total of \$558,987,577.

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 Ann Scott, 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 Assets
April 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 24,885,488	\$ 9,359,682	\$ 34,245,170	\$ 730,978
Investments	-	-	-	2,754,553
Receivables, net	10,331,605	1,741,560	12,073,165	772,568
Inventories	32,263	163,401	195,664	-
Prepaid items	-	128,512	128,512	-
Net pension asset	1,427,555	-	1,427,555	-
Capital assets, net	60,292,488	68,021,531	128,314,019	4,685,891
Total Assets	\$ 96,969,399	\$ 79,414,686	\$ 176,384,085	\$ 8,943,990
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 691,650	\$ 124,916	\$ 816,566	\$ 12,174
Accrued expenses	1,060,954	60,040	1,120,994	100,358
Deferred revenue	212,477	396,440	608,917	748,237
Non-current liabilities:				
Accrued interest and accretion	281,609	-	281,609	-
Net pension obligation	340,220	-	340,220	-
OPEB obligation	895,165	-	895,165	-
Deferred taxes	1,274,939	-	1,274,939	-
Due within one year	2,818,348	355,884	3,174,232	-
Due in more than one year	29,816,986	851,478	30,668,464	-
Total Liabilities	\$ 37,392,348	\$ 1,788,758	\$ 39,181,106	\$ 860,769
Net Assets				
Invested in capital assets, net of related debt	\$ 53,443,977	\$ 67,317,385	\$ 120,761,362	\$ 4,685,891
Restricted for:				
Debt service	486,593	-	486,593	-
Capital projects	2,514,983	-	2,514,983	-
Community development	7,037,589	-	7,037,589	-
Other purposes	-	-	-	530,595
Unrestricted	(3,906,091)	10,308,543	6,402,452	2,866,735
Total Net Assets	\$ 59,577,051	\$ 77,625,928	\$ 137,202,979	\$ 8,083,221

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, 2011

Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 6,117,535	\$ 588,545	\$ 35,396	\$ -	\$ (5,493,594)	\$ -	\$ (5,493,594)	\$ -
Public safety	13,842,561	1,121,556	674,222	-	(12,046,783)	-	(12,046,783)	-
Public works	11,027,065	2,733,594	2,526,661	832,398	(4,934,412)	-	(4,934,412)	-
Engineering services	2,047,272	-	-	-	(2,047,272)	-	(2,047,272)	-
Health and sanitation	107,163	4,789	-	-	(102,374)	-	(102,374)	-
Culture and recreation	3,858,291	-	-	-	(3,858,291)	-	(3,858,291)	-
Community development	1,174,853	249,372	445,821	-	(479,660)	-	(479,660)	-
Interest on long-term debt	1,026,910	-	-	-	(1,026,910)	-	(1,026,910)	-
Total Governmental Activities	\$ 39,201,650	\$ 4,697,856	\$ 3,682,100	\$ 832,398	\$ (29,989,296)	\$ -	\$ (29,989,296)	\$ -
Business-type Activities:								
Water	\$ 4,872,363	\$ 6,027,774	\$ -	\$ -	\$ -	\$ 1,155,411	\$ 1,155,411	\$ -
Sewer	4,852,380	4,892,373	-	157,289	-	197,282	197,282	-
Airport	1,183,437	129,890	-	417,931	-	(635,616)	(635,616)	-
Other	153,249	165,858	200	-	-	12,809	12,809	-
Total Business-Type Activities	\$ 11,061,429	\$ 11,215,895	\$ 200	\$ 575,220	\$ -	\$ 729,886	\$ 729,886	\$ -
Total Primary Government	\$ 50,263,079	\$ 15,913,751	\$ 3,682,300	\$ 1,407,618	\$ (29,989,296)	\$ 729,886	\$ (29,259,410)	\$ -
Component Units:								
Woodland Cemetery	\$ 211,499	\$ 10,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,749)
Quincy Public Library	2,262,109	316,996	408,809	3,500,987	-	-	-	1,964,683
Total Component Units	\$ 2,473,608	\$ 327,746	\$ 408,809	\$ 3,500,987	\$ -	\$ -	\$ -	\$ 1,763,934
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					\$ 333,648	\$ -	\$ 333,648	\$ 1,076,339
Property taxes, levied for debt service					1,299,180	-	1,299,180	-
Personal property replacement tax					1,874,787	-	1,874,787	363,897
Sales and public service taxes					20,385,141	-	20,385,141	-
Income taxes					3,156,067	-	3,156,067	-
Franchise taxes					566,879	-	566,879	-
Payment from City of Quincy					(145,685)	-	(145,685)	145,685
Investment earnings (loss)					325,569	86,639	412,208	219,789
Miscellaneous					298,305	232,884	531,189	110,830
Transfers					(266,478)	261,478	(5,000)	-
Total General Revenues, Special Items and Transfers					\$ 27,827,413	\$ 581,001	\$ 28,408,414	\$ 1,916,540
Change in Net Assets					\$ (2,161,883)	\$ 1,310,887	\$ (850,996)	\$ 3,680,474
Net Assets at beginning of year					61,738,934	76,315,041	138,053,975	4,402,747
Net Assets at end of year					\$ 59,577,051	\$ 77,625,928	\$ 137,202,979	\$ 8,083,221

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

City of Quincy, Illinois
Balance Sheet
Governmental Funds
April 30, 2011

	General Fund	State and Federal Grants Fund	Quincy Transit Lines	Capital Projects Fund	2009 G/O Hydro Project Fund	Purchase Tax Fund	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	\$ 5,056,973	\$ 178,619	\$ 181,052	\$ 1,058,310	\$ 3,034,028	\$ -	\$ 10,958,193	\$ 20,467,175
Receivables, net	157,439	-	6,000	-	-	-	156,736	320,175
Due from other funds	-	-	-	-	-	-	145,382	145,382
Due from other governments	1,928,387	133,534	334,226	-	-	1,341,267	137,722	3,875,136
Total Assets	\$ 7,142,799	\$ 312,153	\$ 521,278	\$ 1,058,310	\$ 3,034,028	\$ 1,341,267	\$ 11,398,033	\$ 24,807,868
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ 86,251	\$ 1,896	\$ 327,735	\$ 2,044	\$ 16,353	\$ -	\$ 96,964	\$ 531,243
Accrued expenses	549,259	-	29,459	-	-	-	28,199	606,917
Deferred revenue	-	151,723	-	45,654	-	-	15,100	212,477
Due to other funds	-	133,830	-	-	-	-	11,552	145,382
Total Liabilities	\$ 635,510	\$ 287,449	\$ 357,194	\$ 47,698	\$ 16,353	\$ -	\$ 151,815	\$ 1,496,019
Fund Balances								
Reserved for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 733,743	\$ 733,743
Other purposes	-	24,704	164,084	1,010,612	3,017,675	1,341,267	6,870,397	12,428,739
Unreserved, reported in:								
General fund	6,507,289	-	-	-	-	-	3,642,078	10,149,367
Total Fund Balances	\$ 6,507,289	\$ 24,704	\$ 164,084	\$ 1,010,612	\$ 3,017,675	\$ 1,341,267	\$ 11,246,218	\$ 23,311,849
Total Liabilities and Fund Balances	\$ 7,142,799	\$ 312,153	\$ 521,278	\$ 1,058,310	\$ 3,034,028	\$ 1,341,267	\$ 11,398,033	\$ 24,807,868

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 Assets
 April 30, 2011

Total governmental fund balances	\$ 23,311,849
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	57,006,767
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 assets	
Current assets	4,738,441
Capital assets	3,285,721
Current liabilities	(696,587)
Long-term liabilities	(191,301)
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.	7,275,984
Long term liabilities including bonds payable with related interest and accretion, and deferred compensation are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	<u>(35,153,823)</u>
Net assets of governmental activities	<u><u>\$ 59,577,051</u></u>

City of Quincy, Illinois
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2011

	General Fund	State and Federal Grants Fund	Quincy Transit Lines	Capital Projects Fund	2009 G/O Hydro Project Fund	Purchase Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues								
Property taxes	\$ 50,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,582,779	\$ 1,632,828
Franchise taxes	566,879	-	-	-	-	-	-	566,879
Public service taxes	14,264,797	-	-	-	-	8,828,301	2,322,897	25,415,995
Grants and contributions	93,471	474,698	402,302	430,096	-	-	68,424	1,468,991
Charges for services	734,215	-	84,995	-	-	-	282,640	1,101,850
Fines and forfeitures	452,661	-	-	-	-	-	73,248	525,909
Intergovernmental	-	-	2,492,368	-	-	-	553,140	3,045,508
Investment earnings	31,087	164	897	16,734	33,323	45	195,451	277,701
Miscellaneous	92,682	-	-	4,940	-	-	694,747	792,369
Total Revenues	\$ 16,285,841	\$ 474,862	\$ 2,980,562	\$ 451,770	\$ 33,323	\$ 8,828,346	\$ 5,773,326	\$ 34,828,030
Expenditures								
General Government								
Aldermen	\$ 175,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,876
Mayor	281,868	-	-	-	-	-	-	281,868
City Treasurer	234,334	-	-	-	-	-	-	234,334
City Clerk	153,659	-	-	-	-	-	-	153,659
Director of Administration	117,483	-	-	-	-	-	-	117,483
Purchasing	61,462	-	-	-	-	-	-	61,462
Building maintenance	195,795	-	-	-	-	-	-	195,795
Comptroller	337,490	-	-	-	-	-	-	337,490
Legal department	262,578	-	-	-	-	-	-	262,578
Boards and commissions	57,809	-	-	-	-	-	-	57,809
Information technology	616,422	-	-	-	-	-	-	616,422
Public Safety								
Police Department	7,643,266	-	-	-	-	-	50,953	7,694,219
Fire Department	5,539,183	-	-	-	-	-	1,531	5,540,714
911 System	-	-	-	-	-	-	1,338,220	1,338,220
Public Works	182,466	-	2,660,407	-	-	-	1,089,084	3,931,957
Engineering Services	718,341	-	-	-	-	-	976,416	1,694,757
Health and Sanitation	105,940	-	-	-	-	-	-	105,940
Cemetery	145,685	-	-	-	-	-	-	145,685
Culture and Recreation	61,606	-	-	-	-	-	3,796,685	3,858,291
Community Development	83,104	423,907	-	-	-	-	731,703	1,238,714
Debt Service								
Principal retirement	81,426	-	-	153,883	-	-	2,749,313	2,984,622
Interest and charges	48,673	-	-	21,799	-	-	926,569	997,041
Capital outlay	228,565	-	481,593	999,533	1,697,382	-	69,998	3,477,071
Total Expenditures	\$ 17,333,031	\$ 423,907	\$ 3,142,000	\$ 1,175,215	\$ 1,697,382	\$ -	\$ 11,730,472	\$ 35,502,007

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, 2011

	General Fund	State and Federal Grants Fund	Quincy Transit Lines	Capital Projects Fund	2009 G/O Hydro Project Fund	Purchase Tax Fund	Other Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,047,190)	\$ 50,955	\$ (161,438)	\$ (723,445)	\$ (1,664,059)	\$ 8,828,346	\$ (5,957,146)	\$ (673,977)
Other Financing Sources (Uses)								
Cost share transfers, net	\$ 486,093	\$ (14,582)	\$ (110,885)	\$ -	\$ -	\$ -	\$ (1,097)	\$ 359,529
Sale of assets	35,235	-	-	-	-	-	90,252	125,487
Operating transfers in	8,783,532	-	209,553	442,130	-	-	2,701,947	12,137,162
Operating transfers out	(5,127,586)	(24,740)	-	(269,959)	-	(8,813,561)	(1,006,294)	(15,242,140)
Debt proceeds	-	-	-	-	-	-	1,552,000	1,552,000
Total Other Financing Sources (Uses)	\$ 4,177,274	\$ (39,322)	\$ 98,668	\$ 172,171	\$ -	\$ (8,813,561)	\$ 3,336,808	\$ (1,067,962)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 3,130,084	\$ 11,633	\$ (62,770)	\$ (551,274)	\$ (1,664,059)	\$ 14,785	\$ (2,620,338)	\$ (1,741,939)
Fund Balances, May 1, 2010	3,377,205	13,071	226,854	1,561,886	4,681,734	1,326,482	13,866,556	25,053,788
Fund Balances, April 30, 2011	\$ 6,507,289	\$ 24,704	\$ 164,084	\$ 1,010,612	\$ 3,017,675	\$ 1,341,267	\$ 11,246,218	\$ 23,311,849

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, 2011

Net change in fund balances - total governmental funds	\$ (1,741,939)
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.	(949,216)
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 assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,594,923
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.	(160,290)
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.	(516,050)
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>1,038,244</u>
Change in net assets of governmental activities	<u><u>\$ (734,328)</u></u>

City of Quincy, Illinois
Statement of Net Assets
Proprietary Funds
April 30, 2011

	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Regional Training Facility	Other Enterprise Funds		
Assets							
Current Assets							
Cash and cash equivalents	\$ 5,574,408	\$ 3,390,231	\$ 272,705	\$ 5,027	\$ 117,311	\$ 9,359,682	\$ 4,418,313
Receivables, net	960,288	749,999	18,225	-	13,048	1,741,560	287,865
Inventories	163,401	-	-	-	-	163,401	32,263
Prepaid expenses	48,711	34,801	-	45,000	-	128,512	-
Total Current Assets	<u>\$ 6,746,808</u>	<u>\$ 4,175,031</u>	<u>\$ 290,930</u>	<u>\$ 50,027</u>	<u>\$ 130,359</u>	<u>\$ 11,393,155</u>	<u>\$ 4,738,441</u>
Noncurrent Assets							
Land	\$ 242,946	\$ 861,374	\$ 453,124	\$ 220,390	\$ 19,945	\$ 1,797,779	\$ 488,071
Systems	26,753,858	81,005,295	17,222,107	48,454	386,838	125,416,552	510,500
Building and equipment	3,753,419	7,888,058	4,733,298	712,584	-	17,087,359	2,210,394
Vehicles and equipment	699,396	1,805,111	1,880,203	-	-	4,384,710	5,564,076
Less: Accumulated depreciation	(16,129,363)	(55,184,569)	(8,988,134)	(179,545)	(183,258)	(80,664,869)	(5,487,320)
Total Noncurrent Assets	<u>\$ 15,320,256</u>	<u>\$ 36,375,269</u>	<u>\$ 15,300,598</u>	<u>\$ 801,883</u>	<u>\$ 223,525</u>	<u>\$ 68,021,531</u>	<u>\$ 3,285,721</u>
Total Assets	<u><u>\$ 22,067,064</u></u>	<u><u>\$ 40,550,300</u></u>	<u><u>\$ 15,591,528</u></u>	<u><u>\$ 851,910</u></u>	<u><u>\$ 353,884</u></u>	<u><u>\$ 79,414,686</u></u>	<u><u>\$ 8,024,162</u></u>
Liabilities							
Current Liabilities							
Accounts payable	\$ 108,208	\$ 13,762	\$ 2,401	\$ 515	\$ 30	\$ 124,916	\$ 160,407
Accrued expenses	37,903	15,978	5,094	-	1,065	60,040	454,037
Customer deposits	396,440	-	-	-	-	396,440	-
Compensated absences	87,330	43,934	10,221	-	1,543	143,028	82,143
Bonds, notes and loans payable	-	80,811	32,045	100,000	-	212,856	-
Total Current Liabilities	<u>\$ 629,881</u>	<u>\$ 154,485</u>	<u>\$ 49,761</u>	<u>\$ 100,515</u>	<u>\$ 2,638</u>	<u>\$ 937,280</u>	<u>\$ 696,587</u>
Noncurrent liabilities							
Compensated absences	\$ 249,114	\$ 77,578	\$ 30,680	\$ -	\$ 2,816	\$ 360,188	\$ 191,301
Bonds, notes and loans payable	-	83,729	107,561	300,000	-	491,290	-
Total Noncurrent Liabilities	<u>\$ 249,114</u>	<u>\$ 161,307</u>	<u>\$ 138,241</u>	<u>\$ 300,000</u>	<u>\$ 2,816</u>	<u>\$ 851,478</u>	<u>\$ 191,301</u>
Total Liabilities	<u><u>\$ 878,995</u></u>	<u><u>\$ 315,792</u></u>	<u><u>\$ 188,002</u></u>	<u><u>\$ 400,515</u></u>	<u><u>\$ 5,454</u></u>	<u><u>\$ 1,788,758</u></u>	<u><u>\$ 887,888</u></u>
Net Assets							
Invested in capital assets, net of related debt	\$ 15,320,256	\$ 36,210,729	\$ 15,160,992	\$ 401,883	\$ 223,525	\$ 67,317,385	\$ 3,285,721
Unrestricted	5,867,813	4,023,779	242,534	49,512	124,905	10,308,543	3,850,553
Total Net Assets	<u><u>\$ 21,188,069</u></u>	<u><u>\$ 40,234,508</u></u>	<u><u>\$ 15,403,526</u></u>	<u><u>\$ 451,395</u></u>	<u><u>\$ 348,430</u></u>	<u><u>\$ 77,625,928</u></u>	<u><u>\$ 7,136,274</u></u>

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

City of Quincy, Illinois
Statement of Revenues, Expenses and
Changes in Net Assets - Proprietary Funds
For the Year Ended April 30, 2011

	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Regional Training Facility	Other Enterprise Funds		
Operating Revenues							
Charges for services	\$ 6,027,774	\$ 4,892,373	\$ 129,890	\$ 12,485	\$ 153,373	\$ 11,215,895	\$ 9,143,466
Miscellaneous	66,800	9,401	155,737	946	-	232,884	22,209
Total Operating Revenues	<u>\$ 6,094,574</u>	<u>\$ 4,901,774</u>	<u>\$ 285,627</u>	<u>\$ 13,431</u>	<u>\$ 153,373</u>	<u>\$ 11,448,779</u>	<u>\$ 9,165,675</u>
Operating Expenses							
Salaries and wages	\$ 1,619,515	\$ 767,839	\$ 228,458	\$ 755	\$ 24,666	\$ 2,641,233	\$ 1,716,204
Benefits	794,322	457,904	110,259	146	10,367	1,372,998	863,593
Purchased services	354,233	1,540,700	113,511	10,185	2,253	2,020,882	2,782,193
Supplies	1,204,509	78,875	109,103	2,388	2,377	1,397,252	1,137,044
Claims and judgments	-	-	-	-	-	-	5,830,600
Noncapitalized equipment	862	693	-	999	-	2,554	-
Other objects	189,749	242,125	12,955	45,000	-	489,829	52,101
Depreciation	709,173	1,756,253	604,631	33,376	20,737	3,124,170	186,358
Total Operating Expenses	<u>\$ 4,872,363</u>	<u>\$ 4,844,389</u>	<u>\$ 1,178,917</u>	<u>\$ 92,849</u>	<u>\$ 60,400</u>	<u>\$ 11,048,918</u>	<u>\$ 12,568,093</u>
Operating Income (Loss)	<u>\$ 1,222,211</u>	<u>\$ 57,385</u>	<u>\$ (893,290)</u>	<u>\$ (79,418)</u>	<u>\$ 92,973</u>	<u>\$ 399,861</u>	<u>\$ (3,402,418)</u>
Non-Operating Revenues (Expenses)							
Interest and investment income	\$ 53,547	\$ 29,127	\$ 2,302	\$ 15	\$ 1,648	\$ 86,639	\$ 47,868
Grants and contributions	-	-	417,931	200	-	418,131	-
Interest expense	-	(7,991)	(4,520)	-	-	(12,511)	-
Total Non-operating Revenues (Expenses)	<u>\$ 53,547</u>	<u>\$ 21,136</u>	<u>\$ 415,713</u>	<u>\$ 215</u>	<u>\$ 1,648</u>	<u>\$ 492,259</u>	<u>\$ 47,868</u>
Income (Loss) Before Transfers and Contributions	<u>\$ 1,275,758</u>	<u>\$ 78,521</u>	<u>\$ (477,577)</u>	<u>\$ (79,203)</u>	<u>\$ 94,621</u>	<u>\$ 892,120</u>	<u>\$ (3,354,550)</u>
Transfers in	-	-	405,111	60,815	7,852	473,778	2,838,500
Transfers out	(53,812)	(53,812)	(4,676)	-	(100,000)	(212,300)	-
Capital contributions	-	157,289	-	-	-	157,289	-
Change in Net Assets	<u>\$ 1,221,946</u>	<u>\$ 181,998</u>	<u>\$ (77,142)</u>	<u>\$ (18,388)</u>	<u>\$ 2,473</u>	<u>\$ 1,310,887</u>	<u>\$ (516,050)</u>
Net Assets at beginning of year	<u>19,966,123</u>	<u>40,052,510</u>	<u>15,480,668</u>	<u>469,783</u>	<u>345,957</u>	<u>76,315,041</u>	<u>7,652,324</u>
Net Assets at year end	<u><u>\$ 21,188,069</u></u>	<u><u>\$ 40,234,508</u></u>	<u><u>\$ 15,403,526</u></u>	<u><u>\$ 451,395</u></u>	<u><u>\$ 348,430</u></u>	<u><u>\$ 77,625,928</u></u>	<u><u>\$ 7,136,274</u></u>

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

City of Quincy, Illinois
Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2011

	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Regional Training Facility	Other Enterprise Funds		
Cash Flows from Operating Activities:							
Receipts from customers	\$ 5,949,949	\$ 4,893,401	\$ 130,793	\$ 12,485	\$ 140,325	\$ 11,126,953	\$ 4,110,331
Payments to suppliers	(1,694,281)	(1,870,031)	(234,857)	(18,682)	(4,765)	(3,822,616)	(4,702,612)
Payments to employees	(2,412,932)	(1,228,504)	(330,907)	(901)	(33,935)	(4,007,179)	(1,706,457)
Internal activity - payments to other funds	-	-	-	-	-	-	5,033,688
Claims paid	-	-	-	-	-	-	(5,840,378)
Other receipts (payments)	66,800	9,401	155,737	946	-	232,884	(29,892)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,909,536</u>	<u>\$ 1,804,267</u>	<u>\$ (279,234)</u>	<u>\$ (6,152)</u>	<u>\$ 101,625</u>	<u>\$ 3,530,042</u>	<u>\$ (3,135,320)</u>
Cash Flows from NonCapital Financing Activities:							
Operating subsidies and transfers	<u>\$ (53,812)</u>	<u>\$ (53,812)</u>	<u>\$ 400,435</u>	<u>\$ 60,815</u>	<u>\$ (92,148)</u>	<u>\$ 261,478</u>	<u>\$ 2,838,500</u>
Cash Flows from Capital and Related Financing Activities:							
Proceeds from sale of debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital contributions	-	157,289	-	-	-	157,289	-
Purchases of capital assets	(946,485)	(329,557)	(426,198)	-	-	(1,702,240)	(8,087)
Disposal of capital assets	-	-	-	-	(16,000)	(16,000)	-
Principal paid on capital debt	-	(77,994)	(31,207)	(50,000)	-	(159,201)	-
Interest paid on capital debt	-	(7,991)	(4,520)	-	-	(12,511)	-
Other receipts (payments)	-	-	417,931	200	-	418,131	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (946,485)</u>	<u>\$ (258,253)</u>	<u>\$ (43,994)</u>	<u>\$ (49,800)</u>	<u>\$ (16,000)</u>	<u>\$ (1,314,532)</u>	<u>\$ (8,087)</u>
Cash Flows from Investing Activities:							
Interest received	<u>\$ 53,547</u>	<u>\$ 29,127</u>	<u>\$ 2,302</u>	<u>\$ 15</u>	<u>\$ 1,648</u>	<u>\$ 86,639</u>	<u>\$ 47,868</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 53,547</u>	<u>\$ 29,127</u>	<u>\$ 2,302</u>	<u>\$ 15</u>	<u>\$ 1,648</u>	<u>\$ 86,639</u>	<u>\$ 47,868</u>
Net Increase (Decrease) in Cash and Cash Investments	<u>\$ 962,786</u>	<u>\$ 1,521,329</u>	<u>\$ 79,509</u>	<u>\$ 4,878</u>	<u>\$ (4,875)</u>	<u>\$ 2,563,627</u>	<u>\$ (257,039)</u>
Cash and Cash Equivalents, May 1, 2010	<u>4,611,622</u>	<u>1,868,902</u>	<u>193,196</u>	<u>149</u>	<u>122,186</u>	<u>6,796,055</u>	<u>4,675,352</u>
Cash and Cash Equivalents, April 30, 2011	<u><u>\$ 5,574,408</u></u>	<u><u>\$ 3,390,231</u></u>	<u><u>\$ 272,705</u></u>	<u><u>\$ 5,027</u></u>	<u><u>\$ 117,311</u></u>	<u><u>\$ 9,359,682</u></u>	<u><u>\$ 4,418,313</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, 2011

	<u>Business-type Activities Enterprise Funds</u>					<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Department</u>	<u>Sewer Department</u>	<u>Quincy Regional Airport</u>	<u>Regional Training Facility</u>	<u>Other Enterprise Funds</u>		
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities							
Income (loss) from operations	\$ 1,222,211	\$ 57,385	\$ (893,290)	\$ (79,418)	\$ 92,973	\$ 399,861	\$ (3,402,418)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:							
Amortization and depreciation	709,173	1,756,253	604,631	33,376	20,737	3,124,170	186,358
(Gain)/Loss on sale of fixed assets	-	-	-	-	-	-	10,949
(Increase) Decrease in:							
Accounts receivable	32,765	1,028	903	-	(13,048)	21,648	(10,396)
Inventories	8,702	-	-	-	-	8,702	5,065
Prepaid items	3,291	2,335	-	45,000	-	50,626	-
Increase (Decrease) in:							
Accounts payable	43,079	(9,973)	712	(5,110)	(135)	28,573	65,375
Accrued expenses	518	568	(719)	-	47	414	15,748
Customer deposits	(110,590)	-	-	-	-	(110,590)	-
Compensated absences	387	(3,329)	8,529	-	1,051	6,638	(6,001)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,909,536</u>	<u>\$ 1,804,267</u>	<u>\$ (279,234)</u>	<u>\$ (6,152)</u>	<u>\$ 101,625</u>	<u>\$ 3,530,042</u>	<u>\$ (3,135,320)</u>

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

City of Quincy, Illinois
Statement of Fiduciary Net Assets - Fiduciary Funds
April 30, 2011

	Pension Trust Funds	Private Purpose Trusts
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,941,089	\$ 45,139
Investments	49,132,531	-
Receivables, net	3,961,154	-
Total Assets	\$ 55,034,774	\$ 45,139
Liabilities		
Current Liabilities		
Accounts payable	\$ -	\$ 1,148
Accrued expenses	22,197	-
Deferred revenue	3,671,822	-
Total Liabilities	\$ 3,694,019	\$ 1,148
Net Assets		
Held in trust for pension benefits	\$ 51,340,755	\$ -
Restricted for future expenditures	-	43,991
Total Net Assets	\$ 51,340,755	\$ 43,991

City of Quincy, Illinois
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds
For the Year Ended April 30, 2011

	Pension Trust Funds	Private Purpose Trusts
Additions		
Taxes:		
Property taxes	\$ 3,312,051	\$ -
Personal Property Replacement tax	754,405	-
Total taxes	<u>\$ 4,066,456</u>	<u>\$ -</u>
Contributions:		
Plan members	\$ 874,287	\$ -
Outside Agencies	-	8,820
Transfers from general fund	-	5,000
Total contributions	<u>\$ 874,287</u>	<u>\$ 13,820</u>
Investment earnings:		
Net increase (decrease) in fair value	\$ 2,729,078	\$ -
Realized gain (loss) on sale of investments	992,840	-
Interest	878,458	444
Dividends	367,394	-
Total investment earnings	<u>\$ 4,967,770</u>	<u>\$ 444</u>
Total Additions	<u>\$ 9,908,513</u>	<u>\$ 14,264</u>
Deductions		
Benefits	\$ 5,062,638	\$ -
Administrative expenses	313,156	-
Payments to others	-	16,845
Total Deductions	<u>\$ 5,375,794</u>	<u>\$ 16,845</u>
Change in net assets	\$ 4,532,719	\$ (2,581)
Net assets, May 1, 2010	<u>46,808,036</u>	<u>46,572</u>
Net assets, April 30, 2011	<u><u>\$ 51,340,755</u></u>	<u><u>\$ 43,991</u></u>

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

Notes to the
Financial Statements

1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

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

Based on the aforementioned criteria, the City has determined that the Quincy Public Library, the 911 System and Woodland Cemetery are component units of the City of Quincy, Illinois. Financial information on the 911 System has been blended within the City's reporting entity. 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 Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information for enhanced analysis and comparability.

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

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 form 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.

2009 G/O Hydro Project Fund

This capital project fund is used to account for the acquisition and/or construction of capital facilities for the ongoing Hydro-Electric Project.

Purchase Tax Fund

The Purchase Tax Fund is used to account for the revenue and expenditures related to the purchase tax.

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: Planning and Development, 911 System, Housing Resource, Motor Fuel, Traffic Signal, Town Road Tax, Police Contributions, Fire Contributions, Landfill Superfund, Tourism Tax, Incremental Sales 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; and the Neighborhood Housing Rehab 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 Arts Corridor, Sanitation Connection, Special Projects, TIF #2, 2009 OLC Capital Projects, 2009C G/O Library Project, Sewer Equipment Replacement, and QMEA Cap Reserve.

Debt Service Funds – used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt primarily from taxes levied by the City. The fund balances of the Debt Service Funds are reserved 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.

1) Summary of Significant Accounting Policies (Continued)

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

2. Proprietary Funds (Concluded)

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 funds of the City are considered non-major and are as follows:

Quincy Regional Dock and Baldwin Business Park

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, and the City Tree Board.

2) 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 2010 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 assets 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 assets or on the statement of fiduciary net assets.

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

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

1) Summary of Significant Accounting Policies (Continued)

D. Cash and Cash Equivalents

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

E. Investments

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

F. Statement of Cash Flows

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

G. Accounts Receivable

Accounts receivable result primarily from services provided to citizens and are accounted for in various funds. Water services are accounted for in the Water Fund and sewer and airport services are accounted for in the Sewer Fund and Quincy Regional Airport Fund. All revenues are deemed to be collectible, therefore, no allowance for uncollectible accounts has been provided.

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. Deferred and Unearned Revenue

In the governmental funds, deferred revenues represent amounts due, which are measurable, but not available. In the statement of net assets, deferred 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. Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Designation of fund balances represents tentative plans for future use of financial resources that are subject to change.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets 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 assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are 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 applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

1) Summary of Significant Accounting Policies (Concluded)

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 assets. Bond premiums, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. 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.

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, 2011, the carrying amount of the City's deposits (excluding component units) was \$36,231,398 and the respective bank balances totaled \$37,034,735. Included in the bank balances are Certificates of Deposit totaling \$19,710,000. The insured and collateral status of the bank balances, by category risk, was as follows:

	Primary Government
FDIC Insured	\$ 14,835,714
Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	19,949,536
Invested in Money Market Funds	1,941,089
Invested in Illinois Funds	308,396
	\$ 37,034,735

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 First Bankers Trust Department, respectively.

3) Deposits and Investments (Concluded)

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

	Amortized Cost	Fair Value
Investments Available for Sale:		
U.S. Government Agencies	\$ 28,301,880	\$ 28,632,350
Mutual Funds	3,404,078	3,566,665
Common and Preferred Stocks	14,774,195	16,933,516
	\$ 46,480,153	\$ 49,132,531
Investment Maturities (in years):		
Maturing 2011-2035	\$ 28,301,880	\$ 28,632,350
	\$ 28,301,880	\$ 28,632,350
Equity Securities	18,178,273	20,500,181
	\$ 46,480,153	\$ 49,132,531

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

Cash on hand	\$ 1,875
Deposits with financial institutions	36,229,523
Investments	49,132,531
Total Cash and Investments	\$ 85,363,929

	Cash and Equivalents	Investments	Total
Government-wide Statement of Net Assets	\$ 34,245,170	\$ -	\$ 34,245,170
Statement of Fiduciary Net Assets	1,986,228	49,132,531	51,118,759
	\$ 36,231,398	\$ 49,132,531	\$ 85,363,929

4) Capital Assets

The following is a summary of Capital Asset transactions for the year ended April 30, 2011:

Governmental Activities

	Balance, April 30, 2010	Additions	Retirements	Balance, April 30, 2011
Buildings	\$ 14,935,832	\$ -	\$ -	\$ 14,935,832
Improvements	1,434,111	-	-	1,434,111
Infrastructure	117,061,318	1,144,679	-	118,205,997
Machinery and equipment	4,973,286	444,735	(8,000)	5,410,021
Vehicles	7,847,731	1,246,326	(537,840)	8,556,217
Furniture	173,057	1,420	-	174,477
Total assets being depreciated	<u>\$ 146,425,335</u>	<u>\$ 2,837,160</u>	<u>\$ (545,840)</u>	<u>\$ 148,716,655</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (4,129,075)	\$ (365,978)	\$ -	\$ (4,495,053)
Improvements	(660,591)	(37,341)	-	(697,932)
Infrastructure	(78,382,144)	(3,362,384)	-	(81,744,528)
Machinery and equipment	(3,312,774)	(295,550)	8,000	(3,600,324)
Vehicles	(5,165,270)	(462,100)	526,891	(5,100,479)
Furniture	(150,886)	(9,791)	-	(160,677)
Total accumulated depreciation	<u>\$ (91,800,740)</u>	<u>\$ (4,533,144)</u>	<u>\$ 534,891</u>	<u>\$ (95,798,993)</u>
Net total of capital assets being depreciated	<u>\$ 54,624,595</u>	<u>\$ (1,695,984)</u>	<u>\$ (10,949)</u>	<u>\$ 52,917,662</u>
Land	2,245,853	4,000	(79,500)	2,170,353
Construction in Progress	4,560,475	1,758,375	(1,114,377)	5,204,473
Governmental Activities Capital Assets	<u><u>\$ 61,430,923</u></u>	<u><u>\$ 66,391</u></u>	<u><u>\$ (1,204,826)</u></u>	<u><u>\$ 60,292,488</u></u>

Business-Type Activities

	Balance, April 30, 2010	Additions	Retirements	Balance, April 30, 2011
Buildings	\$ 15,891,476	\$ 196,870	\$ -	\$ 16,088,346
Systems	124,795,699	1,614,876	-	126,410,575
Machinery and equipment	1,699,493	79,846	-	1,779,339
Vehicles	2,605,372	-	-	2,605,372
Total assets being depreciated	<u>\$ 144,992,040</u>	<u>\$ 1,891,592</u>	<u>\$ -</u>	<u>\$ 146,883,632</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (8,716,812)	\$ (316,968)	\$ -	\$ (9,033,780)
Systems	(66,412,534)	(2,550,913)	-	(68,963,447)
Machinery and equipment	(776,342)	(90,661)	-	(867,003)
Vehicles	(1,635,011)	(165,628)	-	(1,800,639)
Total accumulated depreciation	<u>\$ (77,540,699)</u>	<u>\$ (3,124,170)</u>	<u>\$ -</u>	<u>\$ (80,664,869)</u>
Net total of capital assets being depreciated	<u>\$ 67,451,341</u>	<u>\$ (1,232,578)</u>	<u>\$ -</u>	<u>\$ 66,218,763</u>
Land	1,797,778	-	-	1,797,778
Construction in Progress	194,342	4,990	(194,342)	4,990
Business-Type Activities Capital Assets	<u><u>\$ 69,443,461</u></u>	<u><u>\$ (1,227,588)</u></u>	<u><u>\$ (194,342)</u></u>	<u><u>\$ 68,021,531</u></u>

4) Capital Assets (Concluded)

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

Governmental Activities	
General government	\$ 133,414
Public safety	389,081
Public works	3,587,494
Other governmental activities	423,155
Total Governmental activities	<u>\$ 4,533,144</u>
Business-Type Activities	
Water	\$ 709,173
Sewer	1,756,253
Airport	625,368
Other enterprise	33,376
Total Business-type activities	<u>\$ 3,124,170</u>

5) Non-current Liabilities

For the Year Ended April 30, 2011, the changes in non-current liabilities are as follows:

Governmental Activities	Balance	(Retirements)	Balance
	April 30, 2010	Additions	April 30, 2011
General Obligation Bonds	\$ 26,019,131	\$ (1,197,313)	\$ 24,821,818
Accreted value on bond	90,057	66,509	156,566
Accrued interest on bonds	161,683	(36,640)	125,043
Notes Payable - Bank	2,207,185	(235,309)	1,971,876
Compensated absences	2,626,906	160,290	2,787,196
Pension obligation	-	340,220	340,220
OPEB obligation	-	895,165	895,165
Deferred property taxes	1,301,986	(27,047)	1,274,939
Landfill post-closure	2,857,000	(76,000)	2,781,000
	<u>\$ 35,263,948</u>	<u>\$ (110,125)</u>	<u>\$ 35,153,823</u>
Business-Type Activities	Balance	(Retirements)	Balance
	April 30, 2010	Additions	April 30, 2011
Notes Payable - Bank	\$ 429,347	\$ (125,201)	\$ 304,146
Loan from Econ Development	450,000	(50,000)	400,000
Compensated absences	496,578	6,638	503,216
	<u>\$ 1,375,925</u>	<u>\$ (168,563)</u>	<u>\$ 1,207,362</u>

5) Non-current Liabilities (Continued)

General Obligation Bonds

At April 30, 2011, 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.	\$ 1,170,000
\$5,000,000 General Obligation Corporate Purpose Bonds (Hotel/Motel Tax Supported) Series 1996, dated September 15, 1996, due in annual installments ranging from \$50,000 to \$230,000 through 2016, with interest from 5.05% to 8.00%, payable September 1 and March 1.	1,170,000
\$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.	9,165,000
\$6,596,818.30 (\$7,290,000 Compounded Accreted Value at Maturity) General Obligation Capital Appreciation Bonds, Series 2010A, dated September 21, 2010, 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%	6,596,818
\$1,245,000 General Obligation Bonds, Series 2010B, dated September 21, 2010, 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 2010C (Recovery Zone Economic Development Bonds (Direct Payment)), dated November 20, 2010, 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.	5,475,000
Total	\$ 24,821,818
Less: Current portion of bonds payable	(1,125,000)
Net Long-Term Bonds Payable	<u>\$ 23,696,818</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.

On September 26, 1996, the City issued Corporate Purpose Bonds in the amount of \$2,400,000 to finance the construction of the Oakley-Lindsay Center. The 1996 General Obligation Bonds are to be repaid by revenues generated by the City Hotel/Motel tax.

5) Non-current Liabilities (Continued)

General Obligation Bonds (Continued)

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.

\$2,400,000 of the proceeds of the 1994 General Obligation Bond issued was used to acquire and remodel certain real estate located in the City. The 1994 Issue was refunded by the 2004 General Obligation Refunding Bond Issue. The City has entered into a capital lease agreement with Quincy School District 172 for this property. Revenues from the lease payments are used to pay principal and interest on this portion of the bond issue. This capital lease was paid off during the year ended April 30, 2011.

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, 2012 and \$2,320,000 on December 1, 2015. This accretion on these bonds for the year ended April 30, 2011, is \$90,057 and the accumulated accretion is included in the government-wide statement of net assets.

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 35 percent of the total coupon interest payable to investors. The proceeds of these bonds are to be used to fund the acquisition, construction and installation of Quincy Public Library facilities and improvements.

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 assets. This refinancing is expected to produce an overall cash flow savings of \$52,759 over the next ten years and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$69,926.

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 assets. 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.

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. On April 30, 2011, \$9,165,000 of outstanding bonds is considered defeased.

5) Non-current Liabilities (Continued)

General Obligation Bonds (Concluded)

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

Year Ending April 30	Principal	Interest	Total
2012	\$ 1,125,000	\$ 989,094	\$ 2,114,094
2013	5,906,184	893,902	6,800,086
2014	1,365,000	781,920	2,146,920
2015	1,460,000	716,846	2,176,846
2016	3,485,634	616,766	4,102,400
2017-2021	7,670,000	1,844,357	9,514,357
2022-2026	2,370,000	816,323	3,186,323
2027-2029	1,440,000	170,390	1,610,390
	<u>\$ 24,821,818</u>	<u>\$ 6,829,598</u>	<u>\$ 31,651,416</u>

Interest expense from these bonds totaling \$905,995 has been included as a direct function expense. No interest was required to be capitalized during the year ended April 30, 2011.

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

Notes Payable – Bank

The City entered into a loan agreement with the State of Illinois Environmental Agency on June 30, 1992, to provide financial assistance for Phase I of the South Quincy Sewer project. The agreement provides for a loan of \$1,200,000 with an interest rate of 3.58%, payable over a term of twenty years. As of April 30, 2011, the City has borrowed \$1,196,841, of which \$164,540 was outstanding at April 30, 2011.

The City entered into a loan agreement with Adams Electric Cooperative during the year ended April 30, 2004, to provide financing for a spec building in the Baldwin Business Park at Quincy Regional Airport. The agreement provides for a loan of \$160,000 with no interest payable in ten installments of \$16,000 each. This loan was paid off during the year ended April 30, 2011.

The City entered into a loan agreement with Mercantile Bank in September 2005 to provide financing for breathing apparatus units for the Fire Department. The agreement calls for the City to make 60 monthly payments of \$2,361 each. The interest rate is fixed at 4.10% for the life of the loan. This loan was paid off during the year ended April 30, 2011.

The City entered into a loan agreement with Bank of America in July 2007 to provide financing for City Hall heating and air conditioning upgrades. The agreement calls for the City to make 180 monthly payments of \$9,889 each. The interest rate is fixed at 4.47% for the life of the loan. The balance outstanding at April 30, 2011, was \$1,047,499.

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, 2011, was \$259,096.

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, 2011, was \$567,387.

5) Non-current Liabilities (Continued)

Notes Payable – Bank (Concluded)

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, 2010 and ending November 1, 2029. The balance outstanding at April 30, 2011, was \$237,500.

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, 2011, was \$400,000.

The annual requirements to amortize the outstanding loans as of April 30, 2011, are as follows:

Governmental Activities

Year Ending April 30	Principal	Interest	Total
2012	\$ 230,847	\$ 63,492	\$ 294,339
2013	238,481	55,858	294,339
2014	246,392	48,772	295,164
2015	254,595	39,745	294,340
2016	180,605	31,792	212,397
2017-2021	564,460	91,349	655,809
2022-2026	206,496	4,332	210,828
2027-2030	50,000	-	50,000
	<u>\$ 1,971,876</u>	<u>\$ 335,340</u>	<u>\$ 2,307,216</u>

Business-Type Activities

Year Ending April 30	Principal	Interest	Total
2012	\$ 212,856	\$ 8,859	\$ 221,715
2013	166,730	4,985	171,715
2014	83,984	1,747	85,731
2015	84,996	734	85,730
2016	155,580	22	155,602
2017-2021	-	-	-
2022-2026	-	-	-
2027-2030	-	-	-
	<u>\$ 704,146</u>	<u>\$ 16,347</u>	<u>\$ 720,493</u>
Total Notes Payable	<u>\$ 2,676,022</u>	<u>\$ 351,687</u>	<u>\$ 3,027,709</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, 2011.

A summary of the liability for compensated absences by function at April 30, 2011, follows:

	<u>Sick Leave</u>	<u>Vacation</u>	<u>Comp Time</u>	<u>Total</u>	<u>Current Portion</u>
Governmental activities:					
General government	\$ 100,609	\$ 59,768	\$ -	\$ 160,377	\$ 63,431
Public safety	1,370,529	584,857	429,048	2,384,434	1,133,465
Public works	270,516	116,062	24,579	411,157	148,697
Engineering services	41,511	26,117	-	67,628	27,596
Community development	24,247	12,798	-	37,045	13,314
	<u>\$ 1,807,412</u>	<u>\$ 799,602</u>	<u>\$ 453,627</u>	<u>\$ 3,060,641</u>	<u>\$ 1,386,503</u>
Business-type activities:					
Water	\$ 252,682	\$ 83,763	\$ -	\$ 336,445	\$ 87,330
Sewer	83,171	38,341	-	121,512	43,934
Airport	31,257	9,643	-	40,900	10,221
Other	2,816	1,543	-	4,359	1,543
	<u>\$ 369,926</u>	<u>\$ 133,290</u>	<u>\$ -</u>	<u>\$ 503,216</u>	<u>\$ 143,028</u>
Total Compensated Absences	<u>\$ 2,177,338</u>	<u>\$ 932,892</u>	<u>\$ 453,627</u>	<u>\$ 3,563,857</u>	<u>\$ 1,529,531</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, 2011, is \$156,566.

Accrued interest on bonds is comprised of the following:

	<u>Next Interest Payment Due</u>	<u>Accrued Interest April 30, 2011</u>
GOCP 1996	\$ 35,550	\$ 11,850
GOB 2009B	22,108	14,739
GOB 2009C	147,681	98,454
	<u>\$ 205,339</u>	<u>\$ 125,043</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. \$2,781,000 has been accrued as a landfill post-closure liability at April 30, 2011, 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.

Deferred property taxes are explained below in Note 6.

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, 2011, the City had accumulated a liability of \$340,200.

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 in the process of acquiring an actuarial valuation to determine the projected liability for this OPEB liability, but has estimated the cost to be between 0.5% to 1.5% of total wages paid each year. This estimate of \$895,165 has been included as a liability in the statement of net assets and will be adjusted accordingly once the actuarial valuation is completed.

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, 2010 for the 2009 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 \$1,274,939 in the Governmental activities and \$3,671,822 in the Pension Trust funds, levied for 2010, have been recorded as deferred income because they are generally not available to pay liabilities of the current period. Such deferred revenues are budgeted and recognized in the year of collection. Current tax collections for the year ended April 30, 2011, were 100% of the 2009 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.

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 contribution rate for calendar 2010 used by the employer was 8.83 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 11.6 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 calendar year ended December 31, 2010, the City's actual contributions for pension cost for the regular plan was \$946,089. Its required contribution for calendar year 2010 was \$1,242,880.

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 1,242,880	76%	\$ 296,791
12/31/2009	945,706	100%	-
12/31/2008	955,637	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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 the assets. The employer regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

7) Pension Plans (Continued)

Illinois Municipal Retirement Fund (IMRF) (Concluded)

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 76.58 percent funded. The actuarial accrued liability for benefits was \$35,975,434 and the actuarial value of assets was \$27,551,010, resulting in an underfunded actuarial accrued liability (UAAL) of \$8,424,424. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$10,714,480 and the ratio of the UAAL to the covered payroll was 79 percent.

The schedule of funding progress, presented as RSI following the notes to financial statements, 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.

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, 2010.

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) annual normal cost plus (b) amortization of unfunded liability as a level percent of pay between now and 7/1/2033 plus (c) interest on (a) and (b) to date of payment. 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, 2011 were as follows:

Police Pension:

Annual required contribution	\$ 1,705,523
Interest on net pension obligation(asset)	(35,304)
Adjustment to annual requirement contribution	<u>23,638</u>
Annual pension cost	\$ 1,693,857
Contributions made	<u>(1,721,099)</u>
Decrease in net pension obligation	\$ (27,242)
Net pension obligation (asset), beginning of year	<u>(470,714)</u>
Net pension obligation (asset), end of year	<u><u>\$ (497,956)</u></u>

7) Pension Plans (Continued)

Police and Firefighter's Pension Funds (Continued)

The annual required contribution for the year ended April 30, 2011, was determined as part of the April 30, 2010 actuarial valuation using the Projected Unit Credit method. The actuarial assumptions at April 30, 2010, included (a) 7.5% investment rate of return, (b) projected salary increases of 6.0% 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 four-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, 2010, valuation was 23 years, 2 months.

As of April 30, 2010, the most recent actuarial valuation date, the Police Pension Plan was 59.2 percent funded. The actuarial accrued liability for benefits was \$46,370,363 and the actuarial value of assets was \$27,454,875, resulting in an unfunded actuarial accrued liability (UAAL) of \$18,915,488. The covered payroll (annual payroll of active employees covered by the plan) was \$4,610,924 and the ratio of the UAAL to covered payroll was 410.2 percent.

The schedule of funding progress, presented as RSI following the notes to financial statements, 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.

Trend Information				
Fiscal Year Ended	Annual Pension Cost	Total Employer Contribution	% of Annual Pension Cost Contributed	Net Pension Obligation (Asset)
2011	\$ 1,693,857	\$ 1,721,099	101.6%	\$ (497,956)
2010	1,491,840	1,475,138	98.9%	(470,714)
2009	1,335,041	1,357,674	101.7%	(487,416)

At April 30, 2010, the Police Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	64
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	75
Total members	140

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 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) annual normal cost plus (b) amortization of unfunded liability as a level percent of pay between now and 7/1/2033 plus (c) interest on (a) and (b) to date of payment. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

7) Pension Plans (Concluded)

Police and Firefighter's Pension Funds (Concluded)

The City's annual pension cost and net pension obligation (asset) for the plan for the year ended April 30, 2011 were as follows:

Annual required contribution	\$ 2,324,894
Interest on net pension obligation(asset)	(66,388)
Adjustment to annual requirement contribution	44,452
Annual pension cost	<u>\$ 2,302,958</u>
Contributions made	<u>(2,347,384)</u>
Decrease in net pension obligation	\$ (44,426)
Net pension obligation (asset), beginning of year	<u>(885,173)</u>
Net pension obligation (asset), end of year	<u><u>\$ (929,599)</u></u>

The annual required contribution for the year ended April 30, 2011, was determined as part of the April 30, 2010 actuarial valuation using the Projected Unit Credit method. The actuarial assumptions at April 30, 2010, included (a) 7.5% investment rate of return, (b) projected salary increases of 6.0% 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 four-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, 2010, valuation was 23 years, 2 months.

As of April 30, 2010, the most recent actuarial valuation date, the Firefighters' Pension Plan was 42.6 percent funded. The actuarial accrued liability for benefits was \$51,510,483 and the actuarial value of assets was \$21,946,266, resulting in an unfunded actuarial accrued liability (UAAL) of \$29,564,217. The covered payroll (annual payroll of active employees covered by the plan) was \$3,770,411 and the ratio of the UAAL to covered payroll was 784.1 percent.

The schedule of funding progress, presented as RSI following the notes to financial statements, 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.

Trend Information				
Fiscal Year Ended	Annual Pension Cost	Total Employer Contribution	% of Annual Pension Cost Contributed	Net Pension Obligation (Asset)
2011	\$ 2,302,958	\$ 2,347,384	101.9%	\$ (929,599)
2010	2,013,480	1,931,584	95.9%	(885,173)
2009	1,729,027	1,704,407	98.6%	(967,069)

At April 30, 2010, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	64
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	<u>85</u>
Total members	<u><u>149</u></u>

8) Individual Fund Disclosures

For the year ended April 30, 2011, no major funds, for which budgets were adopted, had an excess of expenditures over budgeted amounts.

9) Internal Balances

Interfund receivables and payables at April 30, 2011, were as follows:

Due to	Due from		Total
	Housing Resource Fund	Neighborhood Stabilization	
Special Capital Projects Fund	\$ 11,552	\$ -	\$ 11,552
HUD Grant Fund	-	133,830	133,830
Total	\$ 11,552	\$ 133,830	\$ 145,382

Of this balance, \$9,552 was used to fund repairs to the Washington Theatre. Subsequent additions were due to insufficient cash in the Housing Resource Fund to cover expenses. Also, 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. The increase in the interfund balances for the year ended April 30, 2011, was \$133,830.

Interfund transfers during the year ended April 30, 2011, were as follows:

	Transfers In	Transfers Out
Governmental activities:		
General Fund	\$ 8,783,532	\$ 5,127,586
State and Federal Grants Fund	-	24,740
Quincy Transit Lines	209,553	-
Capital Projects Fund	442,130	269,959
Purchase Tax Fund	-	8,813,561
Other governmental funds	2,701,947	1,006,294
	\$ 12,137,162	\$ 15,242,140
Business-type activities:		
Water Department	\$ -	\$ 53,812
Sewer Department	-	53,812
Quincy Regional Airport	405,111	4,676
Regional Training Facility	60,815	-
Other enterprise funds	7,852	100,000
	\$ 473,778	\$ 212,300
Internal Service Funds:		
Central Garage	\$ 336,800	\$ -
Central Services	2,501,700	-
	\$ 2,838,500	\$ -
Private Purpose Trust Funds:		
Sister City Commission	\$ 5,000	\$ -
	\$ 5,000	\$ -
	\$ 15,454,440	\$ 15,454,440

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:

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, 2011, was \$1,299,362. Limits of liability are as follows:

Type of Coverage	Risk Level		Excess Insurance Coverage Limits
	City	Loss Fund	
Property Insurance	\$ 1,000	\$ 150,000	\$ 52,500,000
Third Party Liability	\$ 1,000	\$ 200,000	\$ 9,000,000
Worker's Compensation	N/A	\$ 400,000	Statutory limits
Crime Coverage	\$ 1,000	\$ 50,000	\$ 500,000

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.

11) 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.

12) Segment Information Disclosure

The City maintains six 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. The Baldwin Business Park fund accounts for the operation and development of an aviation industrial park on the grounds of Quincy Regional Airport.

Key financial information as of and for the year ended April 30, 2011 for these funds is as follows:

	Water Department	Sanitation Department	Quincy Regional Airport	Regional Training Facility	Other Enterprise Funds	Total
Operating revenues	\$ 6,094,574	\$ 4,901,774	\$ 285,627	\$ 13,431	\$ 153,373	\$11,448,779
Operating expenses (excluding depreciation)	4,163,190	3,088,136	574,286	59,473	39,663	7,924,748
Depreciation	709,173	1,756,253	604,631	33,376	20,737	3,124,170
Operating income	\$ 1,222,211	\$ 57,385	\$ (893,290)	\$ (79,418)	\$ 92,973	\$ 399,861
Non-operating revenues/ (expenses)	53,547	21,136	415,713	215	1,648	492,259
Capital contributions	-	157,289	-	-	-	157,289
Operating transfers	(53,812)	(53,812)	400,435	60,815	(92,148)	261,478
Net income (loss)	<u>\$ 1,221,946</u>	<u>\$ 181,998</u>	<u>\$ (77,142)</u>	<u>\$ (18,388)</u>	<u>\$ 2,473</u>	<u>\$ 1,310,887</u>
Capital asset additions	\$ 946,485	\$ 329,557	\$ 426,198	\$ -	\$ -	\$ 1,702,240
Net working capital	\$ 6,116,927	\$ 4,020,546	\$ 241,169	\$ (50,488)	\$ 127,721	\$10,455,875
Total assets	\$22,067,064	\$40,550,300	\$15,591,528	\$851,910	\$ 353,884	\$79,414,686
Notes payable from operating revenues	\$ -	\$ 164,540	\$ 139,606	\$400,000	\$ -	\$ 704,146
Total equity	\$21,188,069	\$40,234,508	\$15,403,526	\$451,395	\$ 348,430	\$77,625,928

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 \$717,156 into the plans for the year ended April 30, 2011.

14) Economic Development Loans Receivable

The City, through the Community Development Commission, makes economic development loans to qualified businesses. The loans are financed through funds received from Community Development Block Grants (CDBG) and an Urban Development Action Grant (UDAG). The Commission monitors the provisions of the grant agreements and the revolving loan programs. A summary of loans outstanding at April 30, 2011, follows:

	Loans Outstanding
Revolving Loan Fund	\$ 2,253,596
CDBG Revolving Loan Fund	1,484,887
Business and Housing Loans	777,296
Energy Grant Loans	23,252
Total	\$ 4,539,031

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, 2011, is not recorded in these financial statements.

15) Leases (As Lessor)

The City receives rental income from various lease agreements. Following are the largest lease agreements, with the remaining agreements being immaterial to the financial statements:

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, 2011, the City received rental income for the property in the amount of \$43,970.

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, 2011, the City received rental income in the amount of \$30,857.

The City also leases ground for communication services. This lease, dated October 21, 2010, 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 \$11,378 in rental income from this property for the year ended April 30, 2011.

16) Leases (as Lessee)

The City entered into a lease agreement with the Ruth M. Waterkotte Revocable Trust for use of property used as a parking lot for the Amtrak Station. The lease is dated November 1, 2008 and ends October 31, 2013 with the option to renew for three successive renewals of five years each. The lease calls for monthly payments of \$1,585 each for the initial term of the lease with adjustments to be made with each subsequent renewal. The future minimum rentals are as follows:

Year Ending April 30	Total
2012	\$ 19,020
2013	19,020
2014	9,510
	\$ 47,550

17) Conduit Debt

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

18) Commitments

Effective September 10, 2010, the City entered into a management agreement with Environmental Management Corporation (EMC) for the management of the City's wastewater facilities. This agreement has a period of five years commencing March 1, 2010 and continuing until February 28, 2015. Under this agreement, EMC will manage the wastewater facilities so that the effluent discharge meets or exceeds wastewater effluent requirements established by the Illinois Environmental Protection Agency (IEPA) and the U.S. Environmental Protection Agency (USEPA). EMC shall also manage the biosolids and lime sludge disposal program consistent with USEPA and IEPA land application requirements. The EMC Facility Manager and the Pretreatment Coordinator shall be EMC employees and EMC will be responsible for all payroll expense for such employees. All other employees supervised by these EMC employees will remain City employees and the City is responsible for the payroll expenses of those remaining employees. EMC will limit overtime expenditure for these City employees in agreed upon amounts with EMC being responsible for any overtime costs exceeding these limits. 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. EMC will invoice the City monthly for all costs according to the fee schedule, which varies according to volume of sludge disposal, and any reimbursable costs that are the City's responsibility. For the year ended April 30, 2011, the City incurred costs of \$1,011,299 related to this agreement. The following table depicts the future minimum fees under this agreement:

Year Ending April 30	Total
2012	\$ 427,147
2013	437,826
2014	448,772
2015	381,735
	\$ 1,695,480

19) Subsequent Events

Subsequent events have been evaluated through November 10, 2011, which is the date the financial statements were available to be issued.

On August 18, 2006, the City applied to the Federal Energy Regulatory Commission (FERC) for preliminary permits for the Lock and Dam Numbers 20, 21 and 22. In December 2009, on advice of financial consultants, the City organized Mississippi River No. 21 Hydropower Company, an Illinois for profit corporation as a way to qualify the Lock and Dam 21 project for the ARRA Section 1603 grant, which provides a 30% grant funding. On February 17, 2011, a FERC hearing officer issued an order dismissing the City's LLC License application stating that the City had violated Section 7(a) of the Federal Power Act Municipal Preference Provision by forming a for profit corporation, a non-municipal entity, to help fund the hydropower project. The City requested a hearing on the dismissal order. Subsequently, FERC conducted a hearing and concurred with the hearing officer and dismissed the license application barring the City of Quincy, Great River Hydropower, LLC and Mississippi River No. 21 Hydropower Company from filing for preliminary permits or development applications for the Mississippi River Lock and Dam No. 21 for one year.

19) Subsequent Events (Concluded)

To date, the City of Quincy and its subsidiaries have incurred costs of \$5,241,521 on this project with the majority of the funding provided by a general obligation bond and a grant from the Department of Energy. Currently, this is shown as Construction in Progress and included with the capital assets on the Statement of Net Assets. No further engineering or environmental work is currently being performed on the project. On October 6, 2011, all but \$1.45 million of the general obligation bond was defeased by using remaining bond proceeds and general revenues. The City is currently reviewing its options regarding licensure at Lock and Dams 24 and 25 and if the previous studies done at Lock and Dam 21 can be sold to a subsequent developer.

20) Recently Issued Pronouncements

As of April 30, 2011, the Governmental Accounting Standards Board (GASB) had issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009 will be effective for the City beginning with its year ending April 30, 2012. This Statement was issued to enhance the usefulness of the fund balance information by providing clearer fund balance classifications and clarifying the existing governmental fund type definitions. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications. Governments also are required to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent. Disclosure of the policies in the notes to the financial statements is required.

Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, will be effective for the City beginning with its year ending April 30, 2014. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the City beginning with its year ended April 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

20) Recently Issued Pronouncements (Concluded)

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will be effective for the City beginning with its year ended April 30, 2013. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. This Statement amends Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government* and other pronouncements by incorporating deferred outflows and inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

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

Required Supplementary Information

Budgetary comparison schedules are presented as Required Supplementary information (RSI) for the general fund and each major special revenue 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, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, May 1, 2010	\$ 1,512,048	\$ 1,512,048	\$ 1,512,048	\$ -
Resources (inflows):				
Property taxes	50,000	50,000	50,049	49
Franchise taxes	427,000	427,000	564,068	137,068
Charges for services	806,925	806,925	733,851	(73,074)
Fines and forfeitures	410,000	410,000	452,661	42,661
Intergovernmental	12,516,869	12,524,333	14,393,200	1,868,867
Grants and contributions	70,100	70,100	85,509	15,409
Investment earnings	39,000	39,000	31,087	(7,913)
Miscellaneous	70,080	70,080	67,287	(2,793)
Sale of assets	25,000	32,225	35,235	3,010
Cost share transfers, net	510,700	510,700	486,093	(24,607)
Operating transfers in	7,151,224	7,234,880	8,783,532	1,548,652
Amounts available for Appropriation	<u>\$ 23,588,946</u>	<u>\$ 23,687,291</u>	<u>\$ 27,194,620</u>	<u>\$ 3,507,329</u>
Charges to appropriations (outflows)				
General Government				
Aldermen	\$ 186,372	\$ 186,372	\$ 177,895	\$ 8,477
Mayor	297,712	297,712	279,247	18,465
City Treasurer	250,199	250,199	234,433	15,766
City Clerk	169,739	169,739	153,413	16,326
Director of Administration	120,523	120,523	117,488	3,035
Purchasing	64,255	64,255	61,456	2,799
Building Maintenance	416,693	416,693	311,405	105,288
Comptroller	355,484	355,484	337,475	18,009
Legal Department	278,845	278,845	262,548	16,297
Boards and Commissions	81,199	81,199	57,600	23,599
Information Technology	646,974	646,974	626,087	20,887
Public Safety				
Police Department	8,001,809	7,927,722	7,653,673	274,049
Fire Department	5,706,242	5,713,467	5,542,333	171,134
Public Works	426,779	424,374	381,738	42,636
Engineering Services	736,039	738,444	718,333	20,111
Health and sanitation	108,121	108,121	103,056	5,065
Cemetery	145,685	145,685	145,685	-
Nondepartmental				
Operating transfers out	5,034,188	5,199,395	5,127,586	71,809
Funding for other agencies	166,906	166,906	145,424	21,482
Total Charges to Appropriations	<u>\$ 23,193,764</u>	<u>\$ 23,292,109</u>	<u>\$ 22,436,875</u>	<u>\$ 855,234</u>
Budgetary Balance, April 30, 2011	<u>\$ 395,182</u>	<u>\$ 395,182</u>	<u>\$ 4,757,745</u>	<u>\$ 4,362,563</u>

City of Quincy, Illinois
 Budgetary Comparison Schedule - State and Federal Grants Fund
 For the Year Ended April 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, May 1, 2010	\$ 226,129	\$ 226,129	\$ 226,129	\$ -
Resources (inflows):				
Grants and contributions	3,274,500	3,274,500	286,148	(2,988,352)
Investment earnings	-	-	164	164
Cost share transfers, net	-	(14,582)	(14,582)	-
Amounts available for Appropriation	<u>\$ 3,500,629</u>	<u>\$ 3,486,047</u>	<u>\$ 497,859</u>	<u>\$ (2,988,188)</u>
Charges to appropriations (outflows)				
Community development Nondepartmental	\$ 3,234,500	\$ 3,064,118	\$ 429,723	\$ 2,634,395
Operating transfers out	-	155,800	24,740	131,060
Total Charges to Appropriations	<u>\$ 3,234,500</u>	<u>\$ 3,219,918</u>	<u>\$ 454,463</u>	<u>\$ 2,765,455</u>
Budgetary Balance, April 30, 2011	<u>\$ 266,129</u>	<u>\$ 266,129</u>	<u>\$ 43,396</u>	<u>\$ (222,733)</u>

City of Quincy, Illinois
 Budgetary Comparison Schedule - Quincy Transit Lines Fund
 For the Year Ended April 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, May 1, 2010	\$ 257,765	\$ 257,765	\$ 257,765	\$ -
Resources (inflows):				
Charges for services	118,500	118,500	84,995	(33,505)
Grants and contributions	2,819,429	2,850,474	2,492,368	(358,106)
Investment earnings	2,000	2,000	897	(1,103)
Cost share transfers, net	(145,343)	(145,343)	(110,885)	34,458
Operating transfers in	224,553	224,553	209,553	(15,000)
Amounts available for Appropriation	<u>\$ 3,276,904</u>	<u>\$ 3,307,949</u>	<u>\$ 2,934,693</u>	<u>\$ (373,256)</u>
Charges to appropriations (outflows)				
Public Works	\$ 2,842,789	\$ 2,845,789	\$ 2,649,731	\$ 196,058
Capital outlay	176,350	204,395	98,846	105,549
Total Charges to Appropriations	<u>\$ 3,019,139</u>	<u>\$ 3,050,184</u>	<u>\$ 2,748,577</u>	<u>\$ 301,607</u>
Budgetary Balance, April 30, 2011	<u>\$ 257,765</u>	<u>\$ 257,765</u>	<u>\$ 186,116</u>	<u>\$ (71,649)</u>

City of Quincy, Illinois
 Budgetary Comparison Schedule - Capital Projects Fund
 For the Year Ended April 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, May 1, 2010	\$ 1,740,014	\$ 1,740,014	\$ 1,740,014	\$ -
Resources (inflows):				
Grants and contributions	-	-	475,750	475,750
Miscellaneous	-	-	4,940	4,940
Investment earnings	30,000	30,000	16,734	(13,266)
Operating transfers in	333,744	333,744	442,130	108,386
Amounts available for Appropriation	<u>\$ 2,103,758</u>	<u>\$ 2,103,758</u>	<u>\$ 2,679,568</u>	<u>\$ 575,810</u>
Charges to appropriations (outflows)				
Public Safety	\$ 65,000	\$ 65,000	\$ 60,722	\$ 4,278
Public Works	1,953,752	1,953,753	1,114,095	839,658
Community development	72,637	72,637	925	71,712
Health and sanitation	22,868	22,867	-	22,867
Loan/Lease payments	176,262	176,262	175,682	580
Nondepartmental				
Operating transfers out	258,000	258,000	269,959	(11,959)
Total Charges to Appropriations	<u>\$ 2,548,519</u>	<u>\$ 2,548,519</u>	<u>\$ 1,621,383</u>	<u>\$ 927,136</u>
Budgetary Balance, April 30, 2011	<u>\$ (444,761)</u>	<u>\$ (444,761)</u>	<u>\$ 1,058,185</u>	<u>\$ 1,502,946</u>

City of Quincy, Illinois
 Budgetary Comparison Schedule - 2010 G/O Hydro Project Fund
 For the Year Ended April 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, May 1, 2010	\$ 4,921,759	\$ 4,921,759	\$ 4,921,759	\$ -
Resources (inflows):				
Investment earnings	20,000	20,000	33,323	13,323
Amounts available for Appropriation	<u>\$ 4,941,759</u>	<u>\$ 4,941,759</u>	<u>\$ 4,955,082</u>	<u>\$ 13,323</u>
Charges to appropriations (outflows)				
General Government				
Purchased services	\$ 20,000	\$ 20,000	\$ 85,358	\$ (65,358)
Capital outlay	5,235,000	5,235,000	1,843,176	3,391,824
Total Charges to Appropriations	<u>\$ 5,255,000</u>	<u>\$ 5,255,000</u>	<u>\$ 1,928,534</u>	<u>\$ 3,326,466</u>
Budgetary Balance, April 30, 2011	<u><u>\$ (313,241)</u></u>	<u><u>\$ (313,241)</u></u>	<u><u>\$ 3,026,548</u></u>	<u><u>\$ 3,339,789</u></u>

City of Quincy, Illinois
 Budgetary Comparison Schedule - Purchase Tax Fund
 For the Year Ended April 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, May 1, 2010	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Public service taxes	8,021,438	8,813,561	8,813,517	(44)
Investment earnings	-	-	44	44
Amounts available for Appropriation	<u>\$ 8,021,438</u>	<u>\$ 8,813,561</u>	<u>\$ 8,813,561</u>	<u>\$ -</u>
Charges to appropriations (outflows)				
Nondepartmental				
Transfers to other funds	<u>\$ 8,021,438</u>	<u>\$ 8,813,561</u>	<u>\$ 8,813,561</u>	<u>\$ -</u>
Total Charges to Appropriations	<u>\$ 8,021,438</u>	<u>\$ 8,813,561</u>	<u>\$ 8,813,561</u>	<u>\$ -</u>
Budgetary Balance, April 30, 2011	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Quincy, Illinois
 Budgetary Comparison Schedule
 Budget - to - GAAP Reconciliation
 For the Year Ended April 30, 2011

	<u>General Fund</u>	<u>State and Federal Grants Fund</u>	<u>Quincy Transit Lines</u>	<u>Capital Projects Fund</u>	<u>2009 G/O Hydro Project Fund</u>	<u>Purchase Tax Fund</u>
Sources/Inflows of Resources						
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$27,194,620	\$ 497,859	\$ 2,934,693	\$ 2,679,568	\$ 4,955,082	\$ 8,813,561
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.	(1,512,048)	(226,129)	(257,765)	(1,740,014)	(4,921,759)	-
Revenues in the statement of revenues, expenditures, and changes in fund balances are reported on the cash (budgetary) basis of accounting. In the statement of activities, revenues are reported when earned.	(91,871)	188,550	402,302	(45,654)	-	14,785
Transfers from other funds and debt proceeds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	(9,304,860)	14,582	(98,668)	(442,130)	-	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$16,285,841</u></u>	<u><u>\$ 474,862</u></u>	<u><u>\$ 2,980,562</u></u>	<u><u>\$ 451,770</u></u>	<u><u>\$ 33,323</u></u>	<u><u>\$ 8,828,346</u></u>
Uses/Outflows of Resources						
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$22,436,875	\$ 454,463	\$ 2,748,577	\$ 1,621,383	\$ 1,928,534	\$ 8,813,561
Differences - Budget to GAAP:						
Expenditures in the statement of revenues, expenditures, and changes in fund balances are reported on the cash (budgetary) basis of accounting. In the statement of activities, expenses are reported when the liability is incurred.	23,742	(5,816)	393,423	(176,209)	(231,152)	-
Transfers to other funds and debt issuance costs are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	(5,127,586)	(24,740)	-	(269,959)	-	(8,813,561)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$17,333,031</u></u>	<u><u>\$ 423,907</u></u>	<u><u>\$ 3,142,000</u></u>	<u><u>\$ 1,175,215</u></u>	<u><u>\$ 1,697,382</u></u>	<u><u>\$ -</u></u>

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

City of Quincy, Illinois
 Required Supplementary Information
 Schedules of Funding Progress
 For the Year Ended April 30, 2011

Quincy Firefighters' Pension Fund

Actuarial		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)
Valuation Date	Value of Assets (a)					
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%
4/30/2008	22,343,577	44,079,359	21,735,782	50.7%	3,477,122	625.1%
4/30/2007	21,907,527	42,606,754	20,699,227	51.4%	3,356,113	616.8%
4/30/2006	20,920,010	41,209,642	20,289,632	50.8%	3,130,378	648.2%
4/30/2005	21,687,482	39,411,382	17,723,900	55.0%	2,946,259	601.6%
4/30/2004	21,561,714	33,393,906	11,832,192	64.6%	2,998,820	394.6%
4/30/2003	21,042,415	32,071,665	11,029,250	65.6%	2,953,169	373.5%
4/30/2002	20,681,777	30,172,432	9,490,655	68.5%	2,839,442	334.2%
4/30/2001	20,001,048	28,844,908	8,843,860	69.3%	2,718,887	325.3%
4/30/2000	19,298,970	28,053,326	8,754,356	68.8%	2,592,700	337.7%
4/30/1999	18,634,414	26,728,319	8,093,905	69.7%	2,632,504	307.5%
4/30/1998	18,981,778	24,481,646	5,499,868	77.5%	2,425,562	226.7%
4/30/1997	18,095,000	23,407,000	5,312,000	77.3%	2,402,000	221.1%
4/30/1996	17,117,000	22,042,000	4,925,000	77.7%	2,337,000	210.7%

Police Pension Fund

Actuarial		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)
Valuation Date	Value of Assets (a)					
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%
4/30/2008	26,074,414	39,877,551	13,803,137	65.4%	4,305,958	320.6%
4/30/2007	25,196,517	38,307,988	13,111,471	65.8%	4,019,943	326.2%
4/30/2006	23,431,815	40,117,451	16,685,636	58.4%	3,962,781	421.1%
4/30/2005	23,934,248	32,849,396	8,915,148	72.9%	3,807,590	234.1%
4/30/2004	23,384,858	31,163,120	7,778,262	75.0%	3,552,802	218.9%
4/30/2003	22,522,479	29,788,213	7,265,734	75.6%	3,400,092	213.7%
4/30/2002	21,543,006	27,465,593	5,922,587	78.4%	3,078,845	192.4%
4/30/2001	20,612,084	26,377,562	5,765,478	78.1%	3,119,609	184.8%
4/30/2000	19,674,399	25,060,503	5,386,104	78.5%	3,112,655	173.0%
4/30/1999	18,957,528	22,792,842	3,835,314	83.2%	2,932,646	130.8%
4/30/1998	18,809,091	22,015,798	3,206,707	85.4%	2,758,685	116.2%
4/30/1997	17,611,000	20,615,000	3,004,000	85.4%	2,642,000	113.7%
4/30/1996	16,614,000	18,464,000	1,850,000	90.0%	2,532,000	73.1%

City of Quincy, Illinois
Required Supplementary Information (Concluded)
Schedules of Funding Progress
For the Year Ended April 30, 2011

Illinois Municipal Retirement Fund

<u>Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Unfunded Actuarial Accrued Liability (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/2010	\$ 27,551,010	\$ 35,975,434	\$ 8,424,424	76.6%	\$ 10,714,480	78.63%
12/31/2009	28,979,388	34,127,320	5,147,932	84.9%	11,777,156	43.71%
12/31/2008	30,565,202	37,102,930	6,537,728	82.4%	11,282,614	57.95%
12/31/2007	35,034,273	34,522,869	(511,404)	101.5%	10,784,024	0.00%
12/31/2006	31,564,241	31,805,329	241,088	99.2%	10,309,923	2.34%
12/31/2005	28,027,491	28,680,812	653,321	97.7%	9,842,194	6.64%
12/31/2004	25,202,766	26,813,708	1,610,942	94.0%	9,580,161	16.82%
12/31/2003	23,980,791	25,391,392	1,410,601	94.4%	9,232,424	15.28%
12/31/2002	27,549,867	26,406,458	(1,143,409)	104.3%	9,604,440	0.00%
12/31/2001	30,185,188	25,861,627	(4,323,561)	116.7%	9,653,051	0.00%
12/31/2000	27,542,816	23,273,212	(4,269,604)	118.3%	9,430,132	0.00%
12/31/1999	23,310,235	20,566,204	(2,744,031)	113.3%	9,009,232	0.00%
12/31/1998	18,713,172	19,129,307	416,135	97.8%	8,738,152	4.76%
12/31/1997	18,623,219	18,324,943	(298,276)	101.6%	8,061,487	0.00%
12/31/1996	16,000,648	16,557,495	556,847	96.6%	7,878,379	7.07%
12/31/1995	15,011,844	16,120,382	1,108,538	93.1%	7,438,835	14.90%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$29,923,896. On a market basis, the funded ratio would be 83.18%.

City of Quincy, Illinois
Combining Statement of Net Assets - Component Units
April 30, 2011

	Quincy Public Library	Woodland Cemetery	Total Component Units
Assets			
Cash and cash investments	\$ 689,772	\$ 41,206	\$ 730,978
Investments	1,348,255	1,406,298	2,754,553
Receivables , net	771,253	1,315	772,568
Capital assets, net	4,345,016	340,875	4,685,891
Total Assets	\$ 7,154,296	\$ 1,789,694	\$ 8,943,990
Liabilities			
Accounts payable	\$ 10,116	\$ 2,058	\$ 12,174
Accrued expenses	100,358	-	100,358
Deferred revenue	748,237	-	748,237
Total Liabilities	\$ 858,711	\$ 2,058	\$ 860,769
Net Assets			
Invested in capital assets, net of related debt	\$ 4,345,016	\$ 340,875	\$ 4,685,891
Restricted for:			
Other purposes	269,813	260,782	530,595
Unrestricted	1,680,756	1,185,979	2,866,735
Total Net Assets	\$ 6,295,585	\$ 1,787,636	\$ 8,083,221

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, 2011

	Special Revenue Funds								
	Planning and Development	911 System	Housing Resource	Motor Fuel Tax	Traffic Signal	Town Road Tax	Police Contributions	Fire Contributions	Economic Development Loan
Assets									
Cash and cash equivalents	\$ 69	\$ 305,564	\$ 66,612	\$ 2,774,495	\$ 23,721	\$ 68,391	\$ 264,667	\$ 9,587	\$ 1,316,392
Receivables, net	2,392	52,110	-	33,563	7,744	-	-	-	-
Due from other funds	-	-	11,552	-	-	-	-	-	-
Due from other governments	-	54,410	-	83,312	-	-	-	-	-
Total Assets	<u>\$ 2,461</u>	<u>\$ 412,084</u>	<u>\$ 78,164</u>	<u>\$ 2,891,370</u>	<u>\$ 31,465</u>	<u>\$ 68,391</u>	<u>\$ 264,667</u>	<u>\$ 9,587</u>	<u>\$ 1,316,392</u>
Liabilities and Fund Balances									
Accounts payable	\$ 4,465	\$ 10,826	\$ 1,051	\$ 45,297	\$ 538	\$ -	\$ 108	\$ -	\$ -
Accrued expenses	10,992	17,207	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	15,100	-	-
Total Liabilities	<u>\$ 15,457</u>	<u>\$ 28,033</u>	<u>\$ 1,051</u>	<u>\$ 45,297</u>	<u>\$ 538</u>	<u>\$ -</u>	<u>\$ 15,208</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances									
Reserved for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-	-	-	1,316,392
Unreserved, reported in:									
Special revenue funds	(12,996)	384,051	77,113	2,846,073	30,927	68,391	249,459	9,587	-
Total Fund Balances	<u>\$ (12,996)</u>	<u>\$ 384,051</u>	<u>\$ 77,113</u>	<u>\$ 2,846,073</u>	<u>\$ 30,927</u>	<u>\$ 68,391</u>	<u>\$ 249,459</u>	<u>\$ 9,587</u>	<u>\$ 1,316,392</u>
Total Liabilities and Fund Balances	<u>\$ 2,461</u>	<u>\$ 412,084</u>	<u>\$ 78,164</u>	<u>\$ 2,891,370</u>	<u>\$ 31,465</u>	<u>\$ 68,391</u>	<u>\$ 264,667</u>	<u>\$ 9,587</u>	<u>\$ 1,316,392</u>

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, 2011

	Special Revenue Funds							Total Special Revenue Funds
	CDAP Loan	CBD Loan	Neighborhood Rehab Loan	Energy Grant Loan	Landfill Superfund	Tourism Tax	Incremental Sales Tax	
Assets								
Cash and cash equivalents	\$ 632,350	\$ 373,375	\$ 40,981	\$ 1,630	\$ 321	\$ 81,591	\$ 213	\$ 5,959,959
Receivables, net	-	-	-	-	-	56,652	-	152,461
Due from other funds	-	-	133,830	-	-	-	-	145,382
Due from other governments	-	-	-	-	-	-	-	137,722
Total Assets	<u>\$ 632,350</u>	<u>\$ 373,375</u>	<u>\$ 174,811</u>	<u>\$ 1,630</u>	<u>\$ 321</u>	<u>\$ 138,243</u>	<u>\$ 213</u>	<u>\$ 6,395,524</u>
Liabilities and Fund Balances								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,285
Accrued expenses	-	-	-	-	-	-	-	28,199
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	15,100
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,584</u>
Fund Balances								
Reserved for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	632,350	373,375	174,811	1,630	321	138,243	213	2,637,335
Unreserved, reported in:								
Special revenue funds	-	-	-	-	-	-	-	3,652,605
Total Fund Balances	<u>\$ 632,350</u>	<u>\$ 373,375</u>	<u>\$ 174,811</u>	<u>\$ 1,630</u>	<u>\$ 321</u>	<u>\$ 138,243</u>	<u>\$ 213</u>	<u>\$ 6,289,940</u>
Total Liabilities and Fund Balances	<u>\$ 632,350</u>	<u>\$ 373,375</u>	<u>\$ 174,811</u>	<u>\$ 1,630</u>	<u>\$ 321</u>	<u>\$ 138,243</u>	<u>\$ 213</u>	<u>\$ 6,395,524</u>

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, 2011

	Capital Projects Funds								
	Arts Corridor	Sanitation Connection	Special Projects	TIF #2	2009 OLC Capital Projects	2009C G/O Library Project	Sewer Equipment	QMEA Cap Reserve	Total Capital Projects Funds
Assets									
Cash and cash equivalents	\$ 17,897	\$ 583,637	\$ 5,161	\$ 553,673	\$ 551,377	\$ 2,160,961	\$ 310,050	\$ 81,735	\$ 4,264,491
Receivables, net	-	1,100	-	3,175	-	-	-	-	4,275
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 17,897</u>	<u>\$ 584,737</u>	<u>\$ 5,161</u>	<u>\$ 556,848</u>	<u>\$ 551,377</u>	<u>\$ 2,160,961</u>	<u>\$ 310,050</u>	<u>\$ 81,735</u>	<u>\$ 4,268,766</u>
Liabilities and Fund Balances									
Accounts payable	\$ -	\$ -	\$ 4,136	\$ 30,543	\$ -	\$ -	\$ -	\$ -	\$ 34,679
Accrued expenses	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	11,552	-	-	-	-	-	11,552
Deferred revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,688</u>	<u>\$ 30,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,231</u>
Fund Balances									
Reserved for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	17,897	584,737	-	526,305	551,377	2,160,961	310,050	81,735	4,233,062
Unreserved, reported in:									
Special revenue funds	-	-	(10,527)	-	-	-	-	-	(10,527)
Total Fund Balances	<u>\$ 17,897</u>	<u>\$ 584,737</u>	<u>\$ (10,527)</u>	<u>\$ 526,305</u>	<u>\$ 551,377</u>	<u>\$ 2,160,961</u>	<u>\$ 310,050</u>	<u>\$ 81,735</u>	<u>\$ 4,222,535</u>
Total Liabilities and Fund Balances	<u>\$ 17,897</u>	<u>\$ 584,737</u>	<u>\$ 5,161</u>	<u>\$ 556,848</u>	<u>\$ 551,377</u>	<u>\$ 2,160,961</u>	<u>\$ 310,050</u>	<u>\$ 81,735</u>	<u>\$ 4,268,766</u>

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

City of Quincy, Illinois
Combining Balance Sheet (Concluded)
Non-Major Governmental Funds
April 30, 2011

	Debt Service Funds							Total	
	2004 GO Bond	1996 GO Bond	2010 GO Bond	2005 GO Bond	2006 GO Bond	2009 OLC G/O Bond	2009 Library Bond	Total Debt Service Funds	Non-Major Governmental Funds
Assets									
Cash and cash equivalents	\$ 201,407	\$ 134,013	\$ 62,542	\$ 174,276	\$ -	\$ 17,484	\$ 144,021	\$ 733,743	\$ 10,958,193
Receivables, net	-	-	-	-	-	-	-	-	156,736
Due from other funds	-	-	-	-	-	-	-	-	145,382
Due from other governments	-	-	-	-	-	-	-	-	137,722
Total Assets	<u>\$ 201,407</u>	<u>\$ 134,013</u>	<u>\$ 62,542</u>	<u>\$ 174,276</u>	<u>\$ -</u>	<u>\$ 17,484</u>	<u>\$ 144,021</u>	<u>\$ 733,743</u>	<u>\$ 11,398,033</u>
Liabilities and Fund Balances									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,964
Accrued expenses	-	-	-	-	-	-	-	-	28,199
Due to other funds	-	-	-	-	-	-	-	-	11,552
Deferred revenue	-	-	-	-	-	-	-	-	15,100
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,815</u>
Fund Balances									
Reserved for:									
Debt service	\$ 201,407	\$ 134,013	\$ 62,542	\$ 174,276	\$ -	\$ 17,484	\$ 144,021	\$ 733,743	\$ 733,743
Other purposes	-	-	-	-	-	-	-	-	6,870,397
Unreserved, reported in:									
Special revenue funds	-	-	-	-	-	-	-	-	3,642,078
Total Fund Balances	<u>\$ 201,407</u>	<u>\$ 134,013</u>	<u>\$ 62,542</u>	<u>\$ 174,276</u>	<u>\$ -</u>	<u>\$ 17,484</u>	<u>\$ 144,021</u>	<u>\$ 733,743</u>	<u>\$ 11,246,218</u>
Total Liabilities and Fund Balances	<u>\$ 201,407</u>	<u>\$ 134,013</u>	<u>\$ 62,542</u>	<u>\$ 174,276</u>	<u>\$ -</u>	<u>\$ 17,484</u>	<u>\$ 144,021</u>	<u>\$ 733,743</u>	<u>\$ 11,398,033</u>

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

City of Quincy, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended April 30, 2011

	Special Revenue Funds								
	Planning and Development	911 System	Housing Resource	Motor Fuel Tax	Traffic Signal	Town Road Tax	Police Contributions	Fire Contributions	Economic Development Loan
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,565	\$ -	\$ -	\$ -
Public service taxes	-	359,097	-	1,196,485	-	-	-	-	-
Grants and contributions	11,200	-	-	-	-	55,752	1,472	-	-
Charges for services	253,956	-	-	-	4,216	-	-	-	-
Fines and forfeitures	-	-	-	-	-	73,248	-	-	-
Intergovernmental	-	528,917	-	-	23,093	1,130	-	-	-
Investment earnings	23	1,736	701	25,084	329	1,155	2,577	177	41,455
Miscellaneous	11,063	25	-	-	231	-	-	-	313,683
Total Revenues	\$ 276,242	\$ 889,775	\$ 701	\$ 1,221,569	\$ 27,869	\$ 35,720	\$ 132,707	\$ 1,649	\$ 355,138
Expenditures									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,953	\$ -	\$ -
Fire department	-	-	-	-	-	-	-	1,531	-
911 system	-	1,338,220	-	-	-	-	-	-	-
Public works	841,764	-	-	-	-	-	-	-	-
Engineering services	-	-	-	932,772	43,644	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Community development	-	-	31,980	-	-	-	-	-	123,336
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-	-
Capital Outlay	4,000	-	-	39,661	-	-	26,337	-	-
Total Expenditures	\$ 845,764	\$ 1,338,220	\$ 31,980	\$ 972,433	\$ 43,644	\$ -	\$ 77,290	\$ 1,531	\$ 123,336
Excess (Deficiency) of Revenues Over Expenditures	\$ (569,522)	\$ (448,445)	\$ (31,279)	\$ 249,136	\$ (15,775)	\$ 35,720	\$ 55,417	\$ 118	\$ 231,802
Other Financing Sources (Uses)									
Cost share transfers, net	\$ -	\$ -	\$ 14,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of property	11,597	-	-	-	-	-	-	-	-
Operating transfers in	558,500	793,400	-	-	-	-	-	-	-
Operating transfers out	-	(221,385)	-	-	-	(53,930)	(2,174)	(253,428)	(160,000)
Debt proceeds	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 570,097	\$ 572,015	\$ 14,582	\$ -	\$ -	\$ (53,930)	\$ (2,174)	\$ (253,428)	\$ (160,000)
Net Change in Fund Balances	\$ 575	\$ 123,570	\$ (16,697)	\$ 249,136	\$ (15,775)	\$ (18,210)	\$ 53,243	\$ (253,310)	\$ 71,802
Fund Balances, May 1, 2010	(13,571)	260,481	93,810	2,596,937	46,702	86,601	196,216	262,897	1,244,590
Fund Balances, April 30, 2011	\$ (12,996)	\$ 384,051	\$ 77,113	\$ 2,846,073	\$ 30,927	\$ 68,391	\$ 249,459	\$ 9,587	\$ 1,316,392

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, 2011

	Special Revenue Funds							Total Special Revenue Funds
	CDAP Loan	CBD Loan	Neighborhood Rehab Loan	Energy Grant Loan	Landfill Superfund	Tourism Tax	Incremental Sales Tax	
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,565
Public service taxes	-	-	-	-	-	767,315	-	2,322,897
Grants and contributions	-	-	-	-	-	-	-	68,424
Charges for services	-	-	-	-	-	-	-	258,172
Fines and forfeitures	-	-	-	-	-	-	-	73,248
Intergovernmental	-	-	-	-	-	-	-	553,140
Investment earnings	38,080	25,622	1,067	141	303	888	27	139,365
Miscellaneous	134,657	80,670	3,358	1,489	-	-	-	545,176
Total Revenues	\$ 172,737	\$ 106,292	\$ 4,425	\$ 1,630	\$ 303	\$ 768,203	\$ 27	\$ 3,994,987
Expenditures								
Public Safety								
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,953
Fire department	-	-	-	-	-	-	-	1,531
911 system	-	-	-	-	-	-	-	1,338,220
Public works	-	-	-	-	76,000	-	-	917,764
Engineering services	-	-	-	-	-	-	-	976,416
Culture and recreation	-	-	-	-	-	480,393	-	480,393
Community development	-	50,353	34,080	24,740	-	-	467,214	731,703
Debt Service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	69,998
Total Expenditures	\$ -	\$ 50,353	\$ 34,080	\$ 24,740	\$ 76,000	\$ 480,393	\$ 467,214	\$ 4,566,978
Excess (Deficiency) of Revenues Over Expenditures	\$ 172,737	\$ 55,939	\$ (29,655)	\$ (23,110)	\$ (75,697)	\$ 287,810	\$ (467,187)	\$ (571,991)
Other Financing Sources (Uses)								
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,679)	\$ -	\$ (1,097)
Sale of property	-	-	78,655	-	-	-	-	90,252
Operating transfers in	-	-	-	24,740	76,000	-	467,214	1,919,854
Operating transfers out	-	(27,500)	-	-	-	(287,877)	-	(1,006,294)
Debt proceeds	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ (27,500)	\$ 78,655	\$ 24,740	\$ 76,000	\$ (303,556)	\$ 467,214	\$ 1,002,715
Net Change in Fund Balances	\$ 172,737	\$ 28,439	\$ 49,000	\$ 1,630	\$ 303	\$ (15,746)	\$ 27	\$ 430,724
Fund Balances, May 1, 2010	459,613	344,936	125,811	-	18	153,989	186	5,859,216
Fund Balances, April 30, 2011	\$ 632,350	\$ 373,375	\$ 174,811	\$ 1,630	\$ 321	\$ 138,243	\$ 213	\$ 6,289,940

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, 2011

	Capital Projects Funds								Total Capital Projects Funds
	Arts Corridor	Sanitation Connection	Special Projects	TIF #2	2009 OLC Capital Projects	2009C G/O Library Project	Sewer Equipment	QMEA Cap Reserve	
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ 249,034	\$ -	\$ -	\$ -	\$ -	\$ 249,034
Public service taxes	-	-	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-	-	-	-
Charges for services	-	24,468	-	-	-	-	-	-	24,468
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Investment earnings	189	6,024	27	5,819	4,186	25,573	3,519	862	46,199
Miscellaneous	-	-	10,151	-	-	-	-	-	10,151
Total Revenues	\$ 189	\$ 30,492	\$ 10,178	\$ 254,853	\$ 4,186	\$ 25,573	\$ 3,519	\$ 862	\$ 329,852
Expenditures									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire department	-	-	-	-	-	-	-	-	-
911 system	-	-	-	-	-	-	-	-	-
Public works	-	-	9,559	118,667	-	-	43,094	-	171,320
Engineering services	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	204,533	3,111,759	-	-	3,316,292
Community development	-	-	-	-	-	-	-	-	-
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 9,559	\$ 118,667	\$ 204,533	\$ 3,111,759	\$ 43,094	\$ -	\$ 3,487,612
Excess (Deficiency) of Revenues Over Expenditures	\$ 189	\$ 30,492	\$ 619	\$ 136,186	\$ (200,347)	\$ (3,086,186)	\$ (39,575)	\$ 862	\$ (3,157,760)
Other Financing Sources (Uses)									
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of property	-	-	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ 189	\$ 30,492	\$ 619	\$ 136,186	\$ (200,347)	\$ (3,086,186)	\$ (39,575)	\$ 862	\$ (3,157,760)
Fund Balances, May 1, 2010	17,708	554,245	(11,146)	390,119	751,724	5,247,147	349,625	80,873	7,380,295
Fund Balances, April 30, 2011	\$ 17,897	\$ 584,737	\$ (10,527)	\$ 526,305	\$ 551,377	\$ 2,160,961	\$ 310,050	\$ 81,735	\$ 4,222,535

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, 2011

	Debt Service Funds							Total Debt Service Funds	Total Non-Major Governmental Funds
	2004 GO Bond	1996 GO Bond	2010 GO Bond	2005 GO Bond	2006 GO Bond	2009 OLC G/O Bond	2009 Library Bond		
Revenues									
Property taxes	\$ -	\$ -	\$ 445,359	\$ 483,035	\$ -	\$ -	\$ 370,786	\$ 1,299,180	\$ 1,582,779
Public service taxes	-	-	-	-	-	-	-	-	2,322,897
Grants and contributions	-	-	-	-	-	-	-	-	68,424
Charges for services	-	-	-	-	-	-	-	-	282,640
Fines and forfeitures	-	-	-	-	-	-	-	-	73,248
Intergovernmental	-	-	-	-	-	-	-	-	553,140
Investment earnings	2,635	1,101	1,425	2,297	48	145	2,236	9,887	195,451
Miscellaneous	-	-	-	-	-	-	139,420	139,420	694,747
Total Revenues	\$ 2,635	\$ 1,101	\$ 446,784	\$ 485,332	\$ 48	\$ 145	\$ 512,442	\$ 1,448,487	\$ 5,773,326
Expenditures									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,953
Fire department	-	-	-	-	-	-	-	-	1,531
911 system	-	-	-	-	-	-	-	-	1,338,220
Public works	-	-	-	-	-	-	-	-	1,089,084
Engineering services	-	-	-	-	-	-	-	-	976,416
Culture and recreation	-	-	-	-	-	-	-	-	3,796,685
Community development	-	-	-	-	-	-	-	-	731,703
Debt Service									
Principal retirement	220,000	155,000	1,902,000	195,000	219,313	-	58,000	2,749,313	2,749,313
Interest and charges	4,137	78,000	64,658	409,206	2,412	57,734	310,422	926,569	926,569
Capital Outlay	-	-	-	-	-	-	-	-	69,998
Total Expenditures	\$ 224,137	\$ 233,000	\$ 1,966,658	\$ 604,206	\$ 221,725	\$ 57,734	\$ 368,422	\$ 3,675,882	\$ 11,730,472
Excess (Deficiency) of Revenues Over Expenditures	\$ (221,502)	\$ (231,899)	\$ (1,519,874)	\$ (118,874)	\$ (221,677)	\$ (57,589)	\$ 144,020	\$ (2,227,395)	\$ (5,957,146)
Other Financing Sources (Uses)									
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,097)
Sale of property	-	-	-	-	-	-	-	-	90,252
Operating transfers in	-	241,095	-	272,831	221,385	46,782	-	782,093	2,701,947
Operating transfers out	-	-	-	-	-	-	-	-	(1,006,294)
Debt proceeds	-	-	1,552,000	-	-	-	-	1,552,000	1,552,000
Total Other Financing Sources (Uses)	\$ -	\$ 241,095	\$ 1,552,000	\$ 272,831	\$ 221,385	\$ 46,782	\$ -	\$ 2,334,093	\$ 3,336,808
Net Change in Fund Balances	\$ (221,502)	\$ 9,196	\$ 32,126	\$ 153,957	\$ (292)	\$ (10,807)	\$ 144,020	\$ 106,698	\$ (2,620,338)
Fund Balances, May 1, 2010	422,909	124,817	30,416	20,319	292	28,291	1	627,045	13,866,556
Fund Balances, April 30, 2011	\$ 201,407	\$ 134,013	\$ 62,542	\$ 174,276	\$ -	\$ 17,484	\$ 144,021	\$ 733,743	\$ 11,246,218

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

City of Quincy, Illinois
Combining Statement of Net Assets
Non-Major Proprietary Funds
April 30, 2011

	<u>Enterprise Funds</u>		<u>Total Non-Major Proprietary Funds</u>
	<u>Quincy Municipal Dock</u>	<u>Baldwin Business Park</u>	
Assets			
Current Assets			
Cash and cash equivalents	\$ 117,311	\$ -	\$ 117,311
Receivables, net	13,048	-	13,048
Total Current Assets	<u>\$ 130,359</u>	<u>\$ -</u>	<u>\$ 130,359</u>
Noncurrent Assets			
Capital assets:			
Land	\$ 19,945	\$ -	\$ 19,945
Systems	386,838	-	386,838
Less: Accumulated depreciation	(183,258)		(183,258)
Total Noncurrent Assets	<u>\$ 223,525</u>	<u>\$ -</u>	<u>\$ 223,525</u>
Total Assets	<u>\$ 353,884</u>	<u>\$ -</u>	<u>\$ 353,884</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ 30	\$ -	\$ 30
Accrued expenses	1,065	-	1,065
Accrued compensated absences	1,543	-	1,543
Bonds, notes and loans payable	-	-	-
Total Current Liabilities	<u>\$ 2,638</u>	<u>\$ -</u>	<u>\$ 2,638</u>
Noncurrent Liabilities			
Accrued compensated absences	\$ 2,816	\$ -	\$ 2,816
Total Noncurrent Liabilities	<u>\$ 2,816</u>	<u>\$ -</u>	<u>\$ 2,816</u>
Total Liabilities	<u>\$ 5,454</u>	<u>\$ -</u>	<u>\$ 5,454</u>
Net Assets			
Invested in capital assets, net of debt	\$ 223,525	\$ -	\$ 223,525
Unrestricted	124,905	-	124,905
Total Net Assets	<u>\$ 348,430</u>	<u>\$ -</u>	<u>\$ 348,430</u>

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

City of Quincy, Illinois
Combining Statement of Revenues, Expenses and Changes in Net Assets
Non-Major Proprietary Funds
For the Year Ended April 30, 2011

	Enterprise Funds		Total Non-Major Proprietary Funds
	Quincy Municipal Dock	Baldwin Business Park	
Operating Revenues			
Charges for services	\$ 153,373	\$ -	\$ 153,373
Total Revenues	<u>\$ 153,373</u>	<u>\$ -</u>	<u>\$ 153,373</u>
Operating Expenses			
Salaries and wages	\$ 24,666	\$ -	\$ 24,666
Benefits	10,367	-	10,367
Purchased services	2,253	-	2,253
Supplies	2,377	-	2,377
Depreciation expense	20,737	-	20,737
Total Operating Expenses	<u>\$ 60,400</u>	<u>\$ -</u>	<u>\$ 60,400</u>
Operating Income	<u>\$ 92,973</u>	<u>\$ -</u>	<u>\$ 92,973</u>
Nonoperating Revenues (Expenses)			
Interest and investment revenue	\$ 1,588	\$ 60	\$ 1,648
Operating transfers in	-	7,852	7,852
Operating transfers out	(100,000)	-	(100,000)
Total Nonoperating Revenues (Expenses)	<u>\$ (98,412)</u>	<u>\$ 7,912</u>	<u>\$ (90,500)</u>
Change in Net Assets	<u>\$ (5,439)</u>	<u>\$ 7,912</u>	<u>\$ 2,473</u>
Net Assets, May 1, 2010	353,869	(7,912)	345,957
Net Assets, April 30, 2011	<u><u>\$ 348,430</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 348,430</u></u>

City of Quincy, Illinois
Combining Statement of Cash Flows
Non-Major Proprietary Funds
For the Year Ended April 30, 2011

	<u>Enterprise Funds</u>		<u>Total Non-Major Proprietary Funds</u>
	<u>Quincy Municipal Dock</u>	<u>Baldwin Business Park</u>	
Cash Flows from Operating Activities			
Receipts from customers	\$ 140,325	\$ -	\$ 140,325
Payments to suppliers	(4,765)	-	(4,765)
Payments to employees	(33,935)	-	(33,935)
Net Cash Provided by Operations	<u>\$ 101,625</u>	<u>\$ -</u>	<u>\$ 101,625</u>
Cash Flows from Noncapital Financing Activities			
Operating subsidies and transfers	\$ (100,000)	\$ 7,852	\$ (92,148)
Cash Flows from Capital and Related Financing Activities			
Purchases of capital assets	\$ -	\$ -	\$ -
Principal paid on capital debt	-	(16,000)	(16,000)
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ (16,000)</u>	<u>\$ (16,000)</u>
Cash Flows from Investing Activities			
Interest received	\$ 1,588	\$ 60	\$ 1,648
Net Cash Provided by Investing Activities	<u>\$ 1,588</u>	<u>\$ 60</u>	<u>\$ 1,648</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 3,213	\$ (8,088)	\$ (4,875)
Cash and Cash Equivalents, May 1, 2010	114,098	8,088	122,186
Cash and Cash Equivalents, April 30, 2011	<u>\$ 117,311</u>	<u>\$ -</u>	<u>\$ 117,311</u>
Operating Income	\$ 92,973	\$ -	\$ 92,973
Adjustments to reconcile Operating Income:			
Amortization and depreciation	20,737	-	20,737
(Increase) Decrease in:			
Accounts receivable	(13,048)	-	(13,048)
Increase (Decrease) in:			
Accounts payable	(135)	-	(135)
Accrued expenses	47	-	47
Accrued compensated absences	1,051	-	1,051
Cash flows from operating activities	<u>\$ 101,625</u>	<u>\$ -</u>	<u>\$ 101,625</u>

City of Quincy, Illinois
Combining Statement of Net Assets - Governmental-Type Activities
Internal Service Funds
April 30, 2011

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Assets						
Current Assets						
Cash and cash equivalents	\$ 1,336,390	\$ 75	\$ 89,888	\$ 2,090,613	\$ 901,347	\$ 4,418,313
Receivables, net	1,112	233,849	-	3,089	49,815	287,865
Inventories	32,263	-	-	-	-	32,263
Total Current Assets	\$ 1,369,765	\$ 233,924	\$ 89,888	\$ 2,093,702	\$ 951,162	\$ 4,738,441
Noncurrent Assets						
Capital assets:						
Land	\$ -	\$ 488,071	\$ -	\$ -	\$ -	\$ 488,071
Systems	-	510,500	-	-	-	510,500
Buildings and improvements	-	2,210,394	-	-	-	2,210,394
Vehicles and equipment	4,653,011	903,596	-	7,469	-	5,564,076
Less: Accumulated depreciation	(4,057,416)	(1,422,435)	-	(7,469)	-	(5,487,320)
Total Noncurrent Assets	\$ 595,595	\$ 2,690,126	\$ -	\$ -	\$ -	\$ 3,285,721
Total Assets	\$ 1,965,360	\$ 2,924,050	\$ 89,888	\$ 2,093,702	\$ 951,162	\$ 8,024,162
Liabilities						
Current Liabilities						
Accounts payable	\$ 80,926	\$ 70,618	\$ 92	\$ 8,771	\$ -	\$ 160,407
Accrued expenses	8,324	23,954	-	3,505	418,254	454,037
Compensated absences	15,148	58,654	-	8,341	-	82,143
Total Current Liabilities	\$ 104,398	\$ 153,226	\$ 92	\$ 20,617	\$ 418,254	\$ 696,587
Noncurrent Liabilities						
Compensated absences	\$ 47,743	\$ 128,017	\$ -	\$ 15,541	\$ -	\$ 191,301
Total Noncurrent Liabilities	\$ 47,743	\$ 128,017	\$ -	\$ 15,541	\$ -	\$ 191,301
Total Liabilities	\$ 152,141	\$ 281,243	\$ 92	\$ 36,158	\$ 418,254	\$ 887,888
Net Assets						
Invested in capital assets, net of debt	\$ 595,595	\$ 2,690,126	\$ -	\$ -	\$ -	\$ 3,285,721
Restricted for debt service	-	-	-	-	-	-
Unrestricted	1,217,624	(47,319)	89,796	2,057,544	532,908	3,850,553
Total Net Assets	\$ 1,813,219	\$ 2,642,807	\$ 89,796	\$ 2,057,544	\$ 532,908	\$ 7,136,274

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

City of Quincy, Illinois
Combining Statement of Revenues, Expenses and Changes in Net Assets - Governmental-Type Activities
Internal Service Funds
For the Year Ended April 30, 2011

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Operating Revenues						
Charges for services	\$ 1,410,805	\$ 691,184	\$ 17,050	\$ 1,586,816	\$ 5,437,611	\$ 9,143,466
Miscellaneous	9,193	12,430	-	486	100	22,209
Total Revenues	\$ 1,419,998	\$ 703,614	\$ 17,050	\$ 1,587,302	\$ 5,437,711	\$ 9,165,675
Operating Expenses						
Salaries and wages	\$ 403,699	\$ 1,153,948	\$ -	\$ 158,557	\$ -	\$ 1,716,204
Benefits	208,745	600,465	-	54,383	-	863,593
Purchased services	181,887	1,261,684	-	1,338,622	-	2,782,193
Supplies	902,400	221,497	-	13,147	-	1,137,044
Claims	-	-	12,316	56,940	5,761,344	5,830,600
Other	-	948	-	51,153	-	52,101
Depreciation expense	118,481	67,877	-	-	-	186,358
Total Operating Expenses	\$ 1,815,212	\$ 3,306,419	\$ 12,316	\$ 1,672,802	\$ 5,761,344	\$ 12,568,093
Operating Income	\$ (395,214)	\$ (2,602,805)	\$ 4,734	\$ (85,500)	\$ (323,633)	\$ (3,402,418)
Nonoperating Revenues (Expenses)						
Interest and investment revenue	\$ 13,702	\$ 14	\$ 960	\$ 18,653	\$ 14,539	\$ 47,868
Operating transfers in	336,800	2,501,700	-	-	-	2,838,500
Operating transfers out	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	\$ 350,502	\$ 2,501,714	\$ 960	\$ 18,653	\$ 14,539	\$ 2,886,368
Change in Net Assets	\$ (44,712)	\$ (101,091)	\$ 5,694	\$ (66,847)	\$ (309,094)	\$ (516,050)
Net Assets, May 1, 2010	1,857,931	2,743,898	84,102	2,124,391	842,002	7,652,324
Net Assets, April 30, 2011	\$ 1,813,219	\$ 2,642,807	\$ 89,796	\$ 2,057,544	\$ 532,908	\$ 7,136,274

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, 2011

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Cash Flows from Operating Activities						
Receipts from customers	\$ 1,421,502	\$ 687,178	\$ -	\$ -	\$ 2,001,651	\$ 4,110,331
Payments to suppliers	(1,268,834)	(2,035,147)	-	(1,398,631)	-	(4,702,612)
Payments to employees	(412,596)	(1,152,008)	-	(158,847)	16,994	(1,706,457)
Internal activity-payments from other funds	-	-	17,050	1,586,963	3,429,675	5,033,688
Claims paid	-	-	(22,094)	(56,940)	(5,761,344)	(5,840,378)
Other receipts (payments)	9,193	11,482	-	(50,667)	100	(29,892)
Net Cash Provided by Operations	<u>\$ (250,735)</u>	<u>\$ (2,488,495)</u>	<u>\$ (5,044)</u>	<u>\$ (78,122)</u>	<u>\$ (312,924)</u>	<u>\$ (3,135,320)</u>
Cash Flows from Noncapital Financing Activities						
Operating subsidies and transfers	<u>\$ 336,800</u>	<u>\$ 2,501,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,838,500</u>
Cash Flows from Capital and Related Financing Activities						
Purchases of capital assets	\$ (2,050)	\$ (6,037)	\$ -	\$ -	\$ -	\$ (8,087)
Disposal of capital assets	-	-	-	-	-	-
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ (2,050)</u>	<u>\$ (6,037)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,087)</u>
Cash Flows from Investing Activities						
Interest received	<u>\$ 13,702</u>	<u>\$ 14</u>	<u>\$ 960</u>	<u>\$ 18,653</u>	<u>\$ 14,539</u>	<u>\$ 47,868</u>
Net Cash Provided by Investing Activities	<u>\$ 13,702</u>	<u>\$ 14</u>	<u>\$ 960</u>	<u>\$ 18,653</u>	<u>\$ 14,539</u>	<u>\$ 47,868</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 97,717	\$ 7,182	\$ (4,084)	\$ (59,469)	\$ (298,385)	\$ (257,039)
Cash and Cash Equivalents, May 1, 2010	<u>1,238,673</u>	<u>(7,107)</u>	<u>93,972</u>	<u>2,150,082</u>	<u>1,199,732</u>	<u>4,675,352</u>
Cash and Cash Equivalents, April 30, 2011	<u><u>\$ 1,336,390</u></u>	<u><u>\$ 75</u></u>	<u><u>\$ 89,888</u></u>	<u><u>\$ 2,090,613</u></u>	<u><u>\$ 901,347</u></u>	<u><u>\$ 4,418,313</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, 2011

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
Reconciliation of operating income to net cash flows from operating activities						
Operating Income	\$ (395,214)	\$ (2,602,805)	\$ 4,734	\$ (85,500)	\$ (323,633)	\$ (3,402,418)
Adjustments to reconcile Operating Income:						
Amortization and depreciation	118,481	67,877	-	-	-	186,358
(Gain) Loss on disposal of capital assets	10,949	-	-	-	-	10,949
(Increase) Decrease in:						
Accounts receivable	(252)	(4,006)	-	147	(6,285)	(10,396)
Inventories	5,065	-	-	-	-	5,065
Increase (Decrease) in:						
Accounts payable	19,133	48,499	(9,778)	7,521	-	65,375
Accrued expenses	(1,451)	178	-	27	16,994	15,748
Accrued compensated absences	(7,446)	1,762	-	(317)	-	(6,001)
Cash flows from operating activities	<u>\$ (250,735)</u>	<u>\$ (2,488,495)</u>	<u>\$ (5,044)</u>	<u>\$ (78,122)</u>	<u>\$ (312,924)</u>	<u>\$ (3,135,320)</u>

City of Quincy, Illinois
Combining Statement of Fiduciary Net Assets - Pension Funds
April 30, 2011

	Police Retirement Plan	Firefighter Retirement Plan	Total Retirement Plans
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,299,578	\$ 641,511	\$ 1,941,089
Investments	27,158,845	21,973,686	49,132,531
Receivables, net	1,810,711	2,150,443	3,961,154
Total Assets	\$ 30,269,134	\$ 24,765,640	\$ 55,034,774
Liabilities			
Current Liabilities			
Accrued expenses	\$ -	\$ 22,197	\$ 22,197
Deferred revenue	1,604,127	2,067,695	3,671,822
Total Liabilities	\$ 1,604,127	\$ 2,089,892	\$ 3,694,019
Net Assets			
Held in trust for pension benefits	\$ 28,665,007	\$ 22,675,748	\$ 51,340,755
Total Net Assets	\$ 28,665,007	\$ 22,675,748	\$ 51,340,755

City of Quincy, Illinois
Combining Statement of Changes in Fiduciary Net Assets - Pension Funds
For the Year Ended April 30, 2011

	Police Retirement Plan	Firefighter Retirement Plan	Total Retirement Plans
Additions			
Taxes:			
Property taxes	\$ 1,411,042	\$ 1,901,009	\$ 3,312,051
Personal Property Replacement tax	309,192	445,213	754,405
Total taxes	<u>\$ 1,720,234</u>	<u>\$ 2,346,222</u>	<u>\$ 4,066,456</u>
Contributions:			
Plan members	\$ 518,371	\$ 355,916	\$ 874,287
	<u>\$ 518,371</u>	<u>\$ 355,916</u>	<u>\$ 874,287</u>
Investment earnings:			
Net increase (decrease) in fair value	\$ 1,422,252	\$ 1,306,826	\$ 2,729,078
Realized gain (loss) on sale of investments	23,741	969,099	992,840
Interest	514,252	364,206	878,458
Dividends	251,520	115,874	367,394
Total investment earnings	<u>\$ 2,211,765</u>	<u>\$ 2,756,005</u>	<u>\$ 4,967,770</u>
Total Additions	<u>\$ 4,450,370</u>	<u>\$ 5,458,143</u>	<u>\$ 9,908,513</u>
Deductions			
Benefits	\$ 2,122,292	\$ 2,940,346	\$ 5,062,638
Administrative expenses	147,472	165,684	313,156
Total Deductions	<u>\$ 2,269,764</u>	<u>\$ 3,106,030</u>	<u>\$ 5,375,794</u>
Change in net assets	\$ 2,180,606	\$ 2,352,113	\$ 4,532,719
Net assets, May 1, 2010	26,484,401	20,323,635	46,808,036
Net assets, April 30, 2011	<u><u>\$ 28,665,007</u></u>	<u><u>\$ 22,675,748</u></u>	<u><u>\$ 51,340,755</u></u>

City of Quincy, Illinois
Combining Statement of Fiduciary Net Assets - Private Purpose Trust Funds
April 30, 2011

	<u>Learn Not to Burn Fund</u>	<u>Sister City Commission</u>	<u>Stay Alive House</u>	<u>Lincoln Bicentennial Commission</u>	<u>Human Rights Commission</u>	<u>City Tree Board</u>	<u>Total Private Purpose</u>
Assets							
Current Assets							
Cash and cash equivalents	\$ 3,273	\$ 18,468	\$ 2,064	\$ 2,072	\$ 2,930	\$ 16,332	\$ 45,139
Total Assets	<u>\$ 3,273</u>	<u>\$ 18,468</u>	<u>\$ 2,064</u>	<u>\$ 2,072</u>	<u>\$ 2,930</u>	<u>\$ 16,332</u>	<u>\$ 45,139</u>
Liabilities							
Current Liabilities							
Accounts payable	\$ -	\$ 195	\$ -	\$ 953	\$ -	\$ -	\$ 1,148
Total Liabilities	<u>\$ -</u>	<u>\$ 195</u>	<u>\$ -</u>	<u>\$ 953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,148</u>
Net Assets							
Restricted for future expenditures	\$ 3,273	\$ 18,273	\$ 2,064	\$ 1,119	\$ 2,930	\$ 16,332	\$ 43,991
Total Net Assets	<u>\$ 3,273</u>	<u>\$ 18,273</u>	<u>\$ 2,064</u>	<u>\$ 1,119</u>	<u>\$ 2,930</u>	<u>\$ 16,332</u>	<u>\$ 43,991</u>

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

City of Quincy, Illinois
Combining Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Funds
For the Year Ended April 30, 2011

	<u>Learn Not to Burn Fund</u>	<u>Sister City Commission</u>	<u>Stay Alive House</u>	<u>Lincoln Bicentennial Commission</u>	<u>Human Rights Commission</u>	<u>City Tree Board</u>	<u>Total Private Purpose</u>
Additions							
Contributions:							
Outside agencies	\$ 65	\$ 38	\$ 400	\$ 317	\$ -	\$ 8,000	\$ 8,820
Transfers from general fund	-	5,000	-	-	-	-	5,000
	<u>\$ 65</u>	<u>\$ 5,038</u>	<u>\$ 400</u>	<u>\$ 317</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 13,820</u>
Investment earnings:							
Interest	\$ 35	\$ 189	\$ 20	\$ 26	\$ -	\$ 174	\$ 444
Total investment earnings	<u>\$ 35</u>	<u>\$ 189</u>	<u>\$ 20</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 174</u>	<u>\$ 444</u>
Total Additions	<u>\$ 100</u>	<u>\$ 5,227</u>	<u>\$ 420</u>	<u>\$ 343</u>	<u>\$ -</u>	<u>\$ 8,174</u>	<u>\$ 14,264</u>
Deductions							
Payments to others	\$ 85	\$ 8,001	\$ 118	\$ 2,298	\$ 895	\$ 5,448	\$ 16,845
Total Deductions	<u>\$ 85</u>	<u>\$ 8,001</u>	<u>\$ 118</u>	<u>\$ 2,298</u>	<u>\$ 895</u>	<u>\$ 5,448</u>	<u>\$ 16,845</u>
Change in net assets	\$ 15	\$ (2,774)	\$ 302	\$ (1,955)	\$ (895)	\$ 2,726	\$ (2,581)
Net assets, May 1, 2010	<u>3,258</u>	<u>21,047</u>	<u>1,762</u>	<u>3,074</u>	<u>3,825</u>	<u>13,606</u>	<u>46,572</u>
Net assets, April 30, 2011	<u><u>\$ 3,273</u></u>	<u><u>\$ 18,273</u></u>	<u><u>\$ 2,064</u></u>	<u><u>\$ 1,119</u></u>	<u><u>\$ 2,930</u></u>	<u><u>\$ 16,332</u></u>	<u><u>\$ 43,991</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, 2011

Year Ending April 30	General Obligation Refunding Bonds Series 2010		General Obligation Corporate Purpose Bonds Series 1996		General Obligation Refunding Bonds Series 2005A	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 595,000	\$ 24,804	\$ 170,000	\$ 64,300	\$ 285,000	\$ 400,050
2013	10,000	17,283	175,000	52,469	905,000	371,725
2014	70,000	16,422	175,000	42,406	955,000	325,225
2015	80,000	14,810	200,000	31,625	1,000,000	276,350
2016	85,000	12,675	220,000	19,550	1,055,000	224,975
2017	80,000	10,200	230,000	6,613	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>\$ 1,170,000</u>	<u>\$ 108,254</u>	<u>\$ 1,170,000</u>	<u>\$ 216,963</u>	<u>\$ 9,165,000</u>	<u>\$ 2,012,625</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
2012	\$ -	\$ 160,362	\$ -	\$ 44,215	\$ 75,000	\$ 295,363
2013	4,666,184	114,797	-	44,215	150,000	293,413
2014	-	65,039	-	44,215	165,000	288,613
2015	-	67,008	-	44,215	180,000	282,838
2016	1,930,634	39,353	-	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>\$ 6,596,818</u>	<u>\$ 446,559</u>	<u>\$ 1,245,000</u>	<u>\$ 426,939</u>	<u>\$ 5,475,000</u>	<u>\$ 3,618,258</u>

City of Quincy, Illinois
 Schedule of Long-term Debt Service Requirements (Concluded)
 April 30, 2011

Year Ending April 30	Total General Obligation Bonds	
	Principal	Interest
2012	\$ 1,125,000	\$ 989,094
2013	5,906,184	893,902
2014	1,365,000	781,920
2015	1,460,000	716,846
2016	3,485,634	616,766
2017	1,635,000	505,041
2018	1,685,000	440,095
2019	1,955,000	367,795
2020	1,865,000	290,733
2021	530,000	240,693
2022	560,000	215,503
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>\$ 24,821,818</u>	<u>\$ 6,829,598</u>

City of Quincy, Illinois
Principal Taxpayers in the City
April 30, 2011

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

Taxpayer	1999 EAV (Approximate)	% of City's EAV
Quincy Mall, Inc.	\$ 5,780,160	1.72%
Quincy King Development Co.	2,783,220	0.83%
Quincy Partners	1,626,180	0.48%
Penn-Daniels, Inc.	1,555,610	0.46%
Mercantile Bank	1,511,410	0.45%
Reagan, Victor and R Trust	1,400,900	0.42%
Hollister Whitney Elevator	1,363,230	0.41%
Sandelman, Sanford and Susan, Tr	1,281,430	0.38%
Home Depot USA, Inc.	1,174,530	0.35%
WC Holzgrafe Const. Co.	1,173,750	0.35%
Total of Top 10 EAV's	<u>\$ 19,650,420</u>	<u>5.85%</u>
Total for City of Quincy	<u>\$ 335,904,005</u>	

Source: Adams County, Illinois, Clerk's Office

Taxpayer	2010 EAV (Approximate)	% of City's EAV
QP&S Properties, Inc.	\$ 8,389,460	2.50%
Quincy-Cullinan LLC	6,953,670	2.07%
Orix Sansone Quincy Venture	4,347,600	1.29%
Wis-Pak of Quincy, Inc.	3,943,690	1.17%
Charles & Kathie Marx, Tr	3,272,750	0.97%
Blessing Hospital	3,156,200	0.94%
Wal-Mart Real Estate Business Tr	3,035,280	0.90%
Mercantile Bank	2,843,900	0.85%
Mercantile Bank	2,783,720	0.83%
Walmart	2,593,850	0.77%
Lowe's Home Centers, Inc.	2,355,970	0.70%
Total of Top 11 EAV's	<u>\$ 43,676,090</u>	<u>13.00%</u>
Total for City of Quincy	<u>\$ 558,987,577</u>	

Source: Adams County, Illinois, Clerk's Office

City of Quincy, Illinois
Revenue Base, Revenue Rates and Property Tax Levies
April 30, 2011

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Residential	\$246,597,974	\$252,391,380	\$263,391,136	\$277,910,843	\$277,557,162	\$295,835,789	\$316,156,656	\$341,632,107	\$362,541,713	\$375,674,413	\$386,241,601
Farm	72,080	180,250	228,080	256,130	311,590	327,680	369,140	359,350	389,110	403,190	365,380
Commercial	88,977,410	93,233,207	95,579,471	103,265,826	108,222,015	121,638,999	128,649,380	134,175,431	144,683,476	152,263,556	157,040,192
Industrial	6,387,455	6,373,440	6,618,080	7,024,320	7,297,950	7,867,660	8,564,330	8,929,660	9,480,010	14,537,570	14,506,004
Railroads	579,002	604,770	631,838	538,427	529,754	498,841	520,149	580,234	655,126	770,619	834,400
Total (Incl. TIF)	\$342,613,921	\$352,783,047	\$366,448,605	\$388,995,546	\$393,918,471	\$426,168,969	\$454,259,655	\$485,676,782	\$517,749,435	\$543,649,348	\$558,987,577

Source: Adams County, Illinois, Clerk's Office

**Revenue Rates:
Tax Rate Trends**

Purpose	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Corporate	0.63235	0.61331	0.31588	0.21087	0.17941	0.20037	0.16764	0.11357	0.02103	-	-
Fire Pension	0.14223	0.10016	0.20115	0.24610	0.23654	0.19531	0.22175	0.24485	0.29390	0.35043	0.36990
Police Pension	0.12470	0.14553	0.14825	0.17865	0.18609	0.16380	0.16906	0.20623	0.23015	0.26011	0.28697
Library	0.26185	0.27265	0.26770	0.25910	0.25874	0.27886	0.27104	0.25422	0.26646	0.19829	0.12718
GOCP Bonds	0.22690	0.21996	0.23537	0.22158	0.23599	0.23476	0.20263	0.18650	0.17649	0.23949	0.22808
Total	1.38803	1.35161	1.16835	1.11630	1.09677	1.07310	1.03212	1.00537	0.98803	1.04832	1.01213

Source: Adams County, Illinois, Clerk's Office

**Property Tax Levy:
Tax Extensions**

Levy Year	Assessed Valuation	Tax Extension (Excl. TIF)
2000	342,613,921	4,721,717
2001	352,783,047	4,737,585
2002	366,448,605	4,252,199
2003	388,995,546	4,321,795
2004	393,918,471	4,320,380
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

Source: Adams County, Illinois, Clerk's Office

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

City of Quincy, Illinois
Debt Capacity and Debt Ratios
April 30, 2011

Debt Capacity:
Direct General Obligation Debt

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Obligation	\$ 18,791,740	\$ 18,157,138	\$ 17,481,930	\$ 16,892,673	\$ 16,253,899	\$ 16,387,734	\$ 15,215,767	\$ 13,995,493	\$ 26,019,131	\$ 24,821,818
Notes Payable-Bank	740,011	418,697	2,456,943	1,794,152	1,610,392	1,004,775	1,754,984	1,396,740	2,207,185	1,971,876
Total	\$ 19,531,751	\$ 18,575,835	\$ 19,938,873	\$ 18,686,825	\$ 17,864,291	\$ 17,392,509	\$ 16,970,751	\$ 15,392,233	\$ 28,226,316	\$ 26,793,694

Source: Comprehensive Annual Financial Report

Debt Ratios:
Direct Debt

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Est. Full Value of Taxable Property	\$ 1,058,349,141	\$ 1,099,345,815	\$ 1,166,986,638	\$ 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
Equalized Assessed Valuation (incl. TIF)	\$ 352,783,047	\$ 366,448,605	\$ 388,995,546	\$ 393,918,471	\$ 426,168,969	\$ 454,259,655	\$ 485,676,782	\$ 517,749,435	\$ 543,649,348	\$ 558,987,577
Population, Census	40,366	40,366	40,366	40,366	40,366	40,366	40,366	40,366	40,366	40,633

Source: Adams County, Illinois, Clerk's Office

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Per Capita	\$ 483.87	\$ 460.19	\$ 493.95	\$ 462.93	\$ 442.56	\$ 430.87	\$ 420.42	\$ 381.32	\$ 699.26	\$ 659.41
Percent of Estimated Full Value	1.85%	1.69%	1.71%	1.58%	1.40%	1.28%	1.16%	0.99%	1.73%	1.60%
Percent of Equalized Assessed Value	5.54%	5.07%	5.13%	4.74%	4.19%	3.83%	3.49%	2.97%	5.19%	4.79%

The City has no debt limit.

City of Quincy, Illinois
Number of Employees and Level of Service
April 30, 2011

Number of Employees

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Full-time	361	360	370	370	370	369	368	338	339
Part-time	59	58	57	48	48	61	53	64	61
Total	420	418	427	418	418	430	421	402	400

Level of Service

Employee Count by Function

Full-time Employees Only

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police Pension	71	72	75	74	73	77	76	75	76
Fire	66	66	65	66	66	66	69	64	64
911	19	19	21	21	22	20	20	21	20
Transit	22	23	25	24	24	23	23	20	21
822 Union (Water, Sewer, Airport, Central Services)	103	100	100	101	101	97	99	84	88
Administration	80	80	84	84	84	86	81	74	70
Total	361	360	370	370	370	369	368	338	339

City of Quincy, Illinois
 Employment Rates for Quincy and Adams County
 April 30, 2011

Demographics

Employment Rates for City of Quincy

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Labor Force	20,766	20,823	20,602	20,687	21,566	22,607	22,852	22,538	22,182	22,338
Employed	19,680	19,678	19,309	19,601	20,601	21,495	21,963	21,350	20,424	20,543
Unemployed	1,086	1,145	1,293	1,086	965	1,112	889	1,188	1,758	1,795
Rate	5.2%	5.5%	6.3%	5.2%	4.5%	4.9%	3.9%	5.3%	7.9%	8.0%

Source: Illinois Department of Employment Security

Employment Rates for Adams County

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Labor Force	35,846	35,882	35,514	35,801	37,338	39,222	39,511	38,873	38,092	38,371
Employed	34,262	34,216	33,625	34,172	35,916	37,854	38,108	36,907	35,304	35,525
Unemployed	1,584	1,666	1,889	1,629	1,422	1,368	1,403	1,966	2,788	2,846
Rate	4.4%	4.6%	5.3%	4.6%	3.8%	3.5%	3.6%	5.1%	7.3%	7.4%

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.



**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 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 the City of Quincy, Illinois as of and for the year ended April 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 10, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Quincy, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Quincy, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Quincy, Illinois' internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Quincy, Illinois' financial statements are free of 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*.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

November 10, 2011
Quincy, Illinois

**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each
Major Program and on Internal Control over Compliance
in Accordance With OMB Circular A-133**

The Honorable Mayor and
City Council
City of Quincy, Illinois

Compliance

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 the City of Quincy, Illinois' major federal programs for the year ended April 30, 2011. The 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Quincy, Illinois' management. Our responsibility is to express an opinion on the City of Quincy, Illinois' compliance based on our audit.

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 the 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. Our audit does not provide a legal determination of the City of Quincy, Illinois' compliance with those requirements.

In our opinion, the City of Quincy, Illinois complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2011.

Internal Control Over Compliance

The management of the City of Quincy, Illinois is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Quincy, Illinois' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 the 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.

**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each
Major Program and on Internal Control over Compliance
in Accordance With OMB Circular A-133
(Concluded)**

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

November 10, 2011
Quincy, Illinois

City of Quincy, Illinois
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended April 30, 2011

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Number	Expenditures
U.S. Department of Housing & Urban Development			
Illinois Department of Commerce and Economic Opportunity Community Development Block Grants	14.228	07-241008	\$ 3,294
	14.228	08-240006	29,164
			<u>\$ 32,458</u>
Illinois Housing Development Authority Community Development Block Grants	14.228	PID#750016	133,534
			<u>\$ 165,992</u>
Illinois Housing Development Authority Home Investment Partnerships Program	14.239	HO-50224	\$ 102,778
	14.239	HO-50068	19,948
	14.239	HS-50121	129,271
			<u>\$ 251,997</u>
Total U.S. Department of Housing & Urban Development			<u>\$ 417,989</u>
U.S. Department of Justice			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-1471	\$ 15,100
Bulletproof Vest Partnership Grant Program	16.607		<u>\$ 338</u>
Illinois Criminal Justice Information Authority ARRA-Edward Byrne Memorial Justice Assistance Grant (JAG)	16.803	809864-ARRA	<u>\$ 20,990</u>
Total U.S. Department of Justice			<u>\$ 36,428</u>
U.S. Department of Transportation			
Illinois Department of Transportation Airport Improvement Program	20.106	3-17-0085-35	\$ 30,026
	20.106	3-17-0085-35, UIN-3619	218,012
	20.106	3-17-0085-B4	164,221
			<u>\$ 412,259</u>
ARRA-Federal Transit-Capital Investment Grants	20.500	3926; IL-04-0042	M \$ 323,486
Formula Grants for other than Urbanized Areas	20.509	3956; IL-18-X027	\$ 600,253
	20.509	3918; IL-18-X001	10,740
			M <u>\$ 610,993</u>
ARRA-Formula Grants for other than Urbanized Areas	20.509	828CVP; IL-86-X001	M <u>\$ 68,076</u>
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	AL0-4780-205	<u>\$ 9,392</u>
State and Community Highway Safety	20.600	OP1-4780-112	<u>\$ 25,382</u>
Safety Belt Performance Grants	20.609	OP0-4780-203	<u>\$ 17,549</u>
Total U.S. Department of Transportation			<u>\$ 1,467,137</u>
U.S. Department of Energy			
Renewable Energy Research and Development	81.087	DE-EE0002446	M \$ 430,096
ARRA-Energy Efficiency and Conservation Block Grant	81.128	DE-EE0002446	<u>28,877</u>
Total U.S. Department of Energy			<u>\$ 458,973</u>

City of Quincy, Illinois
 Schedule of Expenditures of Federal Awards (Concluded)
 For the Fiscal Year Ended April 30, 2011

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Number	Expenditures
U.S. Department of Homeland Security			
Illinois Department of Transportation Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0208HSLR284	\$ 98,023
			<u>\$ 98,023</u>
Illinois Law Enforcement Alarm System Homeland Security Grant Program	97.067	MFF	\$ 11,836
	97.067	Intelligence Officer	2,718
			<u>\$ 14,554</u>
Illinois Emergency Management Agency Disaster Grants-Public Assistance	97.036	FEMA-1935-DR-MO	\$ 32,102
Total U.S. Department of Homeland Security			<u>\$ 144,679</u>
Total Federal Expenditures			<u>\$ 2,525,206</u>

M - Denotes Major Program

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Quincy, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 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, 2011, Non-monetary federal awards were received for various vehicles from the Illinois Department of Transportation totaling \$68,076.

4. Insurance

As of and for the year ended April 30, 2011, the City had no federal insurance in effect.

5. Federal Loans or Loan Guarantees

As of and for the year ended April 30, 2011, 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 unqualified.
- B. No significant deficiencies in internal control over financial reporting disclosed during the audit of the financial statements are 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 unqualified 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)
 - ARRA - Formula Grants for other than Urbanized Areas (CFDA #20.509)
 - ARRA – Federal Transit – Capital Investment Grants (CFDA #20.500)
 - Renewable Energy Research and Development (CFDA #81.087)
- H. The threshold for distinguishing Types A and B programs was \$300,000.
- I. The City of Quincy, Illinois qualified as a low-risk auditee.

2. Findings – Financial Statement Audit

No significant deficiencies were noted or reported during the course of the audit of the financial statements for the year ended April 30, 2011.

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, 2011.

	Administrative Expenses	Operating Expenses	Total	Grant Total
Expenses per Single Audit	\$ 372,343	\$ 2,446,495	\$ 2,818,838	
Less: Ineligible Expenses	\$ -	\$ -	\$ -	
Net Eligible Expenses	372,343	2,446,495	2,818,838	
Less: Total Operating Revenues (Per Section 5311 Report)		\$ 82,701	\$ 82,701	
Section 5311 Operating Deficit		\$ 2,363,794		
Section 5311 Deficit			\$ 2,736,137	
Section 5311 Reimbursement %	80%	50%		
A) Eligible Reimbursement per %	\$ 297,874	\$ 1,181,897		\$ 1,479,771
B) Funding Limits per Contract	N/A	N/A		\$ 600,253
C) Maximum Section 5311 Reimbursement (Lesser of A or B)	N/A	N/A	\$ 600,253	\$ 600,253
D) IDOT Payments - Section 5311 Reimbursement to Grantee	N/A	N/A		\$ 600,253
E) Amount (Over) Under Paid (C-D)	N/A	N/A		\$ -
Grantee Local Match Requirement			\$ 2,135,884	

Grantee Match Sources	Amounts
Downstate Operating Grant	\$ 1,832,245
Local Contracts	303,639
In-kind Services, Subsidies, Donations	-
	\$ 2,135,884

I certify that the costs claimed for reimbursement are adequately supported and the approval cost allocation plan of the grantees (if applicable) has been followed as provided in the project budget.

Prepared by: _____
Title: _____
Date: _____

City of Quincy, Illinois
Schedule of Revenue and Expense
under Downstate Operating Assistance Grant OP-11-11-IL
For the Year Ended June 30, 2011

Operating Revenues and Income

401	Passenger fares	\$ 82,033
402	Special transit fares	-
403	School bus service	-
404	Freight tariffs	-
405	Total charter service	-
406	Auxiliary revenue	-
407	Non-transportation revenue	668
407.99	Section 5307 force acct. & admin. cost reimbursement	-
411	State cash grants & reimbursements - other than Downstate Operating Assistance	-
412	State special fare assistance	-
413	Federal cash grants & reimbursements	600,253
413.99	Sec. 5307 capital funds applied to state eligible operating expenses	-
414	Interest Income	-
440	Subsidy from other sectors of operations	0
	Total Operating Revenue	\$ 682,954

Operating Expenses

501	Labor	\$ 1,224,109
502	Fringe benefits	792,635
503	Professional services	209,461
504	Materials & supplies consumed	325,012
505	Utilities	40,193
506	Casualty & liability	50,773
507	Taxes	-
508	Net purchased transportation	-
509	Miscellaneous transportation	5,744
511	Interest expense	-
512	Lease, rentals, and purchase-lease payments	6,096
	Indirect Expenses	164,815
	Total Operating Expenses	\$ 2,818,838
	Less Ineligible Expenses:	
	APTA and IPTA dues	\$ -
	Other	-
	Total Eligible Operating Expenses	\$ 2,818,838

City of Quincy, Illinois
Schedule of Revenue and Expense (Concluded)
under Downstate Operating Assistance Grant OP-11-11-IL
For the Year Ended June 30, 2011

Total Eligible Operating Expenses	<u>\$ 2,818,838</u>
Total Operating Revenue and Income	<u>682,954</u>
Deficit	<u>\$ 2,135,884</u>
65% of Eligible Expense	<u>1,832,245</u>
Eligible Downstate Operating Assistance (Deficit or 65% of eligible expense, whichever is less)	<u>\$ 1,832,245</u>
FY 11 Downstate Operating Assistance Received	<u>1,832,245</u>
FY 11 Downstate Operating Assistance (Over)/Under Paid	<u>\$ -</u>