

# City of Quincy, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2010

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# City of Quincy, Illinois

## A Home Rule City

### Council/Mayor Form of Government

(As of April 30, 2010)

MAYOR

John A. Spring

#### CITY COUNCIL

1 <sup>st</sup> Ward	Virgil E. Goehl Benjamin J. Bumbry III	5 <sup>th</sup> Ward	Michael J. Rein Jennifer Lepper
2 <sup>nd</sup> Ward	Steven K. Duesterhaus David Bauer	6 <sup>th</sup> Ward	Raymond B. Vahlkamp Dan Brink
3 <sup>rd</sup> Ward	Gregory P. Havermale Kyle Moore	7 <sup>th</sup> Ward	Richard K. Reis Jack Holtschlag
4 <sup>th</sup> 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 aggregate remaining fund information of the City of Quincy, Illinois (the City) as of and for the year ended April 30, 2010, 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, 2010, 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 30, 2010, on our consideration of the City of Quincy, Illinois's 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.

The management's discussion and analysis, budgetary comparison information and the schedule of funding progress are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

## 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 basic financial statements. The introductory section, combining and individual Non-Major 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 basic financial statements of the City of Quincy, Illinois. The combining and individual Non-Major fund financial statements and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Wade Stables P.C.*

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

November 30, 2010  
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 \$138.1 million as of April 30, 2010. Analyzing the net assets and net income of governmental and business-type activities separately, the business type activities net assets are \$76.4 million.

By far the largest portion of the City's net assets (88.8 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, 2010 and 2009  
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 37.7	\$ 30.3	\$ 9.0	\$ 7.2	\$ 46.7	\$ 37.5
Capital assets - net of depreciation	61.4	60.4	69.4	69.3	130.8	129.7
<b>Total Assets</b>	<b>\$ 99.1</b>	<b>\$ 90.7</b>	<b>\$ 78.4</b>	<b>\$ 76.5</b>	<b>\$ 177.5</b>	<b>\$ 167.2</b>
Current liabilities	\$ 9.1	\$ 6.0	\$ 1.0	\$ 0.9	\$ 10.1	\$ 6.9
Long-term liabilities and debt	28.3	18.6	1.0	1.6	29.3	20.2
<b>Total Liabilities</b>	<b>\$ 37.4</b>	<b>\$ 24.6</b>	<b>\$ 2.0</b>	<b>\$ 2.5</b>	<b>\$ 39.4</b>	<b>\$ 27.1</b>
Net assets:						
Invested in capital assets, net of related debt	\$ 54.1	\$ 55.9	\$ 68.6	\$ 68.6	\$ 122.7	\$ 124.5
Restricted	5.7	7.1	-	-	5.7	7.1
Unrestricted	1.9	3.1	7.8	5.4	9.7	8.5
<b>Total Net Assets</b>	<b>\$ 61.7</b>	<b>\$ 66.1</b>	<b>\$ 76.4</b>	<b>\$ 74.0</b>	<b>\$ 138.1</b>	<b>\$ 140.1</b>

### **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 was once again able to hold the line on the amounts charged to departments in FY 2010. The overall premium remains low having been reduced by \$360,000 since FY 2006. Unfortunately, it was necessary to increase the cost of the City's health insurance by 18% due to large claims experience.

Payments to the Police and Fire Pension funds increased significantly once again in 2010. Payments to the Fire Pension fund increased by \$225,000 or 13.2% on top of last year's increase of \$203,000 while payments for the Police Pension fund increased \$115,000 or 8.52% after 2009's increase of \$246,000. The City subsidized the two funds by \$20,000 due to lower than expected tax receipts.

Due in part to the early retirement incentive offered by the City which saw seventeen employees on the IMRF pension system retire by December 31, total contributions to the Illinois Municipal Retirement Fund increased by only 3.3% of \$28,000.

City of Quincy, Illinois  
Management's Discussion and Analysis  
For the Fiscal Year Ended April 30, 2010  
(Unaudited)

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

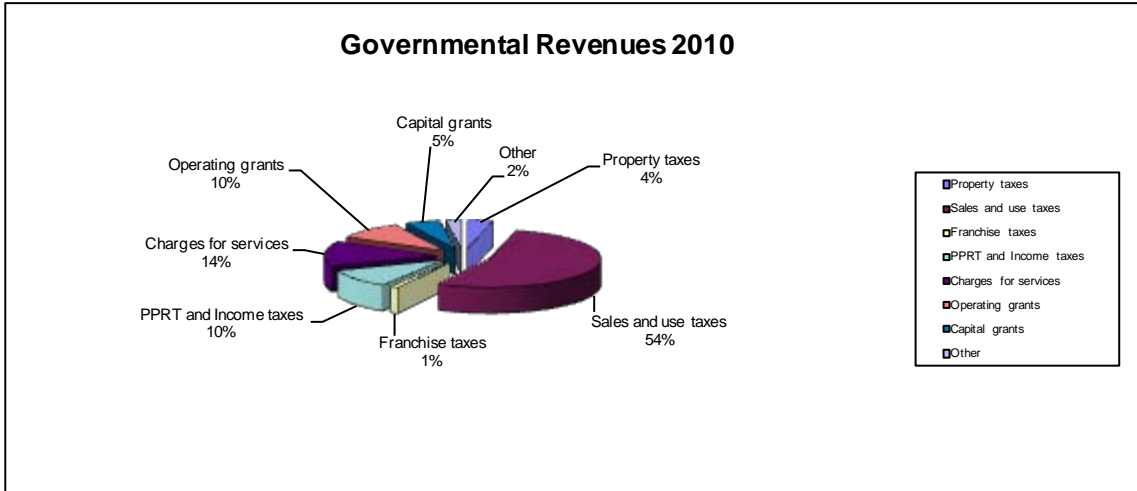
Table 2  
Changes in Net Assets  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for services	\$ 4.7	\$ 1.3	\$ 10.8	\$ 8.3	\$ 15.5	\$ 9.6
Operating grants and contributions	3.4	2.3	-	-	3.4	2.3
Capital grants and contributions	1.7	0.7	1.7	-	3.4	0.7
General Revenues:						
Property taxes	1.3	1.7	-	-	1.3	1.7
Other taxes	22.6	25.2	-	-	22.6	25.2
Other	0.8	0.7	0.2	1.1	1.0	1.8
Total revenues	\$ 34.5	\$ 31.9	\$ 12.7	\$ 9.4	\$ 47.2	\$ 41.3
Expenses:						
General government	\$ 4.8	\$ 3.3	\$ -	\$ -	\$ 4.8	\$ 3.3
Public safety	15.3	14.2	-	-	15.3	14.2
Public works and engineering	13.8	10.9	-	-	13.8	10.9
Water, Sewer, Airport, Barge Dock	-	-	11.5	12.0	11.5	12.0
Health, Culture, Community Dev	2.6	2.8	-	-	2.6	2.8
Interest on long-term debt	1.2	0.7	-	-	1.2	0.7
Total expenses	\$ 37.7	\$ 31.9	\$ 11.5	\$ 12.0	\$ 49.2	\$ 43.9
Increase (decrease) in net assets before transfers	\$ (3.2)	\$ -	\$ 1.2	\$ (2.6)	\$ (2.0)	\$ (2.6)
Transfers	(1.2)	-	1.2	-	-	-
Increase (decrease) in net assets	\$ (4.4)	\$ -	\$ 2.4	\$ (2.6)	\$ (2.0)	\$ (2.6)
Net Assets at beginning of year	66.1	66.1	74.0	76.6	140.1	142.7
Net Assets at end of year	\$ 61.7	\$ 66.1	\$ 76.4	\$ 74.0	\$ 138.1	\$ 140.1

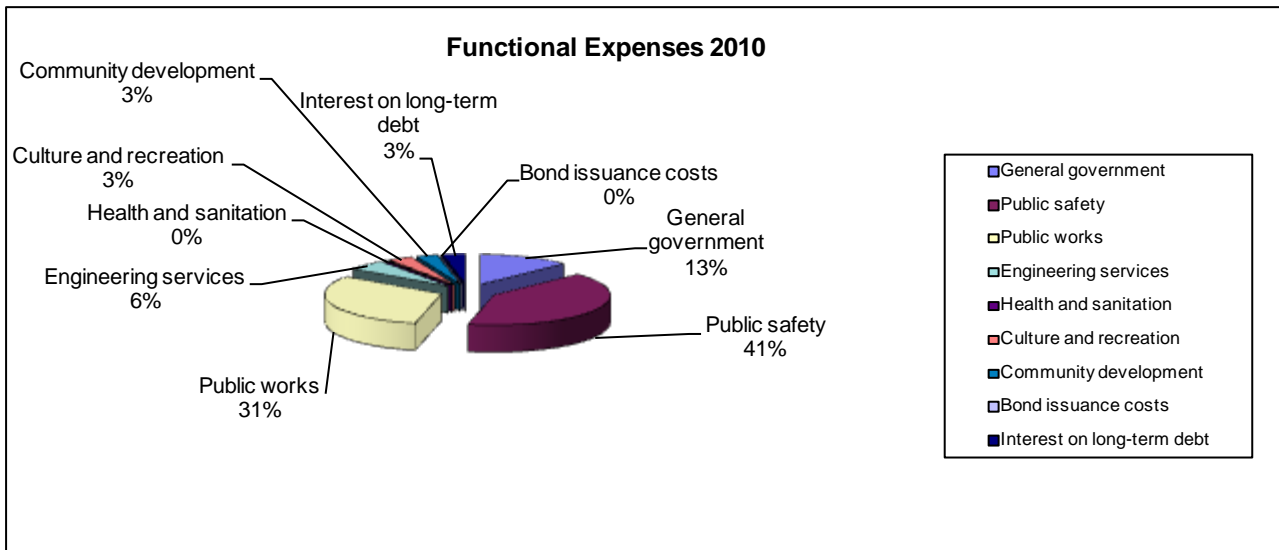
The City's combined change in net assets decreased in fiscal year 2009/2010 by \$2 million. The City's total revenues increased in 2010 by \$5.9 million to \$47.2 million. Of this amount, the Governmental revenues increased by \$2.7 million while Business-type revenues increased by \$3.2 million.

The cost of all City programs increased by \$5.3 million while the Business-type costs decreased by \$.5 million. Of the increase in Governmental Activities expenses, the largest was in Public Works and Engineering which increased by \$2.9 million in FY2010.

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

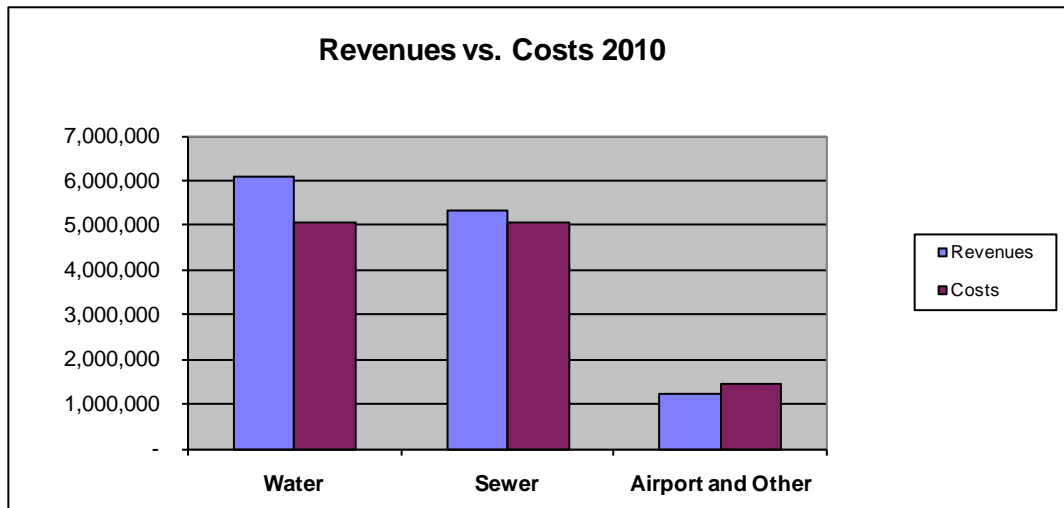


The following graph depicts the different expense categories and the percentage of resources provided for each category:



**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, 2010, revenues from governmental activities totaled \$34.6 million, an increase of \$2.7 million from fiscal 2009. Most significant of the revenue changes was an increase of \$3.5 million in charges for services, \$1.1 million in operating grants and \$1 million in capital grants. These increases were offset by a reduction in other taxes of \$2.6 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 \$22.6 million or 65% of all Governmental Activities revenues for fiscal year 2010.

Business-type Activities saw an increase of \$2.4 million in charges for services from the previous fiscal year. Capital grants and contributions to Business-type Activities also increased by \$1.7 million.

#### Expenses:

For the fiscal year ended April 30, 2010, expenditures for governmental activities totaled \$37.7 million, an increase of \$5.8 million. The largest increase was to public works and engineering (\$2.6 million).

Expenses for Business-type activities decreased by \$.5 million.

For Governmental Activities the \$34.6 million in revenues was offset by \$37.7 million in expenses resulting in a reduction in net assets of \$3.1 million. For Business-type Activities, revenues of \$12.6 million were offset by \$11.5 million in expenses for an increase in net assets of \$1.1 million.

### **The City's Funds**

At the close of the City's fiscal year on April 30, 2010, the governmental funds of the City reported a combined fund balance of \$25.1 million. This is an increase of 43.7%, or \$7.6 million from last year's combined fund balance of \$17.4 million. The ending balance includes a decrease in fund balance of \$2.9 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 an increase in fund balance of \$4.7 million. This fund is used to account for the bond proceeds and related costs for the Hydroelectric project. This increase is due to unspent debt proceeds.
- The 2009C G/O Library Project Fund had an increase in fund balance of \$5.2 million for the year ended April 30, 2010. 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 increase is due to unspent debt proceeds.

**General Fund Budgeting Highlights**

For fiscal year ending April 30, 2010, actual expenditures on a budgetary basis were \$23.8 million compared to the budget amount of \$25.3 million. The \$1.5 million negative variance was due to spending less than budgeted in various areas, especially police, fire and operating transfers out. The largest variances were in the police department of \$.5 million and operating transfers out of \$.5 million.

The City's actual amounts available for appropriation on a budgetary basis were \$25.3 million as compared to the budget amount of \$26.6 million. This resulted in a negative variance of \$1.3 million. Much of this variance is due to the budgeting of intergovernmental revenues of \$14.3 million and only receiving \$13.0 million due to late payments received by the State of Illinois and a sluggish economy.

**Capital Assets**

At the end of the fiscal year, the City had \$130.9 million invested in its funds for capital assets. This amount represents an increase of \$1.2 million or 0.9%. \$1.0 million of this increase occurred in the governmental activities due to street and bridge work and several transit vehicles acquired through a grant program with the Illinois Department of Transportation, as well as, the new Hydroelectric project in progress.

Table 3  
Capital Assets  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Non-Depreciable Assets</b>						
Land	\$ 2.2	\$ 2.2	\$ 1.8	\$ 1.8	\$ 4.0	\$ 4.0
Construction in Progress	4.6	1.1	0.2	0.1	4.8	1.2
<b>Depreciable Assets</b>						
Vehicles	7.8	7.4	2.6	1.9	10.4	9.3
Buildings and improvements	16.3	16.4	140.7	138.4	157.0	154.8
Equipment and furniture	5.2	5.1	1.7	1.6	6.9	6.7
Infrastructure	117.1	115.7	-	-	117.1	115.7
Accumulated depreciation	(91.8)	(87.5)	(77.5)	(74.5)	(169.3)	(162.0)
	\$ 61.4	\$ 60.4	\$ 69.5	\$ 69.3	\$ 130.9	\$ 129.7



**Debt Outstanding**

At year-end, the City had \$26,019,131 in long-term bond obligations comprised of the following issues:

	Issued	Outstanding
GOCP 1996	\$ 5,000,000	\$ 1,325,000
GOCP 1999	9,850,000	1,520,000
GOCP 2004	2,100,000	220,000
GORB 2005	9,530,000	9,360,000
GON 2006	1,300,000	219,313
GOCAB 2009A	6,596,818	6,596,818
GOB 2009B	1,245,000	1,245,000
GOB 2009C	5,533,000	5,533,000
Total	\$ 41,154,818	\$ 26,019,131

**Economic Factors**

The City of Quincy serves as an economic hub for West Central Illinois. The presence of health care providers and retail chain stores in our city creates a regional draw. This also provides a significant level of employment in our area. However, due to economic conditions, the City's unemployment rate increased to 8.6% from 6.8% as of April 2009.

The national recession is having some impact on our local economy. In addition to increased unemployment, the City's sales tax revenues fell during FY 2010. This decline coupled with the lagging payments from the State, resulted in a tax revenue decrease of over \$2 million. On the upside, residential building remained steady with 74 permits valued at \$24.8 million issued in FY 2010 as compared to 77 permits issued in FY 2009 with a value over \$23 million. Also, the City's EAV continued to rise, increasing 5% or \$26 million in calendar 2009.

### **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, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 27,231,052	\$ 6,796,055	\$ 34,027,107	\$ 462,766
Investments	-	-	-	2,575,717
Receivables, net	10,432,199	1,763,208	12,195,407	13,763
Inventories	37,328	172,103	209,431	5,691
Prepaid items	-	179,138	179,138	-
Capital assets, net	61,430,923	69,443,461	130,874,384	1,574,398
<b>Total Assets</b>	<b>\$ 99,131,502</b>	<b>\$ 78,353,965</b>	<b>\$ 177,485,467</b>	<b>\$ 4,632,335</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,051,165	\$ 96,342	\$ 1,147,507	\$ 44,612
Accrued expenses	588,245	59,627	647,872	147,276
Deferred revenue	1,511,750	507,030	2,018,780	37,700
Claims and judgments	2,857,000	-	2,857,000	-
Non-current liabilities:				
Accrued interest and accretion	251,740	-	251,740	-
Due within one year	2,803,312	366,891	3,170,203	-
Due in more than one year	28,329,356	1,009,034	29,338,390	-
<b>Total Liabilities</b>	<b>\$ 37,392,568</b>	<b>\$ 2,038,924</b>	<b>\$ 39,431,492</b>	<b>\$ 229,588</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	\$ 54,081,586	\$ 68,564,114	\$ 122,645,700	\$ 1,574,398
Restricted for:				
Debt service	627,045	-	627,045	-
Capital projects	640,294	-	640,294	-
Community development	4,469,237	-	4,469,237	-
Other purposes	-	-	-	1,478,108
Unrestricted	1,920,772	7,750,927	9,671,699	1,350,241
<b>Total Net Assets</b>	<b>\$ 61,738,934</b>	<b>\$ 76,315,041</b>	<b>\$ 138,053,975</b>	<b>\$ 4,402,747</b>

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

City of Quincy, Illinois  
Government-wide Statement of Activities  
For the Year Ended April 30, 2010

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	
<b>Primary Government:</b>								
Governmental Activities:								
General government	\$ 4,804,705	\$ 630,875	\$ -	\$ -	\$ (4,173,830)	\$ -	\$ (4,173,830)	\$ -
Public safety	15,298,745	1,102,984	666,072	-	(13,529,689)	-	(13,529,689)	-
Public works	11,722,765	2,727,768	2,680,618	990,886	(5,323,493)	-	(5,323,493)	-
Engineering services	2,028,228	-	-	-	(2,028,228)	-	(2,028,228)	-
Health and sanitation	96,794	-	-	-	(96,794)	-	(96,794)	-
Culture and recreation	1,275,176	-	-	-	(1,275,176)	-	(1,275,176)	-
Community development	1,096,302	317,479	45,836	728,402	(4,585)	-	(4,585)	-
Interest on long-term debt	1,194,298	-	-	-	(1,194,298)	-	(1,194,298)	-
<b>Total Governmental Activities</b>	<b>\$ 37,517,013</b>	<b>\$ 4,779,106</b>	<b>\$ 3,392,526</b>	<b>\$ 1,719,288</b>	<b>\$ (27,626,093)</b>	<b>\$ -</b>	<b>\$ (27,626,093)</b>	<b>\$ -</b>
Business-type Activities:								
Water	\$ 5,068,000	\$ 5,786,416	\$ -	\$ 295,021	\$ -	\$ 1,013,437	\$ 1,013,437	\$ -
Sewer	5,065,020	4,613,594	-	699,305	-	247,879	247,879	-
Airport	1,277,017	163,914	-	731,405	-	(381,698)	(381,698)	-
Other	162,044	113,574	57	-	-	(48,413)	(48,413)	-
<b>Total Business-Type Activities</b>	<b>\$ 11,572,081</b>	<b>\$ 10,677,498</b>	<b>\$ 57</b>	<b>\$ 1,725,731</b>	<b>\$ -</b>	<b>\$ 831,205</b>	<b>\$ 831,205</b>	<b>\$ -</b>
<b>Total Primary Government</b>	<b>\$ 49,089,094</b>	<b>\$ 15,456,604</b>	<b>\$ 3,392,583</b>	<b>\$ 3,445,019</b>	<b>\$ (27,626,093)</b>	<b>\$ 831,205</b>	<b>\$ (26,794,888)</b>	<b>\$ -</b>
<b>Component Units:</b>								
Woodland Cemetery	\$ 230,884	\$ 6,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (224,455)
Quincy Public Library	2,369,613	401,397	364,806	-	-	-	-	(1,603,410)
<b>Total Component Units</b>	<b>\$ 2,600,497</b>	<b>\$ 407,826</b>	<b>\$ 364,806</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,827,865)</b>
<b>General Revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					\$ 401,289	\$ -	\$ 401,289	\$ 1,376,695
Property taxes, levied for debt service					911,194	-	911,194	-
Personal property replacement tax					1,655,605	-	1,655,605	327,379
Sales and public service taxes					18,609,867	-	18,609,867	-
Income taxes					1,898,184	-	1,898,184	-
Franchise taxes					419,427	-	419,427	-
Payment from City of Quincy					(181,581)	-	(181,581)	181,581
Investment earnings (loss)					418,198	87,314	505,512	322,989
Miscellaneous					362,907	149,821	512,728	27,577
Transfers					(1,237,818)	1,232,818	(5,000)	-
<b>Total General Revenues, Special Items and Transfers</b>					<b>\$ 23,257,272</b>	<b>\$ 1,469,953</b>	<b>\$ 24,727,225</b>	<b>\$ 2,236,221</b>
<b>Change in Net Assets</b>					<b>\$ (4,368,821)</b>	<b>\$ 2,301,158</b>	<b>\$ (2,067,663)</b>	<b>\$ 408,356</b>
Net Assets at beginning of year					66,107,755	74,013,883	140,121,638	3,994,391
<b>Net Assets at end of year</b>					<b>\$ 61,738,934</b>	<b>\$ 76,315,041</b>	<b>\$ 138,053,975</b>	<b>\$ 4,402,747</b>

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

City of Quincy, Illinois  
Balance Sheet  
Governmental Funds  
April 30, 2010

	General Fund	State and Federal Grants Fund	Capital Projects Fund	2009 G/O Hydro Project Fund	2009C G/O Library Project Fund	Purchase Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 1,769,733	\$ 226,129	\$ 1,739,385	\$ 4,943,109	\$ 5,247,147	\$ -	\$ 8,630,197	\$ 22,555,700
Receivables, net	123,526	3,025	628	-	-	-	168,315	295,494
Inventories	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	11,552	11,552
Due from other governments	2,049,214	-	-	-	-	1,326,482	142,753	3,518,449
Prepaid items	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,942,473</b>	<b>\$ 229,154</b>	<b>\$ 1,740,013</b>	<b>\$ 4,943,109</b>	<b>\$ 5,247,147</b>	<b>\$ 1,326,482</b>	<b>\$ 8,952,817</b>	<b>\$ 26,381,195</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 64,734	\$ 6,319	\$ 178,127	\$ 261,375	\$ -	\$ -	\$ 44,318	\$ 554,873
Accrued expenses	500,534	-	-	-	-	-	50,684	551,218
Compensated absences	-	-	-	-	-	-	-	-
Deferred revenue	-	209,764	-	-	-	-	-	209,764
Due to other funds	-	-	-	-	-	-	11,552	11,552
<b>Total Liabilities</b>	<b>\$ 565,268</b>	<b>\$ 216,083</b>	<b>\$ 178,127</b>	<b>\$ 261,375</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 106,554</b>	<b>\$ 1,327,407</b>
<b>Fund Balances</b>								
Reserved for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 627,045	\$ 627,045
Other purposes	-	13,071	1,561,886	4,681,734	5,247,147	-	4,462,291	15,966,129
Unreserved, reported in:								
General fund	3,377,205	-	-	-	-	-	3,756,927	7,134,132
Special revenue funds	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-
Permanent funds	-	-	-	-	-	1,326,482	-	1,326,482
<b>Total Fund Balances</b>	<b>\$ 3,377,205</b>	<b>\$ 13,071</b>	<b>\$ 1,561,886</b>	<b>\$ 4,681,734</b>	<b>\$ 5,247,147</b>	<b>\$ 1,326,482</b>	<b>\$ 8,846,263</b>	<b>\$ 25,053,788</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,942,473</b>	<b>\$ 229,154</b>	<b>\$ 1,740,013</b>	<b>\$ 4,943,109</b>	<b>\$ 5,247,147</b>	<b>\$ 1,326,482</b>	<b>\$ 8,952,817</b>	<b>\$ 26,381,195</b>

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

City of Quincy, Illinois  
 Reconciliation of the Governmental Funds' Balance Sheet to Statement of Net Assets  
 April 30, 2010

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Total governmental fund balances	\$ 25,053,788
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.	57,955,983
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	4,990,149
Capital assets	3,474,940
Current liabilities	(612,443)
Long-term liabilities	(200,322)
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.	6,340,787
Long term liabilities including bonds payable, including 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>(35,263,948)</u>
Net assets of governmental activities	<u><u>\$ 61,738,934</u></u>

City of Quincy, Illinois  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended April 30, 2010

	General Fund	State and Federal Grants Fund	Capital Projects Fund	2009 G/O Hydro Project Fund	2009C G/O Library Project Fund	Purchase Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>								
Property taxes	\$ 158,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,153,906	\$ 1,312,483
Franchise taxes	419,427	-	-	-	-	-	-	419,427
Public service taxes	11,569,443	-	-	-	-	8,412,984	2,181,229	22,163,656
Grants and contributions	100,081	774,238	-	-	-	-	1,100,317	1,974,636
Charges for services	831,903	-	-	-	-	-	457,778	1,289,681
Fines and forfeitures	411,805	-	-	-	-	-	13,541	425,346
Intergovernmental	-	-	-	-	-	-	3,137,180	3,137,180
Investment earnings	45,088	751	31,093	28,595	14,756	65	234,695	355,043
Miscellaneous	240,444	-	11,770	-	-	-	1,047,434	1,299,648
<b>Total Revenues</b>	<b>\$ 13,776,768</b>	<b>\$ 774,989</b>	<b>\$ 42,863</b>	<b>\$ 28,595</b>	<b>\$ 14,756</b>	<b>\$ 8,413,049</b>	<b>\$ 9,326,080</b>	<b>\$ 32,377,100</b>
<b>Expenditures</b>								
General Government								
Aldermen	\$ 180,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,857
Mayor	275,446	-	-	-	-	-	-	275,446
City Treasurer	227,687	-	-	-	-	-	-	227,687
City Clerk	167,287	-	-	-	-	-	-	167,287
Director of Administration	136,112	-	-	-	-	-	-	136,112
Purchasing	148,559	-	-	-	-	-	-	148,559
Building maintenance	215,889	-	-	-	-	-	-	215,889
Comptroller	354,972	-	-	-	-	-	-	354,972
Legal department	313,194	-	-	-	-	-	-	313,194
Boards and commissions	55,569	-	-	-	-	-	-	55,569
Information technology	673,800	-	-	-	-	-	-	673,800
Public Safety								
Police Department	7,786,290	-	-	-	-	-	27,675	7,813,965
Fire Department	5,769,036	-	-	-	-	-	10,455	5,779,491
911 System	-	-	-	-	-	-	1,326,808	1,326,808
Public Works	405,108	-	185,878	-	-	-	3,738,208	4,329,194
Engineering Services	763,850	-	-	-	-	-	894,702	1,658,552
Health and Sanitation	95,654	-	-	-	-	-	-	95,654
Cemetery	181,581	-	-	-	-	-	-	181,581
Culture and Recreation	80,257	-	50,000	-	189,949	-	954,970	1,275,176
Community Development	73,108	407,034	-	-	-	-	1,246,405	1,726,547
Debt Service								
Principal retirement	95,483	-	228,419	-	-	-	1,351,179	1,675,081
Interest and charges	52,728	-	13,191	92,903	110,660	-	673,076	942,558
Capital outlay	8,700	-	2,663,007	1,850,776	-	-	1,166,293	5,688,776
<b>Total Expenditures</b>	<b>\$ 18,061,167</b>	<b>\$ 407,034</b>	<b>\$ 3,140,495</b>	<b>\$ 1,943,679</b>	<b>\$ 300,609</b>	<b>\$ -</b>	<b>\$ 11,389,771</b>	<b>\$ 35,242,755</b>

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



City of Quincy, Illinois  
Statement of Revenues, Expenditures and Changes in Fund Balances (Concluded)  
Governmental Funds  
For the Year Ended April 30, 2010

	General Fund	State and Federal Grants Fund	Capital Projects Fund	2009 G/O Hydro Project Fund	2009C G/O Library Project Fund	Purchase Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (4,284,399)	\$ 367,955	\$ (3,097,632)	\$ (1,915,084)	\$ (285,853)	\$ 8,413,049	\$ (2,063,691)	\$ (2,865,655)
<b>Other Financing Sources (Uses)</b>								
Cost share transfers, net	\$ 539,297	\$ (24,231)	\$ -	\$ -	\$ -	\$ -	\$ (131,871)	\$ 383,195
Sale of assets	2,041	-	-	-	-	-	25,594	27,635
Operating transfers in	6,187,158	-	2,287,476	-	-	-	3,047,843	11,522,477
Operating transfers out	(5,327,950)	(403,507)	(784,238)	-	-	(8,363,714)	(1,078,671)	(15,958,080)
Debt proceeds	-	-	884,346	6,596,818	5,533,000	-	1,495,000	14,509,164
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1,400,546</b>	<b>\$ (427,738)</b>	<b>\$ 2,387,584</b>	<b>\$ 6,596,818</b>	<b>\$ 5,533,000</b>	<b>\$ (8,363,714)</b>	<b>\$ 3,357,895</b>	<b>\$ 10,484,391</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ (2,883,853)</b>	<b>\$ (59,783)</b>	<b>\$ (710,048)</b>	<b>\$ 4,681,734</b>	<b>\$ 5,247,147</b>	<b>\$ 49,335</b>	<b>\$ 1,294,204</b>	<b>\$ 7,618,736</b>
Fund Balances, May 1, 2009	6,261,058	72,854	2,271,934	-	-	1,277,147	7,552,059	17,435,052
<b>Fund Balances, April 30, 2010</b>	<b>\$ 3,377,205</b>	<b>\$ 13,071</b>	<b>\$ 1,561,886</b>	<b>\$ 4,681,734</b>	<b>\$ 5,247,147</b>	<b>\$ 1,326,482</b>	<b>\$ 8,846,263</b>	<b>\$ 25,053,788</b>

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

City of Quincy, Illinois  
 Reconciliation of the Statement of Revenues, Expenditures and  
 Changes in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Year Ended April 30, 2010

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Net change in fund balances - total governmental funds	\$	7,618,736
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the governmental-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation and disposals in the current period.</p>		1,214,729
<p>The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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.</p>		(13,085,823)
<p>Compensated absences do not require the use of current financial resources, as they are considered long-term liabilities. Therefore, the change in compensated absences liability is not included as an expenditure in governmental funds.</p>		225,067
<p>Internal service funds are used by management to charge costs of certain activities, such as insurance, to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		(96,854)
<p>Some expenses reported in the statement of net activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		<u>(244,676)</u>
Change in net assets of governmental activities	\$	<u><u>(4,368,821)</u></u>

City of Quincy, Illinois  
Statement of Net Assets  
Proprietary Funds  
April 30, 2010

	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Regional Training Facility	Other Enterprise Funds		
<b>Assets</b>							
Current Assets							
Cash and cash equivalents	\$ 4,611,622	\$ 1,868,902	\$ 193,196	\$ 149	\$ 122,186	\$ 6,796,055	\$ 4,675,352
Receivables, net	993,053	751,027	19,128	-	-	1,763,208	277,469
Inventories	172,103	-	-	-	-	172,103	37,328
Prepaid expenses	52,002	37,136	-	90,000	-	179,138	-
Total Current Assets	<u>\$ 5,828,780</u>	<u>\$ 2,657,065</u>	<u>\$ 212,324</u>	<u>\$ 90,149</u>	<u>\$ 122,186</u>	<u>\$ 8,910,504</u>	<u>\$ 4,990,149</u>
Noncurrent Assets							
Land	\$ 242,946	\$ 861,374.00	\$ 453,124	\$ 220,390	\$ 19,945	\$ 1,797,779	\$ 488,071
Systems	25,911,820	80,848,006	16,788,278	48,454	386,838	123,983,396	510,500
Building and equipment	3,649,665	7,794,942	4,733,298	712,584	-	16,890,489	2,210,394
Vehicles and equipment	698,703	1,725,959	1,887,834	-	-	4,312,496	6,057,793
Less: Accumulated depreciation	(15,420,190)	(53,428,316)	(8,383,503)	(146,169)	(162,521)	(77,540,699)	(5,791,818)
Total Noncurrent Assets	<u>\$ 15,082,944</u>	<u>\$ 37,801,965</u>	<u>\$ 15,479,031</u>	<u>\$ 835,259</u>	<u>\$ 244,262</u>	<u>\$ 69,443,461</u>	<u>\$ 3,474,940</u>
<b>Total Assets</b>	<u><u>\$ 20,911,724</u></u>	<u><u>\$ 40,459,030</u></u>	<u><u>\$ 15,691,355</u></u>	<u><u>\$ 925,408</u></u>	<u><u>\$ 366,448</u></u>	<u><u>\$ 78,353,965</u></u>	<u><u>\$ 8,465,089</u></u>
<b>Liabilities</b>							
Current Liabilities							
Accounts payable	\$ 65,129	\$ 23,735	\$ 1,689	\$ 5,625	\$ 164	\$ 96,342	\$ 496,292
Accrued expenses	37,385	15,410	5,813	-	1,019	59,627	37,027
Customer deposits	507,030	-	-	-	-	507,030	-
Compensated absences	92,282	38,611	9,244	-	1,643	141,780	79,124
Bonds, notes and loans payable	-	77,993	31,118	100,000	16,000	225,111	-
Total Current Liabilities	<u>\$ 701,826</u>	<u>\$ 155,749</u>	<u>\$ 47,864</u>	<u>\$ 105,625</u>	<u>\$ 18,826</u>	<u>\$ 1,029,890</u>	<u>\$ 612,443</u>
Noncurrent liabilities							
Compensated absences	\$ 243,775	\$ 86,230	\$ 23,128	\$ -	\$ 1,665	\$ 354,798	\$ 200,322
Bonds, notes and loans payable	-	164,541	139,695	350,000	-	654,236	-
Total Noncurrent Liabilities	<u>\$ 243,775</u>	<u>\$ 250,771</u>	<u>\$ 162,823</u>	<u>\$ 350,000</u>	<u>\$ 1,665</u>	<u>\$ 1,009,034</u>	<u>\$ 200,322</u>
<b>Total Liabilities</b>	<u><u>\$ 945,601</u></u>	<u><u>\$ 406,520</u></u>	<u><u>\$ 210,687</u></u>	<u><u>\$ 455,625</u></u>	<u><u>\$ 20,491</u></u>	<u><u>\$ 2,038,924</u></u>	<u><u>\$ 812,765</u></u>
<b>Net Assets</b>							
Invested in capital assets, net of related debt	\$ 15,082,944	\$ 37,559,431	\$ 15,308,218	\$ 385,259	\$ 228,262	\$ 68,564,114	\$ 3,474,940
Unrestricted	4,883,179	2,493,079	172,450	84,524	117,695	7,750,927	4,177,384
<b>Total Net Assets</b>	<u><u>\$ 19,966,123</u></u>	<u><u>\$ 40,052,510</u></u>	<u><u>\$ 15,480,668</u></u>	<u><u>\$ 469,783</u></u>	<u><u>\$ 345,957</u></u>	<u><u>\$ 76,315,041</u></u>	<u><u>\$ 7,652,324</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, 2010

	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Department	Sewer Department	Quincy Regional Airport	Regional Training Facility	Other Enterprise Funds		
<b>Operating Revenues</b>							
Charges for services	\$ 5,786,416	\$ 4,613,594	\$ 163,914	\$ 9,790	\$ 103,784	\$ 10,677,498	\$ 8,967,498
Miscellaneous	30,857	1,183	114,919	2,862	-	149,821	37,377
<b>Total Operating Revenues</b>	<b>\$ 5,817,273</b>	<b>\$ 4,614,777</b>	<b>\$ 278,833</b>	<b>\$ 12,652</b>	<b>\$ 103,784</b>	<b>\$ 10,827,319</b>	<b>\$ 9,004,875</b>
<b>Operating Expenses</b>							
Salaries and wages	\$ 1,622,516	\$ 863,559	\$ 334,955	\$ 2,319	\$ 13,357	\$ 2,836,706	\$ 2,073,904
Benefits	743,783	451,668	137,317	443	4,131	1,337,342	980,445
Purchased services	438,869	1,670,376	121,277	19,920	17,190	2,267,632	2,538,482
Supplies	1,245,250	91,262	105,910	8,440	4,409	1,455,271	1,085,080
Claims and judgments	-	-	-	-	-	-	5,410,921
Noncapitalized equipment	4,865	-	1,369	-	-	6,234	-
Other objects	233,139	243,067	12,089	45,000	-	533,295	50,412
Depreciation	779,578	1,734,378	556,670	33,376	13,459	3,117,461	223,425
<b>Total Operating Expenses</b>	<b>\$ 5,068,000</b>	<b>\$ 5,054,310</b>	<b>\$ 1,269,587</b>	<b>\$ 109,498</b>	<b>\$ 52,546</b>	<b>\$ 11,553,941</b>	<b>\$ 12,362,669</b>
<b>Operating Income (Loss)</b>	<b>\$ 749,273</b>	<b>\$ (439,533)</b>	<b>\$ (990,754)</b>	<b>\$ (96,846)</b>	<b>\$ 51,238</b>	<b>\$ (726,622)</b>	<b>\$ (3,357,794)</b>
<b>Non-Operating Revenues (Expenses)</b>							
Interest and investment income	\$ 64,921	\$ 15,976	\$ 2,835	\$ 25	\$ 3,557	\$ 87,314	\$ 63,155
Grants and contributions	-	-	731,405	57	-	731,462	-
Interest expense	-	(10,710)	(7,430)	-	-	(18,140)	-
<b>Total Non-operating Revenues (Expenses)</b>	<b>\$ 64,921</b>	<b>\$ 5,266</b>	<b>\$ 726,810</b>	<b>\$ 82</b>	<b>\$ 3,557</b>	<b>\$ 800,636</b>	<b>\$ 63,155</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>\$ 814,194</b>	<b>\$ (434,267)</b>	<b>\$ (263,944)</b>	<b>\$ (96,764)</b>	<b>\$ 54,795</b>	<b>\$ 74,014</b>	<b>\$ (3,294,639)</b>
Transfers in	-	805,602	559,085	8,918	66,837	1,440,442	3,197,785
Transfers out	(53,812)	(53,812)	-	-	(100,000)	(207,624)	-
Capital contributions	295,021	699,305	-	-	-	994,326	-
<b>Change in Net Assets</b>	<b>\$ 1,055,403</b>	<b>\$ 1,016,828</b>	<b>\$ 295,141</b>	<b>\$ (87,846)</b>	<b>\$ 21,632</b>	<b>\$ 2,301,158</b>	<b>\$ (96,854)</b>
<b>Net Assets at beginning of year</b>	<b>18,910,720</b>	<b>39,035,682</b>	<b>15,185,527</b>	<b>557,629</b>	<b>324,325</b>	<b>74,013,883</b>	<b>7,749,178</b>
<b>Net Assets at year end</b>	<b>\$ 19,966,123</b>	<b>\$ 40,052,510</b>	<b>\$ 15,480,668</b>	<b>\$ 469,783</b>	<b>\$ 345,957</b>	<b>\$ 76,315,041</b>	<b>\$ 7,652,324</b>

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

City of Quincy, Illinois  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended April 30, 2010

	<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>		
<b>Cash Flows from Operating Activities:</b>							
Receipts from customers	\$ 5,438,320	\$ 4,556,086	\$ 164,797	\$ 9,790	\$ 103,784	\$ 10,272,777	\$ 4,093,066
Payments to suppliers	(1,946,700)	(2,058,351)	(243,085)	(22,974)	(21,435)	(4,292,545)	(4,640,464)
Payments to employees	(2,423,911)	(1,324,698)	(513,280)	(2,762)	(13,161)	(4,277,812)	(2,597,438)
Internal activity - payments to other funds	-	-	-	-	-	-	4,873,623
Claims paid	-	-	-	-	-	-	(5,000,090)
Other receipts (payments)	30,857	1,183	114,919	2,862	-	149,821	(13,035)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,098,566</u>	<u>\$ 1,174,220</u>	<u>\$ (476,649)</u>	<u>\$ (13,084)</u>	<u>\$ 69,188</u>	<u>\$ 1,852,241</u>	<u>\$ (3,284,338)</u>
<b>Cash Flows from NonCapital Financing Activities:</b>							
Operating subsidies and transfers	\$ (53,812)	\$ 751,790	\$ 559,085	\$ 8,918	\$ (33,163)	\$ 1,232,818	\$ 3,197,785
<b>Cash Flows from Capital and Related Financing Activities:</b>							
Proceeds from sale of debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital contributions	295,021	699,305	-	-	-	994,326	-
Purchases of capital assets	(849,341)	(1,545,628)	(756,078)	-	(145,557)	(3,296,604)	-
Disposal of capital assets	-	-	-	-	(16,000)	(16,000)	1,500
Principal paid on capital debt	-	(75,274)	(31,891)	-	-	(107,165)	-
Interest paid on capital debt	-	(10,710)	(7,430)	-	-	(18,140)	-
Other receipts (payments)	-	-	731,405	57	-	731,462	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (554,320)</u>	<u>\$ (932,307)</u>	<u>\$ (63,994)</u>	<u>\$ 57</u>	<u>\$ (161,557)</u>	<u>\$ (1,712,121)</u>	<u>\$ 1,500</u>
<b>Cash Flows from Investing Activities:</b>							
Interest received	\$ 64,921	\$ 15,976	\$ 2,835	\$ 25	\$ 3,557	\$ 87,314	\$ 63,155
Net Cash Provided (Used) by Investing Activities	<u>\$ 64,921</u>	<u>\$ 15,976</u>	<u>\$ 2,835</u>	<u>\$ 25</u>	<u>\$ 3,557</u>	<u>\$ 87,314</u>	<u>\$ 63,155</u>
<b>Net Increase (Decrease) in Cash and Cash Investments</b>	<u>\$ 555,355</u>	<u>\$ 1,009,679</u>	<u>\$ 21,277</u>	<u>\$ (4,084)</u>	<u>\$ (121,975)</u>	<u>\$ 1,460,252</u>	<u>\$ (21,898)</u>
Cash and Cash Equivalents, May 1, 2009	4,056,267	859,223	171,919	4,233	244,161	5,335,803	4,697,250
<b>Cash and Cash Equivalents, April 30, 2010</b>	<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>

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, 2010

	<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>		
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>							
Income (loss) from operations	\$ 749,273	\$ (439,533)	\$ (990,754)	\$ (96,846)	\$ 51,238	\$ (726,622)	\$ (3,357,794)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:							
Amortization and depreciation	779,578	1,734,378	556,670	33,376	13,459	3,117,461	223,425
(Increase) Decrease in:							
Accounts receivable	(223,644)	(57,508)	883	-	-	(280,269)	(809)
Inventories	2,939	-	-	-	-	2,939	5,912
Prepaid items	(5,271)	(3,767)	3,277	45,000	-	39,239	-
Increase (Decrease) in:							
Accounts payable	(22,245)	(49,879)	(5,717)	5,386	164	(72,291)	368,462
Accrued expenses	(20,573)	(10,141)	(7,294)	-	1,019	(36,989)	(426,846)
Customer deposits	(124,452)	-	-	-	-	(124,452)	-
Compensated absences	(37,039)	670	(33,714)	-	3,308	(66,775)	(96,688)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 1,098,566</u>	<u>\$ 1,174,220</u>	<u>\$ (476,649)</u>	<u>\$ (13,084)</u>	<u>\$ 69,188</u>	<u>\$ 1,852,241</u>	<u>\$ (3,284,338)</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, 2010

	<b>Pension Trust Funds</b>	<b>Private Purpose Trusts</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,271,447	\$ 46,572
Investments	44,217,394	-
Receivables, net	3,670,146	-
<b>Total Assets</b>	<b>\$ 50,158,987</b>	<b>\$ 46,572</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accrued expenses	\$ 21,755	\$ -
Deferred revenue	3,329,196	-
<b>Total Liabilities</b>	<b>\$ 3,350,951</b>	<b>\$ -</b>
<b>Net Assets</b>		
Held in trust for pension benefits	\$ 46,808,036	\$ -
Restricted for future expenditures	-	46,572
<b>Total Net Assets</b>	<b>\$ 46,808,036</b>	<b>\$ 46,572</b>

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

City of Quincy, Illinois  
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds  
For the Year Ended April 30, 2010

	<b>Pension Trust Funds</b>	<b>Private Purpose Trusts</b>
<b>Additions</b>		
Taxes:		
Property taxes	\$ 2,705,604	\$ -
Personal Property Replacement tax	729,940	-
Total taxes	<u>\$ 3,435,544</u>	<u>\$ -</u>
Contributions:		
Plan members	\$ 855,976	\$ -
Outside Agencies	-	20,384
Transfers from general fund	-	5,000
Total contributions	<u>\$ 855,976</u>	<u>\$ 25,384</u>
Investment earnings:		
Net increase (decrease) in fair value	\$ 3,601,978	\$ -
Realized gain (loss) on sale of investments	745,262	-
Interest	1,068,432	696
Dividends	362,592	-
Total investment earnings	<u>\$ 5,778,264</u>	<u>\$ 696</u>
Total Additions	<u>\$ 10,069,784</u>	<u>\$ 26,080</u>
<b>Deductions</b>		
Benefits	\$ 4,813,594	\$ -
Administrative expenses	263,749	-
Payments to others	-	22,366
Total Deductions	<u>\$ 5,077,343</u>	<u>\$ 22,366</u>
Change in net assets	\$ 4,992,441	\$ 3,714
Net assets, May 1, 2009	<u>41,815,595</u>	<u>42,858</u>
<b>Net assets, April 30, 2010</b>	<u><u>\$ 46,808,036</u></u>	<u><u>\$ 46,572</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. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the City has elected to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989. 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.

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

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

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.

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.

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

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

1. **Governmental Funds (Concluded)**

**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.

**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 and 2009C G/O Library Project Fund**

These two capital project funds are used to account for the acquisition and/or construction of capital facilities being financed from General Obligation Bond proceeds. The Hydro Project fund is used to account for the ongoing Hydro-Electric Project. The Library Project fund is used to account for the construction costs for the construction and renovation of the Quincy Public Library. These costs are treated as distributions to the Library as the capital assets acquired and constructed are Library property.

**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, and Quincy Transit Lines.

**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, 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.

**Permanent Funds** – used to account for the City's revolving loan funds and other specifically designated funds: The Economic Development Revolving Loan Fund, which was established from an Urban Development Action Grant (UDAG); the Community Development Action Program (CDAP) Revolving Loan Fund; the Central Business District Loan Fund; the Neighborhood Housing Rehab Loan Fund; the Landfill Superfund, Tourism tax, and the Incremental Sales Tax. These funds are legally restricted so that the principal can only be used to make loans. The earnings from these funds are unrestricted.

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

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

**2. Proprietary Funds**

Proprietary Funds used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector (business-type activities). The measurement focus is on income determination, financial position and cash flows. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the City has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, including those issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

**Enterprise Funds**

Enterprise Funds are used to account for those operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, costs incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City's major Enterprise Funds consist of the following funds:

**Water Fund** – used to account for the operation of the City's water treatment facilities and services.

**Sewer Fund** – used to account for the operation of the City's waste disposal activities.

**Quincy Regional Airport Fund** – used to account for the operation of the City's airport.

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

The other enterprise 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.

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

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

**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 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.

**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.

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

**C. Basis of Accounting (Concluded)**

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 2009 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.

**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.

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

**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.

**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.



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

**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.

No-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, 2010, the carrying amount of the City's deposits (excluding component units) was \$36,345,127 and the respective bank balances totaled \$36,893,679. Included in the bank balances are Certificates of Deposit totaling \$25,165,001. The insured and collateral status of the bank balances, by category risk, was as follows:

	<b>Primary Government</b>
FDIC Insured	\$ 12,919,406
Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	23,974,273
	\$ 36,893,679

#### 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 investments 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:

	<b>Amortized Cost</b>	<b>Fair Value</b>
Investments Available for Sale:		
U.S. Government Agencies	\$ 26,596,915	\$ 27,138,992
Money Market Mutual Funds	3,444,861	3,444,861
Certificates of Deposit	25,000	25,000
Common and Preferred Stocks	13,608,541	13,608,541
	\$ 43,675,317	\$ 44,217,394
 Investment Maturities (in years):		
Maturing 2009-2035	\$ 26,621,915	\$ 27,163,992
	\$ 26,621,915	\$ 27,163,992
Equity Securities	17,053,402	17,053,402
	\$ 43,675,317	\$ 44,217,394

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	36,343,251
Investments	44,217,394
<b>Total Cash and Investments</b>	<b>\$ 80,562,520</b>

	<b>Cash and Equivalents</b>	<b>Investments</b>	<b>Total</b>
Government-wide Statement of Net Assets	\$ 34,027,107	\$ -	\$ 34,027,107
Statement of Fiduciary Net Assets	2,318,019	44,217,394	46,535,413
	\$ 36,345,126	\$ 44,217,394	\$ 80,562,520

**4) Capital Assets**

The following is a summary of Capital Asset transactions for the year ended April 30, 2010:

Governmental Activities

	<b>Balance, April 30, 2009</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance, April 30, 2010</b>
Buildings	\$ 14,929,842	\$ 5,990	\$ -	\$ 14,935,832
Improvements	1,434,111	-	-	1,434,111
Infrastructure	115,750,009	1,311,309	-	117,061,318
Machinery and equipment	4,954,533	18,753	-	4,973,286
Vehicles	7,428,049	832,709	(413,027)	7,847,731
Furniture	173,057	-	-	173,057
Total assets being depreciated	<u>\$ 144,669,601</u>	<u>\$ 2,168,761</u>	<u>\$ (413,027)</u>	<u>\$ 146,425,335</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (3,759,280)	\$ (369,795)	\$ -	\$ (4,129,075)
Improvements	(622,731)	(37,860)	-	(660,591)
Infrastructure	(74,868,352)	(3,513,792)	-	(78,382,144)
Machinery and equipment	(2,971,104)	(341,670)	-	(3,312,774)
Vehicles	(5,159,456)	(417,341)	411,527	(5,165,270)
Furniture	(134,871)	(16,015)	-	(150,886)
Total accumulated depreciation	<u>\$ (87,515,794)</u>	<u>\$ (4,696,473)</u>	<u>\$ 411,527</u>	<u>\$ (91,800,740)</u>
Net total of capital assets being depreciated	<u>\$ 57,153,807</u>	<u>\$ (2,527,712)</u>	<u>\$ (1,500)</u>	<u>\$ 54,624,595</u>
Land	2,161,353	85,500	(1,000)	2,245,853
Construction in Progress	1,125,960	3,434,515	-	4,560,475
<b>Governmental Activities Capital Assets</b>	<u><u>\$ 60,441,120</u></u>	<u><u>\$ 992,303</u></u>	<u><u>\$ (2,500)</u></u>	<u><u>\$ 61,430,923</u></u>

Business-Type Activities

	<b>Balance, April 30, 2009</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance, April 30, 2010</b>
Buildings	\$ 15,891,476	\$ -	\$ -	\$ 15,891,476
Systems	122,464,916	2,360,799	(30,016)	124,795,699
Machinery and equipment	1,610,101	89,392	-	1,699,493
Vehicles	1,856,925	748,447	-	2,605,372
Total assets being depreciated	<u>\$ 141,823,418</u>	<u>\$ 3,198,638</u>	<u>\$ (30,016)</u>	<u>\$ 144,992,040</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (8,400,780)	\$ (316,032)	\$ -	\$ (8,716,812)
Systems	(63,835,394)	(2,577,140)	-	(66,412,534)
Machinery and equipment	(724,102)	(82,256)	30,016	(776,342)
Vehicles	(1,492,978)	(142,033)	-	(1,635,011)
Total accumulated depreciation	<u>\$ (74,453,254)</u>	<u>\$ (3,117,461)</u>	<u>\$ 30,016</u>	<u>\$ (77,540,699)</u>
Net total of capital assets being depreciated	<u>\$ 67,370,164</u>	<u>\$ 81,177</u>	<u>\$ -</u>	<u>\$ 67,451,341</u>
Land	1,797,778	-	-	1,797,778
Construction in Progress	96,376	97,966	-	194,342
<b>Business-Type Activities Capital Assets</b>	<u><u>\$ 69,264,318</u></u>	<u><u>\$ 179,143</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 69,443,461</u></u>

**4) Capital Assets (Concluded)**

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

<b>Governmental Activities</b>	
General government	\$ 146,585
Public safety	405,580
Public works	3,691,685
Other governmental activities	452,623
<b>Total Governmental activities</b>	<b><u>\$ 4,696,473</u></b>
<b>Business-Type Activities</b>	
Water	\$ 779,578
Sewer	1,734,378
Airport	524,756
Other enterprise	78,749
<b>Total Business-type activities</b>	<b><u>\$ 3,117,461</u></b>

**5) Non-current Liabilities**

For the Year Ended April 30, 2010, the changes in non-current liabilities are as follows:

Governmental Activities	<b>Balance</b>	<b>(Retirements)</b>	<b>Balance</b>
	<b>April 30, 2009</b>	<b>Additions</b>	<b>April 30, 2010</b>
General Obligation Bonds	\$ 13,995,493	\$ 12,023,638	\$ 26,019,131
Notes Payable - Bank	1,396,740	810,445	2,207,185
Compensated absences	3,228,107	(321,755)	2,906,352
Accreted value on bond	-	90,057	90,057
Accrued interest on bonds	-	161,683	161,683
	<b><u>\$ 18,620,340</u></b>	<b><u>\$ 12,764,068</u></b>	<b><u>\$ 31,384,408</u></b>
Business-Type Activities	<b>Balance</b>	<b>(Retirements)</b>	<b>Balance</b>
	<b>April 30, 2009</b>	<b>Additions</b>	<b>April 30, 2010</b>
Notes Payable - Bank	\$ 552,512	\$ (123,165)	\$ 429,347
Loan from Econ Development	450,000	-	450,000
Compensated absences	563,352	(66,774)	496,578
	<b><u>\$ 1,565,864</u></b>	<b><u>\$ (189,939)</u></b>	<b><u>\$ 1,375,925</u></b>

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

**General Obligation Bonds**

At April 30, 2010, bonds payable consisted of the following individual issues:

\$2,100,000 General Obligation Corporate Purpose Bonds, Series 2004, dated June 15, 2004, due in annual installments ranging from \$195,000 to \$640,000 through 2010, with interest from 2.9% to 3.5%, payable September 1 and March 1.	\$ 220,000
\$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.	1,325,000
\$9,850,000 General Obligation Corporate Purpose Bonds, Series 1999, dated December 14, 1999, due in annual installments ranging from \$15,000 to \$1,125,000 through 2020, with interest from 4.6% to 5.7%, payable April 15 and October 15.	1,520,000
\$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.	9,360,000
\$1,300,000 General Obligation Note, Series 2006, dated May 15, 2006, with interest and principal due monthly, maturing on May 15, 2014, with interest at 4.56%	219,313
\$6,596,818.30 (\$7,290,000 Compounded Accreted Value at Maturity) General Obligation Capital Appreciation Bonds, Series 2009A, dated September 21, 2009, with principal and interest of \$4,970,000 due on December 1, 2012, and principal and interest of \$2,320,000 due on December 1, 2015, with interest from 2.0% to 3.0%	6,596,818
\$1,245,000 General Obligation Bonds, Series 2009B, dated September 21, 2009, due in annual installments ranging from \$185,000 to \$225,000 beginning 2018 through 2023, with interest from 3.0% to 4.0%, payable January 1 and July 1.	1,245,000
\$5,533,000 Taxable General Obligation Bonds, Series 2009C (Recovery Zone Economic Development Bonds (Direct Payment)), dated November 20, 2009, due in annual installments ranging from \$58,000 through \$420,000 through 2029, with interest from 2.2% to 6.1%, payable January 1 and July 1.	5,533,000
Total	\$ 26,019,131
Less: Current portion of bonds payable	(1,216,607)
Net Long-Term Bonds Payable	<u>\$ 24,802,524</u>

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

## 5) Non-current Liabilities (Continued)

### General Obligation Bonds (Continued)

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.

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, 2010.

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, 2010, 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 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 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 (difference between the present values of the old and new debt service payments) 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.



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

**General Obligation Bonds (Concluded)**

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, 2010, \$9,240,000 of outstanding bonds is considered defeased.

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

<b>Year Ending April 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 1,216,607	\$ 1,089,662	\$ 2,306,269
2012	1,190,706	1,008,119	2,198,825
2013	5,951,184	902,609	6,853,793
2014	1,350,000	788,602	2,138,602
2015	1,440,000	721,985	2,161,985
2016-2020	10,530,634	2,228,529	12,759,163
2021-2025	2,445,000	943,085	3,388,085
2026-2029	1,895,000	284,320	2,179,320
	<u>\$ 26,019,131</u>	<u>\$ 7,966,911</u>	<u>\$ 33,986,042</u>

Interest expense totaling \$790,120 has been included as a direct function expense. No interest was required to be capitalized during the year ended April 30, 2010.

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 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, 2010, the City has borrowed \$1,196,841, of which \$242,535 was outstanding at April 30, 2010.

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. As of April 30, 2010, \$16,000 was outstanding.

The City entered into a loan agreement with First Bankers Trust Company in June 2005 to provide financing for a pump truck for the Fire Department. The agreement calls for the City to make 120 monthly payments of \$2,626 each. The interest rate is fixed at 3.98% for the life of the loan. This loan was refinanced with Bank of Springfield during the year ended April 30, 2010.

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. The outstanding balance at April 30, 2010, was \$11,321.

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

**Notes Payable – Bank (Continued)**

The City entered into a loan agreement with Associated Bank in November 2006 to provide financing for the Airport Hangar Building. The agreement calls for 96 monthly payments of \$3,429 each at a fixed interest rate of 4.49%. This loan was refinanced with Bank of Springfield during the year ended April 30, 2010.

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, 2010, was \$1,117,603.

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 and Associated Bank. 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, 2010, was \$317,047.

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, 2010, was \$682,026.

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, 2010, was \$250,000.

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, 2010, was \$450,000.

The annual requirements to amortize the outstanding loans as of April 30, 2010, are as follows:

**Governmental Activities**

<b>Year Ending April 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 234,806	\$ 70,922	\$ 305,728
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
2016-2020	623,518	114,029	737,547
2021-2025	316,046	13,444	329,490
2026-2030	62,500	-	62,500
	<u>\$ 2,207,185</u>	<u>\$ 406,262</u>	<u>\$ 2,613,447</u>

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

**Notes Payable – Bank (Concluded)**

**Business-Type Activities**

Year Ending April 30	Principal	Interest	Total
2011	\$ 225,111	\$ 12,604	\$ 237,715
2012	162,856	8,859	171,715
2013	166,730	4,985	171,715
2014	83,984	1,747	85,731
2015	84,996	734	85,730
2016-2020	155,670	22	155,692
2021-2025	-	-	-
2026-2030	-	-	-
	<u>\$ 879,347</u>	<u>\$ 28,951</u>	<u>\$ 908,298</u>
<b>Total Notes Payable</b>	<u><u>\$ 3,086,532</u></u>	<u><u>\$ 435,213</u></u>	<u><u>\$ 3,521,745</u></u>

**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, 2010.

A summary of the liability for compensated absences by function at April 30, 2010, follows:

	Sick Leave	Vacation	Comp Time	Total	Current Portion
<b>Governmental activities:</b>					
General government	\$ 100,102	\$ 60,296	\$ -	\$ 160,398	\$ 63,169
Public safety	1,242,690	548,887	431,317	2,222,894	1,088,190
Public works	265,480	116,570	40,796	422,846	162,080
Engineering services	40,197	23,601	-	63,798	25,067
Community development	23,964	12,452	-	36,416	13,393
	<u>\$ 1,672,433</u>	<u>\$ 761,806</u>	<u>\$ 472,113</u>	<u>\$ 2,906,352</u>	<u>\$ 1,351,899</u>
<b>Business-type activities:</b>					
Water	\$ 246,827	\$ 89,230	\$ -	\$ 336,057	\$ 92,282
Sewer	87,280	37,561	-	124,841	38,611
Airport	23,417	8,955	-	32,372	9,244
Other	1,665	1,643	-	3,308	1,643
	<u>\$ 359,189</u>	<u>\$ 137,389</u>	<u>\$ -</u>	<u>\$ 496,578</u>	<u>\$ 141,780</u>
Total Compensated Absences	<u><u>\$ 2,031,622</u></u>	<u><u>\$ 899,195</u></u>	<u><u>\$ 472,113</u></u>	<u><u>\$ 3,402,930</u></u>	<u><u>\$ 1,493,679</u></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, 2010, is \$90,057.

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

**Other Non-current Liabilities (Concluded)**

Accrued interest on bonds is comprised of the following:

	<b>Next Interest Payment Due</b>	<b>Accrued Interest April 30, 2010</b>
GOCP 1996	\$ 41,750	\$ 13,917
GOCP 2004	3,850	1,283
GOB 2009B	35,126	27,321
GOB 2009C	309,822	119,162
	\$ 390,548	\$ 161,683

**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, 2009 for the 2008 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 \$1,301,986 in the Governmental activities and \$3,329,196 in the Pension Trust funds, levied for 2009, 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, 2010, were 100% of the 2008 tax levy.

**7) Pension Plans**

**Illinois Municipal Retirement Fund (IMRF)**

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 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

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 2009 was 8.03 percent of annual covered payroll. 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.

**7) Pension Plans (Continued)**

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

For the calendar year ended December 31, 2009, the City's annual pension cost of \$945,706 was equal to the City's required and actual contributions.

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	\$ 945,706	100%	\$ -
12/31/2008	955,637	100%	-
12/31/2007	946,837	100%	-
12/31/2006	991,815	100%	-
12/31/2005	860,208	100%	-
12/31/2004	731,271	100%	-
12/31/2003	358,218	100%	-
12/31/2002	346,720	100%	-
12/31/2001	462,381	100%	-
12/31/2000	733,664	100%	-
12/31/1999	723,949	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, 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 15% corridor between the actuarial and market value of the assets. The regular 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 December 31, 2007, valuation was 23 years.

As of December 31, 2009, the most recent actuarial valuation date, the regular plan was 84.92 percent funded. The actuarial accrued liability for benefits was \$34,127,320 and the actuarial value of the assets was \$28,979,388, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,147,932. The covered payroll (annual payroll of active employees covered by the plan) was \$11,777,156 and the ratio of the UAAL to the covered payroll was 44 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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.

**7) Pension Plans (Continued)**

**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.

	<b>Quincy Firefighters' Pension Fund</b>		<b>Police Pension Fund</b>
Contribution Rates:			
City	Proceeds from a tax levy 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		
Plan Members	9.455%		9.910%
Annual Pension Cost	\$ 1,729,027	\$	1,335,041
Contributions made	\$ 1,704,407	\$	1,357,674
% of Annual Pension Cost Contributed	98.6%		101.7%
Net Pension Obligation at 4/30/2009	\$ (967,069)	\$	(487,416)
Funding Policy and Annual Pension Cost -	the Illinois General Assembly establishes and may amend the contribution requirements of plan members and the City. The City's annual pension cost for the current year and related information for each plan is as follows:		

The required contribution for both plans for the fiscal year ended April 30, 2010, was determined as part of the April 30, 2009, actuarial valuation using the Projected Unit Credit method. The actuarial assumptions at April 30, 2009, 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. 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 four-year period. The regular 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, 2009, valuation was 24 years, 2 months.

**7) Pension Plans (Concluded)**

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

Quincy Firefighters' Pension Fund:

Trend Information

Fiscal Year Ended	Annual Required Contribution	Total Employer Contribution	Percentatge Contributed (a/b)
2009	\$ 1,756,949	\$ 1,704,407	97.0%
2008	1,638,662	1,501,319	91.6%
2007	1,571,590	1,266,573	80.6%
2006	1,448,465	1,328,039	91.7%
2005	1,132,093	1,140,295	100.7%
2004	1,082,433	1,002,274	92.6%
2003	946,028	710,088	75.1%
2002	890,109	867,443	97.5%
2001	648,537	741,057	114.3%
2000	772,651	689,863	89.3%
1999	618,487	690,807	111.7%
1998	573,760	670,938	116.9%

Police Pension Fund:

Trend Information

Fiscal Year Ended	Annual Required Contribution	Total Employer Contribution	Percentatge Contributed (a/b)
2009	\$ 1,348,128	\$ 1,357,674	100.7%
2008	1,208,695	1,348,128	111.5%
2007	1,306,006	999,760	76.6%
2006	971,557	1,008,111	103.8%
2005	889,246	809,670	91.1%
2004	824,599	727,424	88.2%
2003	683,385	770,810	112.8%
2002	656,987	689,728	105.0%
2001	687,635	585,105	85.1%
2000	614,744	563,364	91.6%
1999	488,329	469,620	96.2%
1998	470,184	448,133	95.3%

**8) Individual Fund Disclosures**

For the year ended April 30, 2010, 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, 2010, were as follows:

Due to	Due from Housing Resource Fund	Total
Special Capital Projects Fund	\$ 11,552	\$ 11,552
Total	\$ 11,552	\$ 11,552

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. The increase in the interfund balance for the year ended April 30, 2010, was \$500.

Interfund transfers during the year ended April 30, 2010, were as follows:

	Transfers In	Transfers Out
Governmental activities:		
General Fund	\$ 6,187,158	\$ 5,327,950
State and Federal Grants Fund	-	403,507
Capital Projects Fund	2,287,476	784,238
Purchase Tax Fund	-	8,363,714
Other governmental funds	3,047,843	1,078,671
	\$ 11,522,477	\$ 15,958,080
Business-type activities:		
Water Department	\$ -	\$ 53,812
Sewer Department	805,602	53,812
Quincy Regional Airport	559,085	-
Regional Training Facility	8,918	-
Other enterprise funds	66,837	100,000
	\$ 1,440,442	\$ 207,624
Internal Service Funds:		
Central Garage	\$ 364,185	\$ -
Central Services	2,833,600	-
	\$ 3,197,785	\$ -
Private Purpose Trust Funds:		
Sister City Commission	\$ 5,000	\$ -
	\$ 5,000	\$ -
	\$ 16,165,704	\$ 16,165,704

**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:



**10) Self Insurance Funds (Continued)**

**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, 2010, was \$1,224,697. Limits of liability are as follows:

Type of Coverage	Risk Level		Excess Insurance Coverage Limits
	City	Loss Fund	
Property Insurance	\$ 1,000	\$ 100,000	\$ 52,500,000
Third Party Liability	\$ 1,000	\$ 100,000	\$ 9,000,000
Worker's Compensation	N/A	\$ 100,000	Statutory limits
Crime Coverage	\$ 1,000	\$ 50,000	\$ 100,000

**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) Landfill Closure and Post-closure Care Costs**

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. \$2,857,000 has been accrued as a landfill post-closure liability at April 30, 2010, 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.

### 13) 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, 2010 for these funds is as follows:

	<u>Water Department</u>	<u>Sanitation Department</u>	<u>Quincy Regional Airport</u>	<u>Regional Training Facility</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
Operating revenues	\$ 5,817,273	\$ 4,614,777	\$ 278,833	\$ 12,652	\$ 103,784	\$10,827,319
Operating expenses (excluding depreciation)	4,288,422	3,319,932	712,917	76,122	39,087	8,436,480
Depreciation	779,578	1,734,378	556,670	33,376	13,459	3,117,461
Operating income	\$ 749,273	\$ (439,533)	\$ (990,754)	\$ (96,846)	\$ 51,238	\$ (726,622)
Non-operating revenues/ (expenses)	64,921	5,266	726,810	82	3,557	800,636
Capital contributions	295,021	699,305	-	-	-	994,326
Operating transfers	(53,812)	751,790	559,085	8,918	(33,163)	1,232,818
Net income (loss)	<u>\$ 1,055,403</u>	<u>\$ 1,016,828</u>	<u>\$ 295,141</u>	<u>\$ (87,846)</u>	<u>\$ 21,632</u>	<u>\$ 2,301,158</u>
Capital asset additions	\$ 849,340	\$ 1,545,628	\$ 756,078	\$ -	\$ 145,556	\$ 3,296,602
Net working capital	\$ 5,126,954	\$ 2,501,316	\$ 164,460	\$ (15,476)	\$ 103,360	\$ 7,880,614
Total assets	\$20,911,724	\$40,459,030	\$15,691,355	\$925,408	\$ 366,448	\$78,353,965
Notes payable from operating revenues	\$ -	\$ 242,534	\$ 170,813	\$450,000	\$ 16,000	\$ 879,347
Total equity	\$19,966,123	\$40,052,510	\$15,480,668	\$469,783	\$ 345,957	\$76,315,041

### 14) 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 \$945,315 into the plans for the year ended April 30, 2010.

**15) Economic Development Loans Receivable**

The City, through the Community Development Commission, makes economic development loans to qualified businesses. The loans are financed through funds received from Community Development Block Grants (CDBG) and an Urban Development Action Grant (UDAG). The Commission monitors the provisions of the grant agreements and the revolving loan programs. A summary of loans outstanding at April 30, 2010, follows:

	<b>Loans Outstanding</b>
Revolving Loan Fund	\$ 2,566,289
CDBG Revolving Loan Fund	1,619,544
Business and Housing Loans	811,261
Total	\$ 4,997,094

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, 2010, is not recorded in these financial statements.

**12) 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, 2010, the City received rental income for the property in the amount of \$43,792.

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 \$11,619 in rental income from this property for the year ended April 30, 2010.

**13) 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:

<b>Year Ending April 30</b>	<b>Total</b>
2011	\$ 19,020
2012	19,020
2013	19,020
2014	19,020
2015	19,020
2016-2020	68,155
	\$ 163,255

#### 14) 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.

#### 15) Subsequent Events

On May 13, 2010, the City closed on a new General Obligation Refunding Bond, Series 2010 in the amount of \$1,552,000. These bonds were issued to refund the General Obligation Corporate Purpose Bonds, Series 1999, with an outstanding balance of \$1,520,000. The Series 2010 bonds are due in ten various annual principal payments ending October 15, 2019. This refunding is expected to save \$52,759 in interest costs over this ten year period.

#### 16) Recently Issued Pronouncements

As of April 30, 2010, 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.

The impact this statement will have on the City will be minimal as this statement only addresses the fund balance and net assets section of the financial statements and the City currently already classifies its fund balances and net assets in a manner similar to the new standards.

## Required Supplementary Information

Budgetary comparison schedules are presented as Required Supplementary information (RSI) for the general fund and each major special revenue 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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, May 1, 2009</b>	\$ 3,445,633	\$ 3,445,633	\$ 3,445,633	\$ -
Resources (inflows):				
Property taxes	158,849	158,849	158,577	(272)
Franchise taxes	445,000	445,000	417,915	(27,085)
Charges for services	819,530	819,530	817,420	(2,110)
Fines and forfeitures	426,000	426,000	411,805	(14,195)
Intergovernmental	14,881,975	14,296,212	12,985,138	(1,311,074)
Grants and contributions	73,000	73,000	97,346	24,346
Investment earnings	95,000	95,000	45,088	(49,912)
Miscellaneous	74,380	74,380	240,444	166,064
Sale of assets	25,000	25,000	2,041	(22,959)
Cost share transfers, net	478,750	478,750	539,297	60,547
Operating transfers in	6,380,785	6,250,785	6,187,158	(63,627)
Amounts available for Appropriation	<u>\$ 27,303,902</u>	<u>\$ 26,588,139</u>	<u>\$ 25,347,862</u>	<u>\$ (1,240,277)</u>
Charges to appropriations (outflows)				
General Government				
Aldermen	\$ 193,430	\$ 187,430	\$ 182,215	\$ 5,215
Mayor	306,370	306,370	279,118	27,252
City Treasurer	260,530	252,980	232,586	20,394
City Clerk	179,236	178,636	169,944	8,692
Director of Administration	165,121	148,421	140,590	7,831
Purchasing	153,238	154,044	153,766	278
Building Maintenance	442,977	417,321	337,622	79,699
Comptroller	377,004	375,504	362,796	12,708
Legal Department	344,294	344,294	321,613	22,681
Boards and Commissions	86,157	78,929	56,140	22,789
Information Technology	736,738	684,288	677,367	6,921
Public Safety				
Police Department	8,575,707	8,452,096	7,967,575	484,521
Fire Department	6,355,682	6,220,682	5,970,706	249,976
Public Works	450,328	440,868	437,756	3,112
Engineering Services	834,149	820,142	779,882	40,260
Health and sanitation	108,625	107,391	103,956	3,435
Cemetery	181,581	181,581	181,581	-
Nondepartmental				
Operating transfers out	6,089,022	5,777,995	5,327,950	450,045
Funding for other agencies	180,757	176,211	152,651	23,560
Total Charges to Appropriations	<u>\$ 26,020,946</u>	<u>\$ 25,305,183</u>	<u>\$ 23,835,814</u>	<u>\$ 1,469,369</u>
<b>Budgetary Balance, April 30, 2010</b>	<u>\$ 1,282,956</u>	<u>\$ 1,282,956</u>	<u>\$ 1,512,048</u>	<u>\$ 229,092</u>

City of Quincy, Illinois  
 Budgetary Comparison Schedule - State and Federal Grants Fund  
 For the Year Ended April 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, May 1, 2009</b>	\$ 80,854	\$ 80,854	\$ 80,854	\$ -
Resources (inflows):				
Grants and contributions	1,688,000	1,688,000	980,977	(707,023)
Investment earnings	300	1,079	751	(328)
Cost share transfers, net	(40,000)	(40,000)	(24,231)	15,769
Amounts available for Appropriation	<u>\$ 1,729,154</u>	<u>\$ 1,729,933</u>	<u>\$ 1,038,351</u>	<u>\$ (691,582)</u>
Charges to appropriations (outflows)				
Community development	\$ 1,702,000	\$ 1,702,779	\$ 408,715	\$ 1,294,064
Nondepartmental				
Operating transfers out	<u>-</u>	<u>-</u>	<u>403,507</u>	<u>(403,507)</u>
Total Charges to Appropriations	<u>\$ 1,702,000</u>	<u>\$ 1,702,779</u>	<u>\$ 812,222</u>	<u>\$ 890,557</u>
<b>Budgetary Balance, April 30, 2010</b>	<u>\$ 27,154</u>	<u>\$ 27,154</u>	<u>\$ 226,129</u>	<u>\$ 198,975</u>

City of Quincy, Illinois  
 Budgetary Comparison Schedule - Capital Projects Fund  
 For the Year Ended April 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, May 1, 2009</b>	\$ 2,399,301	\$ 2,399,301	\$ 2,399,301	\$ -
Resources (inflows):				
Grants and contributions	475,750	475,750	-	(475,750)
Miscellaneous	-	-	11,770	11,770
Loan proceeds	-	729,172	884,346	155,174
Investment earnings	50,000	50,000	31,093	(18,907)
Operating transfers in	2,360,715	2,360,715	2,287,476	(73,239)
Amounts available for Appropriation	<u>\$ 5,285,766</u>	<u>\$ 6,014,938</u>	<u>\$ 5,613,986</u>	<u>\$ (400,952)</u>
Charges to appropriations (outflows)				
Public Safety	\$ 89,919	\$ 1,057,591	\$ 1,019,797	\$ 37,794
Public Works	3,783,003	3,787,203	1,308,965	2,478,238
Community development	641,000	641,000	469,362	171,638
Health and sanitation	221,068	22,868	-	22,868
Culture and recreation	50,000	50,000	50,000	-
Loan/Lease payments	131,516	87,016	241,610	(154,594)
Nondepartmental				
Operating transfers out	411,534	411,534	784,238	(372,704)
Total Charges to Appropriations	<u>\$ 5,328,040</u>	<u>\$ 6,057,212</u>	<u>\$ 3,873,972</u>	<u>\$ 2,183,240</u>
<b>Budgetary Balance, April 30, 2010</b>	<u>\$ (42,274)</u>	<u>\$ (42,274)</u>	<u>\$ 1,740,014</u>	<u>\$ 1,782,288</u>

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



City of Quincy, Illinois  
 Budgetary Comparison Schedule - 2009 G/O Hydro Project Fund  
 For the Year Ended April 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, May 1, 2009</b>	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Bond proceeds	-	6,503,915	6,503,915	-
Investment earnings	-	25,000	28,595	3,595
Amounts available for Appropriation	<u>\$ -</u>	<u>\$ 6,528,915</u>	<u>\$ 6,532,510</u>	<u>\$ 3,595</u>
Charges to appropriations (outflows)				
General Government				
Purchased services	\$ -	\$ 500,000	\$ 44,017	\$ 455,983
Capital outlay	-	2,500,000	1,566,734	933,266
Total Charges to Appropriations	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ 1,610,751</u>	<u>\$ 1,389,249</u>
<b>Budgetary Balance, April 30, 2010</b>	<u>\$ -</u>	<u>\$ 3,528,915</u>	<u>\$ 4,921,759</u>	<u>\$ 1,392,844</u>

City of Quincy, Illinois  
 Budgetary Comparison Schedule - 2009C G/O Library Project Fund  
 For the Year Ended April 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, May 1, 2009</b>	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Bond proceeds	-	-	5,422,340	5,422,340
Investment earnings	-	-	14,756	14,756
Amounts available for Appropriation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,437,096</u>	<u>\$ 5,437,096</u>
Charges to appropriations (outflows)				
Culture and recreation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,949</u>	<u>\$ (189,949)</u>
Total Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,949</u>	<u>\$ (189,949)</u>
<b>Budgetary Balance, April 30, 2010</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,247,147</u></u>	<u><u>\$ 5,247,147</u></u>

City of Quincy, Illinois  
 Budgetary Comparison Schedule - Purchase Tax Fund  
 For the Year Ended April 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, May 1, 2009</b>	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Public service taxes	8,631,500	8,631,500	8,363,649	(267,851)
Investment earnings	-	-	65	65
Amounts available for Appropriation	<u>\$ 8,631,500</u>	<u>\$ 8,631,500</u>	<u>\$ 8,363,714</u>	<u>\$ (267,786)</u>
Charges to appropriations (outflows)				
Nondepartmental				
Transfers to other funds	<u>\$ 8,631,500</u>	<u>\$ 8,631,500</u>	<u>\$ 8,363,714</u>	<u>\$ 267,786</u>
Total Charges to Appropriations	<u>\$ 8,631,500</u>	<u>\$ 8,631,500</u>	<u>\$ 8,363,714</u>	<u>\$ 267,786</u>
<b>Budgetary Balance, April 30, 2010</b>	<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, 2010

	<u>General Fund</u>	<u>State and Federal Grants Fund</u>	<u>Capital Projects Fund</u>	<u>2009 G/O Hydro Project Fund</u>	<u>2009C G/O Library Project Fund</u>	<u>Purchase Tax Fund</u>
<b>Sources/Inflows of Resources</b>						
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$25,347,862	\$ 1,038,351	\$ 5,613,986	\$ 6,532,510	\$ 5,437,096	\$ 8,363,714
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.	(3,445,633)	(80,854)	(2,399,301)	-	-	-
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.	(1,396,965)	(206,739)	-	-	-	49,335
Transfers from other funds and debt proceeds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	(6,728,496)	24,231	(3,171,822)	(6,503,915)	(5,422,340)	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$13,776,768</u></u>	<u><u>\$ 774,989</u></u>	<u><u>\$ 42,863</u></u>	<u><u>\$ 28,595</u></u>	<u><u>\$ 14,756</u></u>	<u><u>\$ 8,413,049</u></u>
<b>Uses/Outflows of Resources</b>						
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$23,835,814	\$ 812,222	\$ 3,873,972	\$ 1,610,751	\$ 189,949	\$ 8,363,714
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.	(446,697)	(1,681)	50,761	332,928	110,660	-
Transfers to other funds and debt issuance costs are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	(5,327,950)	(403,507)	(784,238)	-	-	(8,363,714)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$18,061,167</u></u>	<u><u>\$ 407,034</u></u>	<u><u>\$ 3,140,495</u></u>	<u><u>\$ 1,943,679</u></u>	<u><u>\$ 300,609</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, 2010

**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)					
4/30/2009	\$ 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)					
4/30/2009	\$ 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, 2010

**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>
12/31/2009	\$ 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, 2009 is \$27,961,424. On a market basis, the funded ratio would be 81.93%.

City of Quincy, Illinois  
Combining Statement of Net Assets - Component Units  
April 30, 2010

	<b>Quincy Public Library</b>	<b>Woodland Cemetery</b>	<b>Total Component Units</b>
<b>Assets</b>			
Cash and cash investments	\$ 403,727	\$ 59,039	\$ 462,766
Investments	1,266,316	1,309,401	2,575,717
Receivables , net	12,749	1,014	13,763
Inventories	5,691	-	5,691
Capital assets, net	1,216,324	358,074	1,574,398
<b>Total Assets</b>	<b>\$ 2,904,807</b>	<b>\$ 1,727,528</b>	<b>\$ 4,632,335</b>
<b>Liabilities</b>			
Accounts payable	\$ 39,706	\$ 4,906	\$ 44,612
Accrued expenses	144,355	2,921	147,276
Deferred revenue	37,700	-	37,700
<b>Total Liabilities</b>	<b>\$ 221,761</b>	<b>\$ 7,827</b>	<b>\$ 229,588</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 1,216,324	\$ 358,074	\$ 1,574,398
Restricted for:			
Other purposes	1,224,945	253,163	1,478,108
Unrestricted	241,777	1,108,464	1,350,241
<b>Total Net Assets</b>	<b>\$ 2,683,046</b>	<b>\$ 1,719,701</b>	<b>\$ 4,402,747</b>

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

## Other Supplementary Information

The Supplementary information which follows are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Quincy, Illinois.



City of Quincy, Illinois  
Combining Balance Sheet  
Non-Major Governmental Funds  
April 30, 2010

	Special Revenue Funds									
	Planning and Development	911 System	Housing Resource	Motor Fuel Tax	Traffic Signal	Town Road Tax	Police Contributions	Fire Contributions	Quincy Transit Lines	Total Special Revenue Funds
<b>Assets</b>										
Cash and cash equivalents	\$ 989	\$ 175,146	\$ 82,258	\$ 2,496,680	\$ 41,370	\$ 86,601	\$ 200,573	\$ 262,897	\$ 257,765	\$ 3,604,279
Receivables, net	742	53,328	-	33,563	5,521	-	-	-	-	93,154
Due from other funds	-	-	11,552	-	-	-	-	-	-	11,552
Due from other governments	-	55,193	-	87,560	-	-	-	-	-	142,753
<b>Total Assets</b>	<b>\$ 1,731</b>	<b>\$ 283,667</b>	<b>\$ 93,810</b>	<b>\$ 2,617,803</b>	<b>\$ 46,891</b>	<b>\$ 86,601</b>	<b>\$ 200,573</b>	<b>\$ 262,897</b>	<b>\$ 257,765</b>	<b>\$ 3,851,738</b>
<b>Liabilities and Fund Balances</b>										
Accounts payable	\$ 4,699	\$ 8,113	\$ -	\$ 20,866	\$ 189	\$ -	\$ 4,357	\$ -	\$ 5,903	\$ 44,127
Accrued expenses	10,603	15,073	-	-	-	-	-	-	25,008	50,684
Due to other funds	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 15,302</b>	<b>\$ 23,186</b>	<b>\$ -</b>	<b>\$ 20,866</b>	<b>\$ 189</b>	<b>\$ -</b>	<b>\$ 4,357</b>	<b>\$ -</b>	<b>\$ 30,911</b>	<b>\$ 94,811</b>
<b>Fund Balances</b>										
Reserved for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	(13,571)	260,481	93,810	2,596,937	46,702	86,601	196,216	262,897	226,854	3,756,927
<b>Total Fund Balances</b>	<b>\$ (13,571)</b>	<b>\$ 260,481</b>	<b>\$ 93,810</b>	<b>\$ 2,596,937</b>	<b>\$ 46,702</b>	<b>\$ 86,601</b>	<b>\$ 196,216</b>	<b>\$ 262,897</b>	<b>\$ 226,854</b>	<b>\$ 3,756,927</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,731</b>	<b>\$ 283,667</b>	<b>\$ 93,810</b>	<b>\$ 2,617,803</b>	<b>\$ 46,891</b>	<b>\$ 86,601</b>	<b>\$ 200,573</b>	<b>\$ 262,897</b>	<b>\$ 257,765</b>	<b>\$ 3,851,738</b>

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

City of Quincy, Illinois  
Combining Balance Sheet (Continued)  
Non-Major Governmental Funds  
April 30, 2010

	Capital Projects Funds							
	Arts Corridor	Sanitation Connection	Special Projects	TIF #2	2009 OLC Capital Projects	Sewer Equipment	QMEA Cap Reserve	Total Capital Projects Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 17,708	\$ 553,145	\$ 472	\$ 386,944	\$ 751,849	\$ 349,625	\$ 80,873	\$ 2,140,616
Receivables, net	-	1,100	-	3,175	-	-	-	4,275
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 17,708</u>	<u>\$ 554,245</u>	<u>\$ 472</u>	<u>\$ 390,119</u>	<u>\$ 751,849</u>	<u>\$ 349,625</u>	<u>\$ 80,873</u>	<u>\$ 2,144,891</u>
<b>Liabilities and Fund Balances</b>								
Accounts payable	\$ -	\$ -	\$ 66	\$ -	\$ 125	\$ -	\$ -	\$ 191
Accrued expenses	-	-	-	-	-	-	-	-
Due to other funds	-	-	11,552	-	-	-	-	11,552
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,618</u>	<u>\$ -</u>	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,743</u>
<b>Fund Balances</b>								
Reserved for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	17,708	554,245	(11,146)	390,119	751,724	349,625	80,873	2,133,148
Unreserved, reported in:								
Special revenue funds	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<u>\$ 17,708</u>	<u>\$ 554,245</u>	<u>\$ (11,146)</u>	<u>\$ 390,119</u>	<u>\$ 751,724</u>	<u>\$ 349,625</u>	<u>\$ 80,873</u>	<u>\$ 2,133,148</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 17,708</u>	<u>\$ 554,245</u>	<u>\$ 472</u>	<u>\$ 390,119</u>	<u>\$ 751,849</u>	<u>\$ 349,625</u>	<u>\$ 80,873</u>	<u>\$ 2,144,891</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, 2010

	Debt Service Funds								Total
	2004 GO Bond	1996 GO Bond	1998 GO Bond	1999 GO Bond	2005 GO Bond	2006 GO Bond	2009 OLC G/O Bond	2009 Library Bond	Debt Service Funds
<b>Assets</b>									
Cash and cash equivalents	\$ 422,909	\$ 124,817	\$ -	\$ 30,416	\$ 20,319	\$ 292	\$ 28,291	\$ 1	\$ 627,045
Receivables, net	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 422,909</u>	<u>\$ 124,817</u>	<u>\$ -</u>	<u>\$ 30,416</u>	<u>\$ 20,319</u>	<u>\$ 292</u>	<u>\$ 28,291</u>	<u>\$ 1</u>	<u>\$ 627,045</u>
<b>Liabilities and Fund Balances</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balances</b>									
Reserved for:									
Debt service	\$ 422,909	\$ 124,817	\$ -	\$ 30,416	\$ 20,319	\$ 292	\$ 28,291	\$ 1	\$ 627,045
Other purposes	-	-	-	-	-	-	-	-	-
Unreserved, reported in:									
Special revenue funds	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<u>\$ 422,909</u>	<u>\$ 124,817</u>	<u>\$ -</u>	<u>\$ 30,416</u>	<u>\$ 20,319</u>	<u>\$ 292</u>	<u>\$ 28,291</u>	<u>\$ 1</u>	<u>\$ 627,045</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 422,909</u>	<u>\$ 124,817</u>	<u>\$ -</u>	<u>\$ 30,416</u>	<u>\$ 20,319</u>	<u>\$ 292</u>	<u>\$ 28,291</u>	<u>\$ 1</u>	<u>\$ 627,045</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, 2010

	Permanent Funds							Total Permanent Funds	Total Non-Major Governmental Funds
	Economic Development Loan	CDAP Loan	CBD Loan	Neighborhood Rehab Loan	Landfill Superfund	Tourism Tax	Incremental Sales Tax		
<b>Assets</b>									
Cash and cash equivalents	\$ 1,244,590	\$ 459,613	\$ 344,936	\$ 125,811	\$ 18	\$ 83,103	\$ 186	\$ 2,258,257	\$ 8,630,197
Receivables, net	-	-	-	-	-	70,886	-	70,886	168,315
Due from other funds	-	-	-	-	-	-	-	-	11,552
Due from other governments	-	-	-	-	-	-	-	-	142,753
<b>Total Assets</b>	<u>\$ 1,244,590</u>	<u>\$ 459,613</u>	<u>\$ 344,936</u>	<u>\$ 125,811</u>	<u>\$ 18</u>	<u>\$ 153,989</u>	<u>\$ 186</u>	<u>\$ 2,329,143</u>	<u>\$ 8,952,817</u>
<b>Liabilities and Fund Balances</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,318
Accrued expenses	-	-	-	-	-	-	-	-	50,684
Due to other funds	-	-	-	-	-	-	-	-	11,552
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,554</u>
<b>Fund Balances</b>									
Reserved for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 627,045
Other purposes	1,244,590	459,613	344,936	125,811	18	153,989	186	2,329,143	4,462,291
Unreserved, reported in:									
Special revenue funds	-	-	-	-	-	-	-	-	3,756,927
<b>Total Fund Balances</b>	<u>\$ 1,244,590</u>	<u>\$ 459,613</u>	<u>\$ 344,936</u>	<u>\$ 125,811</u>	<u>\$ 18</u>	<u>\$ 153,989</u>	<u>\$ 186</u>	<u>\$ 2,329,143</u>	<u>\$ 8,846,263</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,244,590</u>	<u>\$ 459,613</u>	<u>\$ 344,936</u>	<u>\$ 125,811</u>	<u>\$ 18</u>	<u>\$ 153,989</u>	<u>\$ 186</u>	<u>\$ 2,329,143</u>	<u>\$ 8,952,817</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, 2010

	Special Revenue Funds									Total Special Revenue Funds
	Planning and Development	911 System	Housing Resource	Motor Fuel Tax	Traffic Signal	Town Road Tax	Police Contributions	Fire Contributions	Quincy Transit Lines	
<b>Revenues</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,697	\$ -	\$ -	\$ -	\$ 27,697
Public service taxes	-	392,571	-	1,018,720	-	-	-	-	-	1,411,291
Grants and contributions	11,200	-	-	287,458	-	-	15,226	10,819	775,614	1,100,317
Charges for services	316,820	-	-	-	2,089	-	-	-	91,983	410,892
Fines and forfeitures	-	-	-	-	-	-	13,541	-	-	13,541
Intergovernmental	-	539,040	-	-	22,563	-	907	-	2,574,670	3,137,180
Investment earnings	97	2,147	1,281	31,711	519	1,196	3,302	3,572	2,054	45,879
Miscellaneous	16,941	-	-	-	460	-	-	-	701	18,102
<b>Total Revenues</b>	<b>\$ 345,058</b>	<b>\$ 933,758</b>	<b>\$ 1,281</b>	<b>\$ 1,337,889</b>	<b>\$ 25,631</b>	<b>\$ 28,893</b>	<b>\$ 32,976</b>	<b>\$ 14,391</b>	<b>\$ 3,445,022</b>	<b>\$ 6,164,899</b>
<b>Expenditures</b>										
Public Safety										
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,675	\$ -	\$ -	\$ 27,675
Fire department	-	-	-	-	-	-	-	10,455	-	10,455
911 system	-	1,326,808	-	-	-	-	-	-	-	1,326,808
Public works	922,237	-	-	-	-	-	-	-	2,704,568	3,626,805
Engineering services	-	-	-	876,398	18,304	-	-	-	-	894,702
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Community development	-	-	24,996	-	-	-	-	-	-	24,996
Debt Service										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-	-	-	-	-
Capital Outlay	6,500	-	-	278,655	-	-	13,563	-	788,575	1,087,293
<b>Total Expenditures</b>	<b>\$ 928,737</b>	<b>\$ 1,326,808</b>	<b>\$ 24,996</b>	<b>\$ 1,155,053</b>	<b>\$ 18,304</b>	<b>\$ -</b>	<b>\$ 41,238</b>	<b>\$ 10,455</b>	<b>\$ 3,493,143</b>	<b>\$ 6,998,734</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (583,679)</b>	<b>\$ (393,050)</b>	<b>\$ (23,715)</b>	<b>\$ 182,836</b>	<b>\$ 7,327</b>	<b>\$ 28,893</b>	<b>\$ (8,262)</b>	<b>\$ 3,936</b>	<b>\$ (48,121)</b>	<b>\$ (833,835)</b>
<b>Other Financing Sources (Uses)</b>										
Cost share transfers, net	\$ -	\$ -	\$ 24,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (134,660)	\$ (110,636)
Sale of property	25,594	-	-	-	-	-	-	-	-	25,594
Operating transfers in	578,426	827,400	-	-	-	-	-	-	145,658	1,551,484
Operating transfers out	-	(404,698)	(87,000)	-	-	-	(1,589)	-	-	(493,287)
Debt proceeds	-	-	-	-	-	-	-	250,000	-	250,000
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 604,020</b>	<b>\$ 422,702</b>	<b>\$ (62,976)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,589)</b>	<b>\$ 250,000</b>	<b>\$ 10,998</b>	<b>\$ 1,223,155</b>
<b>Net Change in Fund Balances</b>	<b>\$ 20,341</b>	<b>\$ 29,652</b>	<b>\$ (86,691)</b>	<b>\$ 182,836</b>	<b>\$ 7,327</b>	<b>\$ 28,893</b>	<b>\$ (9,851)</b>	<b>\$ 253,936</b>	<b>\$ (37,123)</b>	<b>\$ 389,320</b>
Fund Balances, May 1, 2009	(33,912)	230,829	180,501	2,414,101	39,375	57,708	206,067	8,961	263,977	3,367,607
<b>Fund Balances, April 30, 2010</b>	<b>\$ (13,571)</b>	<b>\$ 260,481</b>	<b>\$ 93,810</b>	<b>\$ 2,596,937</b>	<b>\$ 46,702</b>	<b>\$ 86,601</b>	<b>\$ 196,216</b>	<b>\$ 262,897</b>	<b>\$ 226,854</b>	<b>\$ 3,756,927</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Non-Major Governmental Funds  
For the Year Ended April 30, 2010

	Capital Projects Funds							Total Capital Projects Funds
	Arts Corridor	Sanitation Connection	Special Projects	TIF #2	2009 OLC Capital Projects	Sewer Equipment	QMEA Cap Reserve	
<b>Revenues</b>								
Property taxes	\$ -	\$ -	\$ -	\$ 215,015	\$ -	\$ -	\$ -	\$ 215,015
Public service taxes	-	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-	-	-
Charges for services	-	46,886	-	-	-	-	-	46,886
Fines and forfeitures	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Investment earnings	276	8,285	158	5,019	4,858	6,093	873	25,562
Miscellaneous	-	-	4,200	207	-	-	-	4,407
<b>Total Revenues</b>	<b>\$ 276</b>	<b>\$ 55,171</b>	<b>\$ 4,358</b>	<b>\$ 220,241</b>	<b>\$ 4,858</b>	<b>\$ 6,093</b>	<b>\$ 873</b>	<b>\$ 291,870</b>
<b>Expenditures</b>								
Public Safety								
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire department	-	-	-	-	-	-	-	-
911 system	-	-	-	-	-	-	-	-
Public works	-	1,273	17,648	16,482	-	-	-	35,403
Engineering services	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	455,816	-	-	455,816
Community development	-	-	-	-	-	-	-	-
Debt Service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and charges	-	-	-	-	42,318	-	-	42,318
Capital Outlay	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 1,273</b>	<b>\$ 17,648</b>	<b>\$ 16,482</b>	<b>\$ 498,134</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 533,537</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 276</b>	<b>\$ 53,898</b>	<b>\$ (13,290)</b>	<b>\$ 203,759</b>	<b>\$ (493,276)</b>	<b>\$ 6,093</b>	<b>\$ 873</b>	<b>\$ (241,667)</b>
<b>Other Financing Sources (Uses)</b>								
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of property	-	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-	80,000	80,000
Operating transfers out	-	-	-	-	-	(48,671)	-	(48,671)
Debt proceeds	-	-	-	-	1,245,000	-	-	1,245,000
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,245,000</b>	<b>\$ (48,671)</b>	<b>\$ 80,000</b>	<b>\$ 1,276,329</b>
<b>Net Change in Fund Balances</b>	<b>\$ 276</b>	<b>\$ 53,898</b>	<b>\$ (13,290)</b>	<b>\$ 203,759</b>	<b>\$ 751,724</b>	<b>\$ (42,578)</b>	<b>\$ 80,873</b>	<b>\$ 1,034,662</b>
Fund Balances, May 1, 2009	17,432	500,347	2,144	186,360	-	392,203	-	1,098,486
<b>Fund Balances, April 30, 2010</b>	<b>\$ 17,708</b>	<b>\$ 554,245</b>	<b>\$ (11,146)</b>	<b>\$ 390,119</b>	<b>\$ 751,724</b>	<b>\$ 349,625</b>	<b>\$ 80,873</b>	<b>\$ 2,133,148</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
Non-Major Governmental Funds  
For the Year Ended April 30, 2010

	Debt Service Funds								Total Debt Service Funds
	2004 GO Bond	1996 GO Bond	1998 GO Bond	1999 GO Bond	2005 GO Bond	2006 GO Bond	2009 OLC G/O Bond	2009 Library Bond	
<b>Revenues</b>									
Property taxes	\$ 729	\$ -	\$ -	\$ 464,709	\$ 445,756	\$ -	\$ -	\$ -	\$ 911,194
Public service taxes	-	-	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Investment earnings	4,098	1,212	18	1,367	2,043	124	1,946	1	10,809
Miscellaneous	205,800	-	-	-	4	-	-	-	205,804
<b>Total Revenues</b>	<b>\$ 210,627</b>	<b>\$ 1,212</b>	<b>\$ 18</b>	<b>\$ 466,076</b>	<b>\$ 447,803</b>	<b>\$ 124</b>	<b>\$ 1,946</b>	<b>\$ 1</b>	<b>\$ 1,127,807</b>
<b>Expenditures</b>									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire department	-	-	-	-	-	-	-	-	-
911 system	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Engineering services	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-
Debt Service									
Principal retirement	215,000	145,000	195,433	380,000	30,000	385,746	-	-	1,351,179
Interest and charges	11,535	90,000	6,983	89,694	413,594	18,952	-	-	630,758
Capital Outlay	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 226,535</b>	<b>\$ 235,000</b>	<b>\$ 202,416</b>	<b>\$ 469,694</b>	<b>\$ 443,594</b>	<b>\$ 404,698</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,981,937</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (15,908)</b>	<b>\$ (233,788)</b>	<b>\$ (202,398)</b>	<b>\$ (3,618)</b>	<b>\$ 4,209</b>	<b>\$ (404,574)</b>	<b>\$ 1,946</b>	<b>\$ 1</b>	<b>\$ (854,130)</b>
<b>Other Financing Sources (Uses)</b>									
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of property	-	-	-	-	-	-	-	-	-
Operating transfers in	-	240,037	196,928	-	-	404,698	26,345	-	868,008
Operating transfers out	-	-	-	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 240,037</b>	<b>\$ 196,928</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 404,698</b>	<b>\$ 26,345</b>	<b>\$ -</b>	<b>\$ 868,008</b>
<b>Net Change in Fund Balances</b>	<b>\$ (15,908)</b>	<b>\$ 6,249</b>	<b>\$ (5,470)</b>	<b>\$ (3,618)</b>	<b>\$ 4,209</b>	<b>\$ 124</b>	<b>\$ 28,291</b>	<b>\$ 1</b>	<b>\$ 13,878</b>
Fund Balances, May 1, 2009	438,817	118,568	5,470	34,034	16,110	168	-	-	613,167
<b>Fund Balances, April 30, 2010</b>	<b>\$ 422,909</b>	<b>\$ 124,817</b>	<b>\$ -</b>	<b>\$ 30,416</b>	<b>\$ 20,319</b>	<b>\$ 292</b>	<b>\$ 28,291</b>	<b>\$ 1</b>	<b>\$ 627,045</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Concluded)  
Non-Major Governmental Funds  
For the Year Ended April 30, 2010

	Permanent Funds							Total Permanent Funds	Total Non-Major Governmental Funds
	Economic Development Loan	CDAP Loan	CBD Loan	Neighborhood Rehab Loan	Landfill Superfund	Tourism Tax	Incremental Sales Tax		
<b>Revenues</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,153,906
Public service taxes	-	-	-	-	-	769,938	-	769,938	2,181,229
Grants and contributions	-	-	-	-	-	-	-	-	1,100,317
Charges for services	-	-	-	-	-	-	-	-	457,778
Fines and forfeitures	-	-	-	-	-	-	-	-	13,541
Intergovernmental	-	-	-	-	-	-	-	-	3,137,180
Investment earnings	65,169	41,177	26,242	3,353	-	16,476	28	152,445	234,695
Miscellaneous	505,346	195,500	114,487	3,788	-	-	-	819,121	1,047,434
<b>Total Revenues</b>	<b>\$ 570,515</b>	<b>\$ 236,677</b>	<b>\$ 140,729</b>	<b>\$ 7,141</b>	<b>\$ -</b>	<b>\$ 786,414</b>	<b>\$ 28</b>	<b>\$ 1,741,504</b>	<b>\$ 9,326,080</b>
<b>Expenditures</b>									
Public Safety									
Police department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,675
Fire department	-	-	-	-	-	-	-	-	10,455
911 system	-	-	-	-	-	-	-	-	1,326,808
Public works	-	-	-	-	76,000	-	-	76,000	3,738,208
Engineering services	-	-	-	-	-	-	-	-	894,702
Culture and recreation	-	-	-	-	-	499,154	-	499,154	954,970
Community development	277,696	187,500	274,825	9,037	-	-	472,351	1,221,409	1,246,405
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	1,351,179
Interest and charges	-	-	-	-	-	-	-	-	673,076
Capital Outlay	-	-	-	79,000	-	-	-	79,000	1,166,293
<b>Total Expenditures</b>	<b>\$ 277,696</b>	<b>\$ 187,500</b>	<b>\$ 274,825</b>	<b>\$ 88,037</b>	<b>\$ 76,000</b>	<b>\$ 499,154</b>	<b>\$ 472,351</b>	<b>\$ 1,875,563</b>	<b>\$ 11,389,771</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 292,819</b>	<b>\$ 49,177</b>	<b>\$ (134,096)</b>	<b>\$ (80,896)</b>	<b>\$ (76,000)</b>	<b>\$ 287,260</b>	<b>\$ (472,323)</b>	<b>\$ (134,059)</b>	<b>\$ (2,063,691)</b>
<b>Other Financing Sources (Uses)</b>									
Cost share transfers, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,235)	\$ -	\$ (21,235)	\$ (131,871)
Sale of property	-	-	-	-	-	-	-	-	25,594
Operating transfers in	-	-	-	-	76,000	-	472,351	548,351	3,047,843
Operating transfers out	(156,000)	-	(25,000)	-	-	(355,713)	-	(536,713)	(1,078,671)
Debt proceeds	-	-	-	-	-	-	-	-	1,495,000
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (156,000)</b>	<b>\$ -</b>	<b>\$ (25,000)</b>	<b>\$ -</b>	<b>\$ 76,000</b>	<b>\$ (376,948)</b>	<b>\$ 472,351</b>	<b>\$ (9,597)</b>	<b>\$ 3,357,895</b>
<b>Net Change in Fund Balances</b>	<b>\$ 136,819</b>	<b>\$ 49,177</b>	<b>\$ (159,096)</b>	<b>\$ (80,896)</b>	<b>\$ -</b>	<b>\$ (89,688)</b>	<b>\$ 28</b>	<b>\$ (143,656)</b>	<b>\$ 1,294,204</b>
Fund Balances, May 1, 2009	1,107,771	410,436	504,032	206,707	18	243,677	158	2,472,799	7,552,059
<b>Fund Balances, April 30, 2010</b>	<b>\$ 1,244,590</b>	<b>\$ 459,613</b>	<b>\$ 344,936</b>	<b>\$ 125,811</b>	<b>\$ 18</b>	<b>\$ 153,989</b>	<b>\$ 186</b>	<b>\$ 2,329,143</b>	<b>\$ 8,846,263</b>

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, 2010

	<u>Enterprise Funds</u>		<u>Total Non-Major Proprietary Funds</u>
	<u>Quincy Municipal Dock</u>	<u>Baldwin Business Park</u>	
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 114,098	\$ 8,088	\$ 122,186
<b>Total Current Assets</b>	<u>\$ 114,098</u>	<u>\$ 8,088</u>	<u>\$ 122,186</u>
<b>Noncurrent Assets</b>			
Capital assets:			
Land	\$ 19,945	\$ -	\$ 19,945
Systems	386,838	-	386,838
Less: Accumulated depreciation	(162,521)		(162,521)
<b>Total Noncurrent Assets</b>	<u>\$ 244,262</u>	<u>\$ -</u>	<u>\$ 244,262</u>
<b>Total Assets</b>	<u>\$ 358,360</u>	<u>\$ 8,088</u>	<u>\$ 366,448</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 164	\$ -	\$ 164
Accrued expenses	1,019	-	1,019
Accrued compensated absences	1,643	-	1,643
Bonds, notes and loans payable	-	16,000	16,000
<b>Total Current Liabilities</b>	<u>\$ 2,826</u>	<u>\$ 16,000</u>	<u>\$ 18,826</u>
<b>Noncurrent Liabilities</b>			
Accrued compensated absences	\$ 1,665	\$ -	\$ 1,665
<b>Total Noncurrent Liabilities</b>	<u>\$ 1,665</u>	<u>\$ -</u>	<u>\$ 1,665</u>
<b>Total Liabilities</b>	<u>\$ 4,491</u>	<u>\$ 16,000</u>	<u>\$ 18,826</u>
<b>Net Assets</b>			
Invested in capital assets, net of debt	\$ 244,262	\$ -	\$ 244,262
Unrestricted	109,607	(7,912)	101,695
<b>Total Net Assets</b>	<u>\$ 353,869</u>	<u>\$ (7,912)</u>	<u>\$ 345,957</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, 2010

	Enterprise Funds		Total Non-Major Proprietary Funds
	Quincy Municipal Dock	Baldwin Business Park	
<b>Operating Revenues</b>			
Charges for services	\$ 103,784	\$ -	\$ 103,784
<b>Total Revenues</b>	<u>\$ 103,784</u>	<u>\$ -</u>	<u>\$ 103,784</u>
<b>Operating Expenses</b>			
Salaries and wages	\$ 13,357	\$ -	\$ 13,357
Benefits	4,131	-	4,131
Purchased services	17,190	-	17,190
Supplies	4,409	-	4,409
Depreciation expense	13,459	-	13,459
<b>Total Operating Expenses</b>	<u>\$ 52,546</u>	<u>\$ -</u>	<u>\$ 52,546</u>
<b>Operating Income</b>	<u>\$ 51,238</u>	<u>\$ -</u>	<u>\$ 51,238</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest and investment revenue	\$ 3,431	\$ 126	\$ 3,557
Operating transfers in	50,837	16,000	66,837
Operating transfers out	(100,000)	-	(100,000)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>\$ (45,732)</u>	<u>\$ 16,126</u>	<u>\$ (29,606)</u>
<b>Change in Net Assets</b>	\$ 5,506	\$ 16,126	\$ 21,632
Net Assets, May 1, 2009	348,363	(24,038)	324,325
<b>Net Assets, April 30, 2010</b>	<u><u>\$ 353,869</u></u>	<u><u>\$ (7,912)</u></u>	<u><u>\$ 345,957</u></u>

City of Quincy, Illinois  
Combining Statement of Cash Flows - Business-Type Activities  
Non-Major Proprietary Funds  
For the Year Ended April 30, 2010

	<u>Enterprise Funds</u>		<u>Total Non-Major Proprietary Funds</u>
	<u>Quincy Municipal Dock</u>	<u>Baldwin Business Park</u>	
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 103,784	\$ -	\$ 103,784
Payments to suppliers	(21,435)	-	(21,435)
Payments to employees	(13,161)	-	(13,161)
<b>Net Cash Provided by Operations</b>	<u>\$ 69,188</u>	<u>\$ -</u>	<u>\$ 69,188</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Operating subsidies and transfers	\$ (49,163)	\$ 16,000	\$ (33,163)
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchases of capital assets	\$ (145,557)	\$ -	\$ (145,557)
Principal paid on capital debt	-	(16,000)	(16,000)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>\$ (145,557)</u>	<u>\$ (16,000)</u>	<u>\$ (161,557)</u>
<b>Cash Flows from Investing Activities</b>			
Interest received	\$ 3,431	\$ 126	\$ 3,557
<b>Net Cash Provided by Investing Activities</b>	<u>\$ 3,431</u>	<u>\$ 126</u>	<u>\$ 3,557</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$ (122,101)	\$ 126	\$ (121,975)
Cash and Cash Equivalents, May 1, 2009	236,199	7,962	244,161
<b>Cash and Cash Equivalents, April 30, 2010</b>	<u>\$ 114,098</u>	<u>\$ 8,088</u>	<u>\$ 122,186</u>
<b>Operating Income</b>	\$ 51,238	\$ -	\$ 51,238
Adjustments to reconcile Operating Income:			
Amortization and depreciation	13,459	-	13,459
Increase (Decrease) in:			
Accounts payable	164	-	164
Accrued expenses	1,019	-	1,019
Accrued compensated absences	3,308	-	3,308
<b>Cash flows from operating activities</b>	<u>\$ 69,188</u>	<u>\$ -</u>	<u>\$ 69,188</u>

City of Quincy, Illinois  
Combining Statement of Net Assets - Governmental-Type Activities  
Internal Service Funds  
April 30, 2010

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 1,238,673	\$ (7,107)	\$ 93,972	\$ 2,150,082	\$ 1,199,732	\$ 4,675,352
Receivables, net	860	229,843	-	3,236	43,530	277,469
Inventories	37,328	-	-	-	-	37,328
<b>Total Current Assets</b>	<b>\$ 1,276,861</b>	<b>\$ 222,736</b>	<b>\$ 93,972</b>	<b>\$ 2,153,318</b>	<b>\$ 1,243,262</b>	<b>\$ 4,990,149</b>
<b>Noncurrent Assets</b>						
Capital assets:						
Land	\$ -	\$ 488,071	\$ -	\$ -	\$ -	\$ 488,071
Systems	-	510,500	-	-	-	510,500
Buildings and improvements	-	2,210,394	-	-	-	2,210,394
Vehicles and equipment	5,152,766	897,558	-	7,469	-	6,057,793
Less: Accumulated depreciation	(4,429,792)	(1,354,557)	-	(7,469)	-	(5,791,818)
<b>Total Noncurrent Assets</b>	<b>\$ 722,974</b>	<b>\$ 2,751,966</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,474,940</b>
<b>Total Assets</b>	<b>\$ 1,999,835</b>	<b>\$ 2,974,702</b>	<b>\$ 93,972</b>	<b>\$ 2,153,318</b>	<b>\$ 1,243,262</b>	<b>\$ 8,465,089</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 61,793	\$ 22,119	\$ 9,870	\$ 1,250	\$ 401,260	\$ 496,292
Accrued expenses	9,774	23,775	-	3,478	-	37,027
Compensated absences	14,930	55,625	-	8,569	-	79,124
<b>Total Current Liabilities</b>	<b>\$ 86,497</b>	<b>\$ 101,519</b>	<b>\$ 9,870</b>	<b>\$ 13,297</b>	<b>\$ 401,260</b>	<b>\$ 612,443</b>
<b>Noncurrent Liabilities</b>						
Compensated absences	\$ 55,407	\$ 129,285	\$ -	\$ 15,630	\$ -	\$ 200,322
<b>Total Noncurrent Liabilities</b>	<b>\$ 55,407</b>	<b>\$ 129,285</b>	<b>\$ -</b>	<b>\$ 15,630</b>	<b>\$ -</b>	<b>\$ 200,322</b>
<b>Total Liabilities</b>	<b>\$ 141,904</b>	<b>\$ 230,804</b>	<b>\$ 9,870</b>	<b>\$ 28,927</b>	<b>\$ 401,260</b>	<b>\$ 812,765</b>
<b>Net Assets</b>						
Invested in capital assets, net of debt	\$ 722,974	\$ 2,751,966	\$ -	\$ -	\$ -	\$ 3,474,940
Restricted for debt service	-	-	-	-	-	-
Unrestricted	1,134,957	(8,068)	84,102	2,124,391	842,002	4,177,384
<b>Total Net Assets</b>	<b>\$ 1,857,931</b>	<b>\$ 2,743,898</b>	<b>\$ 84,102</b>	<b>\$ 2,124,391</b>	<b>\$ 842,002</b>	<b>\$ 7,652,324</b>

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

City of Quincy, Illinois  
Combining Statement of Revenues, Expenses and Changes in Net Assets - Governmental-Type Activities  
Internal Service Funds  
For the Year Ended April 30, 2010

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Operating Revenues</b>						
Charges for services	\$ 1,467,768	\$ 686,376	\$ 19,450	\$ 1,348,860	\$ 5,445,044	\$ 8,967,498
Miscellaneous	23,903	11,619	-	1,855	-	37,377
<b>Total Revenues</b>	<b>\$ 1,491,671</b>	<b>\$ 697,995</b>	<b>\$ 19,450</b>	<b>\$ 1,350,715</b>	<b>\$ 5,445,044</b>	<b>\$ 9,004,875</b>
<b>Operating Expenses</b>						
Salaries and wages	\$ 474,695	\$ 1,439,879	\$ -	\$ 159,330	\$ -	\$ 2,073,904
Benefits	230,622	669,104	-	80,719	-	980,445
Purchased services	196,749	1,099,265	-	1,242,468	-	2,538,482
Supplies	863,282	205,596	-	16,202	-	1,085,080
Claims	-	-	22,932	10,547	5,377,442	5,410,921
Other	-	-	-	50,412	-	50,412
Depreciation expense	155,633	67,792	-	-	-	223,425
<b>Total Operating Expenses</b>	<b>\$ 1,920,981</b>	<b>\$ 3,481,636</b>	<b>\$ 22,932</b>	<b>\$ 1,559,678</b>	<b>\$ 5,377,442</b>	<b>\$ 12,362,669</b>
<b>Operating Income</b>	<b>\$ (429,310)</b>	<b>\$ (2,783,641)</b>	<b>\$ (3,482)</b>	<b>\$ (208,963)</b>	<b>\$ 67,602</b>	<b>\$ (3,357,794)</b>
<b>Nonoperating Revenues (Expenses)</b>						
Interest and investment revenue	\$ 18,355	\$ 21	\$ 1,333	\$ 28,920	\$ 14,526	\$ 63,155
Operating transfers in	364,185	2,833,600	-	-	-	3,197,785
Operating transfers out	-	-	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 382,540</b>	<b>\$ 2,833,621</b>	<b>\$ 1,333</b>	<b>\$ 28,920</b>	<b>\$ 14,526</b>	<b>\$ 3,260,940</b>
<b>Change in Net Assets</b>	<b>\$ (46,770)</b>	<b>\$ 49,980</b>	<b>\$ (2,149)</b>	<b>\$ (180,043)</b>	<b>\$ 82,128</b>	<b>\$ (96,854)</b>
Net Assets, May 1, 2009	1,904,701	2,693,918	86,251	2,304,434	759,874	7,749,178
<b>Net Assets, April 30, 2010</b>	<b>\$ 1,857,931</b>	<b>\$ 2,743,898</b>	<b>\$ 84,102</b>	<b>\$ 2,124,391</b>	<b>\$ 842,002</b>	<b>\$ 7,652,324</b>

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

City of Quincy, Illinois  
Combining Statement of Cash Flows - Governmental-Type Activities  
Internal Service Funds  
For the Year Ended April 30, 2010

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Cash Flows from Operating Activities</b>						
Receipts from customers	\$ 1,467,674	\$ 677,793	\$ -	\$ -	\$ 1,947,599	\$ 4,093,066
Payments to suppliers	(1,267,607)	(2,011,430)	-	(1,361,427)	-	(4,640,464)
Payments to employees	(520,770)	(1,529,590)	-	(160,218)	(386,860)	(2,597,438)
Internal activity-payments from other funds	-	-	19,450	1,348,682	3,505,491	4,873,623
Claims paid	-	-	(13,062)	(10,547)	(4,976,481)	(5,000,090)
Other receipts (payments)	23,903	11,619	-	(48,557)	-	(13,035)
<b>Net Cash Provided by Operations</b>	<u>\$ (296,800)</u>	<u>\$ (2,851,608)</u>	<u>\$ 6,388</u>	<u>\$ (232,067)</u>	<u>\$ 89,749</u>	<u>\$ (3,284,338)</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Operating subsidies and transfers	<u>\$ 364,185</u>	<u>\$ 2,833,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,197,785</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Purchases of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of capital assets	1,500	-	-	-	-	1,500
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>
<b>Cash Flows from Investing Activities</b>						
Interest received	<u>\$ 18,355</u>	<u>\$ 21</u>	<u>\$ 1,333</u>	<u>\$ 28,920</u>	<u>\$ 14,526</u>	<u>\$ 63,155</u>
<b>Net Cash Provided by Investing Activities</b>	<u>\$ 18,355</u>	<u>\$ 21</u>	<u>\$ 1,333</u>	<u>\$ 28,920</u>	<u>\$ 14,526</u>	<u>\$ 63,155</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ 87,240</u>	<u>\$ (17,987)</u>	<u>\$ 7,721</u>	<u>\$ (203,147)</u>	<u>\$ 104,275</u>	<u>\$ (21,898)</u>
Cash and Cash Equivalents, May 1, 2009	<u>1,151,433</u>	<u>10,880</u>	<u>86,251</u>	<u>2,353,229</u>	<u>1,095,457</u>	<u>4,697,250</u>
<b>Cash and Cash Equivalents, April 30, 2010</b>	<u><u>\$ 1,238,673</u></u>	<u><u>\$ (7,107)</u></u>	<u><u>\$ 93,972</u></u>	<u><u>\$ 2,150,082</u></u>	<u><u>\$ 1,199,732</u></u>	<u><u>\$ 4,675,352</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, 2010

	Internal Service Funds					Total Internal Service Funds
	Central Garage	Central Services	Unemployment Fund	Self Insurance Fund	Health Insurance Fund	
<b>Reconciliation of operating income to net cash flows from operating activities</b>						
<b>Operating Income</b>	\$ (429,310)	\$ (2,783,641)	\$ (3,482)	\$ (208,963)	\$ 67,602	\$ (3,357,794)
Adjustments to reconcile Operating Income:						
Amortization and depreciation	155,633	67,792	-	-	-	223,425
(Increase) Decrease in:						
Accounts receivable	(94)	(8,583)	-	(178)	8,046	(809)
Inventories	5,912	-	-	-	-	5,912
Increase (Decrease) in:						
Accounts payable	17,134	(37,465)	9,870	(22,038)	400,961	368,462
Accrued expenses	(10,126)	(25,294)	-	(4,566)	(386,860)	(426,846)
Accrued compensated absences	(35,949)	(64,417)	-	3,678	-	(96,688)
<b>Cash flows from operating activities</b>	<u>\$ (296,800)</u>	<u>\$ (2,851,608)</u>	<u>\$ 6,388</u>	<u>\$ (232,067)</u>	<u>\$ 89,749</u>	<u>\$ (3,284,338)</u>

City of Quincy, Illinois  
Combining Statement of Fiduciary Net Assets - Pension Funds  
April 30, 2010

	<b>Police Retirement Plan</b>	<b>Firefighter Retirement Plan</b>	<b>Total Retirement Plans</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 1,342,930	\$ 928,517	\$ 2,271,447
Investments	24,901,468	19,315,926	44,217,394
Receivables, net	1,654,089	2,016,057	3,670,146
<b>Total Assets</b>	<b>\$ 27,898,487</b>	<b>\$ 22,260,500</b>	<b>\$ 50,158,987</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accrued expenses	\$ -	\$ 21,755	\$ 21,755
Deferred revenue	1,414,086	1,915,110	3,329,196
<b>Total Liabilities</b>	<b>\$ 1,414,086</b>	<b>\$ 1,936,865</b>	<b>\$ 3,350,951</b>
<b>Net Assets</b>			
Held in trust for pension benefits	\$ 26,484,401	\$ 20,323,635	\$ 46,808,036
<b>Total Net Assets</b>	<b>\$ 26,484,401</b>	<b>\$ 20,323,635</b>	<b>\$ 46,808,036</b>

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



City of Quincy, Illinois  
Combining Statement of Changes in Fiduciary Net Assets - Pension Funds  
For the Year Ended April 30, 2010

	<b>Police Retirement Plan</b>	<b>Firefighter Retirement Plan</b>	<b>Total Retirement Plans</b>
<b>Additions</b>			
Taxes:			
Property taxes	\$ 1,188,234	\$ 1,517,370	\$ 2,705,604
Personal Property Replacement tax	315,163	414,777	729,940
Total taxes	<u>\$ 1,503,397</u>	<u>\$ 1,932,147</u>	<u>\$ 3,435,544</u>
Contributions:			
Plan members	\$ 480,928	\$ 375,048	\$ 855,976
	<u>\$ 480,928</u>	<u>\$ 375,048</u>	<u>\$ 855,976</u>
Investment earnings:			
Net increase (decrease) in fair value	\$ 2,151,389	\$ 1,450,589	\$ 3,601,978
Realized gain (loss) on sale of investments	130,736	614,526	745,262
Interest	748,514	319,918	1,068,432
Dividends	208,338	154,254	362,592
Total investment earnings	<u>\$ 3,238,977</u>	<u>\$ 2,539,287</u>	<u>\$ 5,778,264</u>
Total Additions	<u>\$ 5,223,302</u>	<u>\$ 4,846,482</u>	<u>\$ 10,069,784</u>
<b>Deductions</b>			
Benefits	\$ 2,019,819	\$ 2,793,775	\$ 4,813,594
Administrative expenses	118,758	144,991	263,749
Total Deductions	<u>\$ 2,138,577</u>	<u>\$ 2,938,766</u>	<u>\$ 5,077,343</u>
Change in net assets	\$ 3,084,725	\$ 1,907,716	\$ 4,992,441
Net assets, May 1, 2009	23,399,676	18,415,919	41,815,595
<b>Net assets, April 30, 2010</b>	<u><u>\$ 26,484,401</u></u>	<u><u>\$ 20,323,635</u></u>	<u><u>\$ 46,808,036</u></u>

City of Quincy, Illinois  
Combining Statement of Fiduciary Net Assets - Private Purpose Trust Funds  
April 30, 2010

	<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>
<b>Assets</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 3,258	\$ 21,047	\$ 1,762	\$ 3,074	\$ 3,825	\$ 13,606	\$ 46,572
<b>Total Assets</b>	<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>
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Assets</b>							
Restricted for future expenditures	\$ 3,258	\$ 21,047	\$ 1,762	\$ 3,074	\$ 3,825	\$ 13,606	\$ 46,572
<b>Total Net Assets</b>	<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>

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, 2010

	<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>
<b>Additions</b>							
Contributions:							
Outside agencies	\$ -	\$ 66	\$ 412	\$ 7,451	\$ 2,455	\$ 10,000	\$ 20,384
Transfers from general fund	-	5,000	-	-	-	-	5,000
	<u>\$ -</u>	<u>\$ 5,066</u>	<u>\$ 412</u>	<u>\$ 7,451</u>	<u>\$ 2,455</u>	<u>\$ 10,000</u>	<u>\$ 25,384</u>
Investment earnings:							
Interest	\$ 51	\$ 294	\$ 24	\$ 52	\$ -	\$ 275	\$ 696
Total investment earnings	<u>\$ 51</u>	<u>\$ 294</u>	<u>\$ 24</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 275</u>	<u>\$ 696</u>
Total Additions	<u>\$ 51</u>	<u>\$ 5,360</u>	<u>\$ 436</u>	<u>\$ 7,503</u>	<u>\$ 2,455</u>	<u>\$ 10,275</u>	<u>\$ 26,080</u>
<b>Deductions</b>							
Payments to others	\$ -	\$ 3,465	\$ -	\$ 11,201	\$ 1,900	\$ 5,800	\$ 22,366
Total Deductions	<u>\$ -</u>	<u>\$ 3,465</u>	<u>\$ -</u>	<u>\$ 11,201</u>	<u>\$ 1,900</u>	<u>\$ 5,800</u>	<u>\$ 22,366</u>
Change in net assets	\$ 51	\$ 1,895	\$ 436	\$ (3,698)	\$ 555	\$ 4,475	\$ 3,714
Net assets, May 1, 2009	<u>3,207</u>	<u>19,152</u>	<u>1,326</u>	<u>6,772</u>	<u>3,270</u>	<u>9,131</u>	<u>42,858</u>
<b>Net assets, April 30, 2010</b>	<u><u>\$ 3,258</u></u>	<u><u>\$ 21,047</u></u>	<u><u>\$ 1,762</u></u>	<u><u>\$ 3,074</u></u>	<u><u>\$ 3,825</u></u>	<u><u>\$ 13,606</u></u>	<u><u>\$ 46,572</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, 2010

Year Ending April 30	General Obligation Corporate Purpose Bonds Series 2004		General Obligation Corporate Purpose Bonds Series 1996		General Obligation Corporate Purpose Bonds Series 1999	
	Principal	Interest	Principal	Interest	Principal	Interest
	2011	\$ 220,000	\$ 3,850	\$ 155,000	\$ 77,300	\$ 400,000
2012	-	-	170,000	64,300	630,000	43,657
2013	-	-	175,000	52,469	55,000	25,991
2014	-	-	175,000	42,406	55,000	23,104
2015	-	-	200,000	31,625	60,000	19,950
2016	-	-	220,000	19,550	65,000	16,388
2017	-	-	230,000	6,613	65,000	12,683
2018	-	-	-	-	70,000	8,835
2019	-	-	-	-	90,000	4,275
2020	-	-	-	-	30,000	855
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
	<u>\$ 220,000</u>	<u>\$ 3,850</u>	<u>\$ 1,325,000</u>	<u>\$ 294,263</u>	<u>\$ 1,520,000</u>	<u>\$ 225,618</u>

Year Ending April 30	General Obligation Refunding Bonds Series 2005A		General Obligation Bonds Series 2006		General Obligation Capital Appreciation Bonds Series 2009A	
	Principal	Interest	Principal	Interest	Principal	Interest
	2011	\$ 195,000	\$ 408,919	\$ 188,607	\$ 6,091	\$ -
2012	285,000	400,050	30,706	172	-	160,362
2013	905,000	371,725	-	-	4,666,184	114,797
2014	955,000	325,225	-	-	-	65,039
2015	1,000,000	276,350	-	-	-	67,008
2016	1,055,000	224,975	-	-	1,930,634	39,353
2017	1,110,000	176,400	-	-	-	-
2018	1,155,000	131,100	-	-	-	-
2019	1,380,000	80,400	-	-	-	-
2020	1,320,000	26,400	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
	<u>\$ 9,360,000</u>	<u>\$ 2,421,544</u>	<u>\$ 219,313</u>	<u>\$ 6,263</u>	<u>\$ 6,596,818</u>	<u>\$ 603,125</u>

City of Quincy, Illinois  
Schedule of Long-term Debt Service Requirements (Concluded)  
April 30, 2010

Year Ending April 30	General Obligation Bonds Series 2009B		General Obligation Bonds Series 2009C		Total General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ -	\$ 57,234	\$ 58,000	\$ 309,822	\$ 1,216,607	\$ 1,089,662
2012	-	44,215	75,000	295,363	1,190,706	1,008,119
2013	-	44,215	150,000	293,413	5,951,184	902,609
2014	-	44,215	165,000	288,613	1,350,000	788,602
2015	-	44,215	180,000	282,838	1,440,000	721,985
2016	-	44,215	195,000	275,998	3,465,634	620,478
2017	-	44,215	215,000	267,613	1,620,000	507,523
2018	200,000	44,215	240,000	257,400	1,665,000	441,550
2019	205,000	38,215	260,000	245,400	1,935,000	368,290
2020	210,000	31,553	285,000	231,880	1,845,000	290,688
2021	220,000	24,203	310,000	216,490	530,000	240,693
2022	225,000	16,063	335,000	199,440	560,000	215,503
2023	185,000	7,400	360,000	180,680	545,000	188,080
2024	-	-	390,000	160,520	390,000	160,520
2025	-	-	420,000	138,290	420,000	138,290
2026	-	-	455,000	113,930	455,000	113,930
2027	-	-	490,000	87,085	490,000	87,085
2028	-	-	530,000	57,685	530,000	57,685
2029	-	-	420,000	25,620	420,000	25,620
	<u>\$ 1,245,000</u>	<u>\$ 484,171</u>	<u>\$ 5,533,000</u>	<u>\$ 3,928,077</u>	<u>\$ 26,019,131</u>	<u>\$ 7,966,911</u>

City of Quincy, Illinois  
Principal Taxpayers in the City  
April 30, 2010

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 Taxpayers	<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	2009 EAV (Approximate)	% of City's EAV
QP&S Properties, Inc.	\$ 8,268,190	2.46%
Quincy-Cullinan LLC	6,612,730	1.97%
Blessing Hospital	4,569,170	1.36%
Wis-Pak of Quincy, Inc.	3,891,540	1.16%
Orix Sansone Quincy Venture	3,570,310	1.06%
Charles & Kathie Marx, Tr	3,429,430	1.02%
Wal-Mart Real Estate Business Tr	2,995,140	0.89%
Mercantile Bank	2,806,300	0.84%
Sam's West, Inc.	2,655,540	0.79%
Lowe's Home Centers, Inc.	2,315,680	0.69%
Total of Top 10 Taxpayers	<u>\$ 41,114,030</u>	<u>12.24%</u>
Total for City of Quincy	<u>\$ 543,649,348</u>	

Source: Adams County, Illinois, Clerk's Office

City of Quincy, Illinois  
Revenue Base, Revenue Rates and Property Tax Levy  
April 30, 2010

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Residential	\$245,202,063	\$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
Farm	76,800	72,080	180,250	228,080	256,130	311,590	327,680	369,140	359,350	389,110	403,190
Commercial	84,025,086	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
Industrial	6,021,225	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
Railroads	578,831	579,002	604,770	631,838	538,427	529,754	498,841	520,149	580,234	655,126	770,619
Total (Incl. TIF)	<u>\$335,904,005</u>	<u>\$342,613,921</u>	<u>\$352,783,047</u>	<u>\$366,448,605</u>	<u>\$388,995,546</u>	<u>\$393,918,471</u>	<u>\$426,168,969</u>	<u>\$454,259,655</u>	<u>\$485,676,782</u>	<u>\$517,749,435</u>	<u>\$543,649,348</u>

Source: Adams County, Illinois, Clerk's Office

**Revenue Rates:  
Tax Rate Trends**

Purpose	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Corporate	0.65368	0.63235	0.61331	0.31588	0.21087	0.17941	0.20037	0.16764	0.11357	0.02103	-
Fire Pension	0.11048	0.14223	0.10016	0.20105	0.24610	0.23654	0.19531	0.22175	0.24485	0.29390	0.35043
Police Pension	0.10076	0.12470	0.14553	0.14825	0.17865	0.18609	0.16380	0.16906	0.20623	0.23015	0.26011
Library	0.26028	0.26185	0.27265	0.26770	0.25910	0.25874	0.27886	0.27104	0.25422	0.26646	0.19829
GOCP Bonds	0.25677	0.22690	0.21996	0.23537	0.22158	0.23599	0.23476	0.20263	0.18650	0.17649	0.23949
Total	<u>1.38197</u>	<u>1.38803</u>	<u>1.35161</u>	<u>1.16825</u>	<u>1.11630</u>	<u>1.09677</u>	<u>1.07310</u>	<u>1.03212</u>	<u>1.00537</u>	<u>0.98803</u>	<u>1.04832</u>

Source: Adams County, Illinois, Clerk's Office

**Property Tax Levy:  
Tax Extensions**

Levy Year	Assessed Valuation	Tax Extension (Excl. TIF)
1999	335,904,005	4,611,585
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

Source: Adams County, Illinois, Clerk's Office



City of Quincy, Illinois  
Debt Capacity and Debt Ratios  
April 30, 2010

Debt Capacity:  
Direct General Obligation Debt

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Obligation	\$ 19,393,160	\$ 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
Notes Payable-Bank	1,040,661	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
<b>Total</b>	<b>\$ 20,433,821</b>	<b>\$ 19,531,751</b>	<b>\$ 18,575,835</b>	<b>\$ 19,938,873</b>	<b>\$ 18,686,825</b>	<b>\$ 17,864,291</b>	<b>\$ 17,392,509</b>	<b>\$ 16,970,751</b>	<b>\$ 15,392,233</b>	<b>\$ 28,226,316</b>

Source: Comprehensive Annual Financial Report

Debt Ratios:  
Direct Debt

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Est. Full Value of Taxable Property	\$ 1,027,841,763	\$ 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
Equalized Assessed Valuation (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
Population, 2000 Census	40,366	40,366	40,366	40,366	40,366	40,366	40,366	40,366	40,366	40,366

Source: Adams County, Illinois, Clerk's Office

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Per Capita	\$ 506.21	\$ 483.87	\$ 460.19	\$ 493.95	\$ 462.93	\$ 442.56	\$ 430.87	\$ 420.42	\$ 381.32	\$ 699.26
Percent of Estimated Full Value	1.99%	1.85%	1.69%	1.71%	1.58%	1.40%	1.28%	1.16%	0.99%	1.73%
Percent of Equalized Assessed Value	5.96%	5.54%	5.07%	5.13%	4.74%	4.19%	3.83%	3.49%	2.97%	5.19%

The City has no debt limit.

City of Quincy, Illinois  
 Number of Employees and Level of Service  
 April 30, 2010

**Number of Employees**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Full-time	384	361	360	370	370	370	369	368	338
Part-time	56	59	58	57	48	48	61	53	64
<b>Total</b>	<b>440</b>	<b>420</b>	<b>418</b>	<b>427</b>	<b>418</b>	<b>418</b>	<b>430</b>	<b>421</b>	<b>402</b>

**Level of Service**

**Employee Count by Function**

**Full-time Employees Only**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police Pension	71	71	72	75	74	73	77	76	75
Fire	66	66	66	65	66	66	66	69	64
911	19	19	19	21	21	22	20	20	21
Transit	23	22	23	25	24	24	23	23	20
822 Union (Water, Sewer, Airport, Central Services)	121	103	100	100	101	101	97	99	84
Administration	84	80	80	84	84	84	86	81	74
<b>Total</b>	<b>384</b>	<b>361</b>	<b>360</b>	<b>370</b>	<b>370</b>	<b>370</b>	<b>369</b>	<b>368</b>	<b>338</b>

City of Quincy, Illinois  
Employment Rates for Quincy and Adams County  
April 30, 2010

**Demographics**

**Employment Rates for City of Quincy**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Labor Force	20,752	20,766	20,823	20,602	20,687	21,566	22,607	22,852	22,538	22,182
Employed	19,858	19,680	19,678	19,309	19,601	20,601	21,495	21,963	21,350	20,424
Unemployed	894	1,086	1,145	1,293	1,086	965	775	889	1,188	1,758
Rate	4.3%	5.2%	5.5%	6.3%	5.2%	4.5%	3.4%	3.9%	5.3%	7.9%

Source: Illinois Department of Employment Security

**Employment Rates for Adams County**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Labor Force	35,876	35,846	35,882	35,514	35,801	37,338	39,222	39,511	38,873	38,092
Employed	34,549	34,262	34,216	33,625	34,172	35,916	37,854	38,108	36,907	35,304
Unemployed	1,327	1,584	1,666	1,889	1,629	1,422	1,368	1,403	1,966	2,788
Rate	3.7%	4.4%	4.6%	5.3%	4.6%	3.8%	3.5%	3.6%	5.1%	7.3%

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, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 30, 2010. 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 30, 2010  
Quincy, Illinois

**Report on Compliance with Requirements Applicable to 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 the compliance of the City of Quincy, Illinois with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended April 30, 2010. 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's compliance with those requirements.

In our opinion, the City of Quincy, Illinois complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended April 30, 2010.

**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 in order 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.

**Report on Compliance with Requirements Applicable to 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 30, 2010  
Quincy, Illinois

City of Quincy, Illinois  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended April 30, 2010

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Program Number	Expenditures
<b>U.S. Department of Housing &amp; Urban Development</b>			
Illinois Department of Commerce and Economic Opportunity Community Development Block Grants	14.228	07-241008	\$ 531,396
	14.228	08-240006	45,836
			<b>M</b> \$ 577,232
Illinois Housing Development Authority Home Investment Partnerships Program	14.239	HO-2834	\$ 7,175
	14.239	HS-2816	15,500
	14.239	HO-50068	132,496
	14.239	HS-50121	13,220
			<u>\$ 168,391</u>
<b>Total U.S. Department of Housing &amp; Urban Development</b>			<u>\$ 745,623</u>
<b>U.S. Department of Justice</b>			
Bulletproof Vest Partnership Grant Program	16.607		<u>\$ 900</u>
<b>Total U.S. Department of Justice</b>			<u>\$ 900</u>
<b>U.S. Department of Transportation</b>			
Illinois Department of Transportation Airport Improvement Program	20.106	3-17-0085-B3	<b>M</b> \$ 731,405
Federal Transit - Capital Investment Grants	20.500	838CVP; IL-04-0042	\$ 296,514
	20.500	805CVP; IL-03-0225	50,644
			<b>M</b> \$ 347,158
Formula Grants for other than Urbanized Areas	20.509	IL-18-X019,X020	\$ 582,770
	20.509	788CVP; IL-18-0025	197,676
			<b>M</b> \$ 780,446
Formula Grants for other than Urbanized Areas-ARRA	20.509	828CVP; IL-86-X001	<b>M</b> \$ 230,780
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	A19-4780-119	\$ 15,740
	20.601	AL0-4780-205	8,985
			<u>\$ 24,725</u>
Safety Belt Performance Grants	20.609	OP0-4780-203	\$ 11,854
	20.609	OP9-4780-120	18,904
			<u>\$ 30,758</u>
<b>Total U.S. Department of Transportation</b>			<u>\$ 2,145,272</u>
<b>U.S. Department of Homeland Security</b>			
Assistance to Firefighters Grant	97.044		<u>\$ 75,886</u>
Illinois Department of Transportation Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0208HSLR284	\$ 83,326
<b>Total U.S. Department of Homeland Security</b>			<u>\$ 159,212</u>
<b>Total Federal Expenditures</b>			<u><u>\$ 3,051,007</u></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, 2010, Non-monetary federal awards were received for various vehicles from the Illinois Department of Transportation totaling \$775,614.

**4. Insurance**

As of and for the year ended April 30, 2010, the City had no federal insurance in effect.

**5. Federal Loans or Loan Guarantees**

As of and for the year ended April 30, 2010, the City had no federal loans or loan guarantees.

**1. Summary of Auditors' Results**

- A. The auditors' 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 auditors' 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:
  - Community Development Block Grants (CFDA #14.228)
  - Airport Improvement Program (CFDA #20.106)
  - Federal Transit – Capital Investment Grants (CFDA #20.500)
  - Formula Grants for other than Urbanized Areas (CFDA #20.509)
  - Formula Grants for other than Urbanized Areas - ARRA (CFDA #20.509)
- 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**

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

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



City of Quincy, Illinois  
Section 5311 Grant Reimbursement  
FY 2010  
Contract Number 3853

	Administrative Expenses	Operating Expenses	Total	Grant Total
Expenses per Single Audit	\$ 430,848	\$ 2,388,568	\$ 2,819,416	
Less: Ineligible Expenses	\$ -	\$ -	\$ -	
Net Eligible Expenses	430,848	2,388,568	2,819,416	
Less: Total Operating Revenues (Per Section 5311 Report)		\$ 94,372	\$ 94,372	
Section 5311 Operating Deficit		\$ 2,294,196		
Section 5311 Deficit			\$ 2,725,044	
Section 5311 Reimbursement %	80%	50%		
A) Eligible Reimbursement per %	\$ 344,678	\$ 1,147,098		\$ 1,491,776
B) Funding Limits per Contract	N/A	N/A		\$ 582,770
C) Maximum Section 5311 Reimbursement (Lesser of A or B)	N/A	N/A	\$ 582,770	\$ 582,770
D) IDOT Payments - Section 5311 Reimbursement to Grantee	N/A	N/A		\$ 582,770
E) Amount (Over) Under Paid (C-D)	N/A	N/A		\$ -
Grantee Local Match Requirement			\$ 2,142,275	

Grantee Match Sources	Amounts
Downstate Operating Grant	\$ 1,832,620
Local Contracts	309,655
In-kind Services, Subsidies, Donations	-
	\$ 2,142,275

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-10-11-IL  
For the Year Ended June 30, 2010

**Operating Revenues and Income**

401	Passenger fares	\$ 92,351
402	Special transit fares	-
403	School bus service	-
404	Freight tariffs	-
405	Total charter service	-
406	Auxiliary revenue	-
407	Non-transportation revenue	2,020
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	582,770
413.99	Sec. 5307 capital funds applied to state eligible operating expenses	-
414	Interest Income	-
440	Subsidy from other sectors of operations	-
	<b>Total Operating Revenue</b>	<b>\$ 677,141</b>

**Operating Expenses**

501	Labor	\$ 1,239,597
502	Fringe benefits	803,888
503	Professional services	275,068
504	Materials & supplies consumed	293,661
505	Utilities	12,832
506	Casualty & liability	43,028
507	Taxes	-
508	Net purchased transportation	-
509	Miscellaneous transportation	12,695
511	Interest expense	-
512	Lease, rentals, and purchase-lease payments	2,345
	Indirect Expenses	136,302
	<b>Total Operating Expenses</b>	<b>2,819,416</b>
	Less Ineligible Expenses:	
	APTA and IPTA dues	\$ -
	Other	-
	<b>Total Eligible Operating Expenses</b>	<b>\$ 2,819,416</b>

City of Quincy, Illinois  
Schedule of Revenue and Expense (Concluded)  
under Downstate Operating Assistance Grant OP-10-11-IL  
For the Year Ended June 30, 2010

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<b>Total Eligible Operating Expenses</b>	<u>\$ 2,819,416</u>
<b>Total Operating Revenue and Income</b>	<u>677,141</u>
<b>Deficit</b>	<u>\$ 2,142,275</u>
65% of Eligible Expense	<u>1,832,620</u>
Eligible Downstate Operating Assistance (Deficit or 65% of eligible expense, whichever is less)	<u>\$ 1,832,620</u>
FY 10 Downstate Operating Assistance Received	<u>1,832,620</u>
FY 10 Downstate Operating Assistance (Over)/Under Paid	<u>\$ -</u>