

**CITY OF GALVA, ILLINOIS**

Annual Financial Report  
and  
Independent Auditor's Report

For the Year Ended

April 30, 2023



**HOFFMAN & TRANEL, PC**

Certified Public Accountants

Rock Island, Illinois

October 16, 2023

**CITY OF GALVA, ILLINOIS**  
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**April 30, 2023**

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**CITY OF GALVA, ILLINOIS  
OFFICIALS  
April 30, 2023**

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<u>Name</u>	<u>Title</u>	<u>Term Expires/Expired</u>
<b>Current Elected Officials:</b>		
Rich Volkert	Mayor	April 2027
Debbie VanWassenhove	City Clerk	April 2027
David Dyer	City Administrator	
Melissa Halsall	Treasurer	April 2027
James Hartman	Alderman	April 2025
Jayne Hopping	Alderman	April 2025
Jackie Clucas	Alderwoman	April 2027
Rick Otterstrom	Alderman	April 2027
Doug Anderson	Alderman	April 2025
Jeff Olson	Alderman	April 2027



HOFFMAN & TRANEL, PC  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

President and Trustees of  
City of Galva, Illinois  
Henry County, Illinois

### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Galva, Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Galva, Illinois' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Galva, Illinois, as of April 30, 2023, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Galva, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial

likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Galva, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Galva, Illinois' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Other Matters**

##### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of the City of Galva, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Galva, Illinois' internal control over financial reporting and compliance.

*Hoffman & Tranel, PC*

Rock Island, Illinois  
October 16, 2023

**CITY OF GALVA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2023**

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The City of Galva, Illinois provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of its financial activities are for the fiscal year ended April 30, 2023. We encourage readers to consider this information in conjunction with the City's financial statements.

2023 Financial Highlights

The City of Galva, Illinois takes pride in recognizing its financial position. The City has successfully recorded positive fund balances and sufficient revenues to provide services required of the City.

Revenues of the City's governmental activities increased 0.87%, or approximately \$34,400, compared to the prior fiscal year. Program expenses of the City's governmental activities increased 0.09%, or approximately \$2,800, over the prior fiscal year.

The City's net position increased \$278,402, from April 30, 2022 to April 30, 2023. Of this amount, the net position of the governmental activities increased \$692,114 and the net position of the business type activities decreased \$413,712. The City expended \$25,340 for their Façade Program that was designed to help local businesses to improve the aesthetics of the City.

As of April 30, 2023, and 2022, cash balances were as follows:

	<u>2023</u>	<u>2022</u>
General Funds	\$ 1,820,765	\$ 1,501,692
Special Revenue Funds	(476,819)	(906,232)
Proprietary Funds	<u>537,518</u>	<u>875,597</u>
	<u>\$ 1,881,464</u>	<u>\$ 1,471,057</u>

Using This Annual Report

The annual report consists of a series of financial statements and other information, as follows:

*Management's Discussion and Analysis* introduces the basic financial statements and provides an analytical overview of the City's financial activities.

*Government-wide Financial Statements* consist of a statement of net position and a statement of activities. These provide information about the activities of the City of Galva, Illinois as a whole and present an overall view of the City's finances.

The *Fund Financial Statements* tell how governmental services were financed in the short-term as well as what remains for future spending. Fund Financial Statements report the City's operations in more detail than the government-wide financial statements by providing information about the most significant funds.

*Notes to the Financial Statements* provide additional information essential to a full understanding of the data provided in the basic financial statements.

*Other Information* further explains and supports the financial statements with a comparison of the City's budget for the year as well as presenting the Schedule of Funding Progress for the City Retirement Plan.

*Other Supplementary Information* provides detailed information about the City's nonmajor governmental funds.

**CITY OF GALVA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2023**

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Reporting the City's Financial Activities

- Government-wide Financial Statements

The statement of net position - modified cash basis and the statement of activities - modified cash basis report all assets and liabilities using the modified cash basis of accounting with the difference between the two reported as net position. All the current year's revenues and expenses are taken into account based on when cash is received or paid. Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities - modified cash basis present information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs based on the timing of related cash flows.

The statement of net position - modified cash basis and the statement of activities - modified cash basis report two kinds of activities:

*Governmental activities* include general administration, public safety, highway and streets, parks and recreation, economic development, debt service, and capital projects. Property tax and intergovernmental payments finance most of these activities.

*Business type* activities include the water and sewer systems as well as garbage collection services. The activities are financed primarily by user charges.

- Fund Financial Statements

The City has two kinds of funds:

*Governmental funds* account for most of the City's basic services. These focus on how money flows into and out of those funds and the balances at year end that are available for spending.

Governmental funds include: the General Fund, Special Revenue Funds, such as the Motor Fuel Tax and the TIF Funds. These funds are reported using the current financial resources measurement focus and modified cash basis of accounting. The governmental fund financial statements provide a detailed, short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The required financial statements for governmental funds include a balance sheet - modified cash basis and a statement of revenues, expenditures and changes in fund balances - modified cash basis. Reconciliation between the government-wide financial statements and the fund financial statements follow the fund financial statements.

*Proprietary funds* account for the services for which the City charges customers for the service it provides. Proprietary funds are reported in the same way all activities are reported in the statement of net position - modified cash basis and the statement of activities - modified cash basis. The major difference between the proprietary funds and the business type activities included in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary fund financial statements. Proprietary funds include the Water and Sewer Fund and

**CITY OF GALVA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2023**

Reporting the City's Financial Activities (continued)

the Refuse Fund, each considered to be a major fund of the City. The City is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

The financial statements required for proprietary funds include a statement of net position - modified cash basis, a statement of revenues, expenses and changes in fund net position - modified cash basis and a statement of cash flows.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net position for governmental and business-type activities.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>April 30, 2023</u>	<u>April 30, 2022</u>	<u>April 30, 2023</u>	<u>April 30, 2022</u>	<u>April 30, 2023</u>	<u>April 30, 2022</u>
Current and Other Assets	\$ 1,343,946	\$ 595,460	\$ 537,518	\$ 875,597	\$ 1,881,464	\$ 1,471,057
Capital Assets	<u>3,458,719</u>	<u>3,564,257</u>	<u>4,077,732</u>	<u>4,129,128</u>	<u>7,536,451</u>	<u>7,693,385</u>
Total Assets	<u>\$ 4,802,665</u>	<u>\$ 4,159,717</u>	<u>\$ 4,615,250</u>	<u>\$ 5,004,725</u>	<u>\$ 9,417,915</u>	<u>\$ 9,164,442</u>
Long-Term Liabilities	\$ 360,682	\$ 410,701	\$ 1,906,944	\$ 1,883,057	\$ 2,267,626	\$ 2,293,758
Other Liabilities	<u>811</u>	<u>(42)</u>	<u>8,119</u>	<u>7,769</u>	<u>8,930</u>	<u>7,727</u>
Total Liabilities	<u>\$ 361,493</u>	<u>\$ 410,659</u>	<u>\$ 1,915,063</u>	<u>\$ 1,890,826</u>	<u>\$ 2,276,556</u>	<u>\$ 2,301,485</u>
Net Position:						
Invested in Capital Assets,						
Net of Related Debt	\$ 3,098,037	\$ 3,153,556	\$ 2,170,788	\$ 2,246,071	\$ 5,268,825	\$ 5,399,627
Restricted Net Assets	196,953	149,123	-	-	196,953	149,123
Unrestricted Net Assets	<u>1,146,182</u>	<u>446,379</u>	<u>529,399</u>	<u>867,828</u>	<u>1,675,581</u>	<u>1,314,207</u>
Total Net Position	<u>\$ 4,441,172</u>	<u>\$ 3,749,058</u>	<u>\$ 2,700,187</u>	<u>\$ 3,113,899</u>	<u>\$ 7,141,359</u>	<u>\$ 6,862,957</u>
Total Liabilities & Net Position	<u>\$ 4,802,665</u>	<u>\$ 4,159,717</u>	<u>\$ 4,615,250</u>	<u>\$ 5,004,725</u>	<u>\$ 9,417,915</u>	<u>\$ 9,164,442</u>

Net position of governmental activities increased approximately \$692,100, or 18.46%. Net position of business-type activities decreased approximately \$413,700, or 13.29%. The largest portion of the City's net position was invested in capital assets. Restricted net position represent resources subject to external restrictions. Unrestricted net position, the part of the net position that can be used to finance day-to-day operations, was approximately \$1,146,200 at the end of this year.

**CITY OF GALVA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2023**

Government-Wide Financial Analysis (continued)

	<u>Changes in Net Position for the Year Ended April 30</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Program revenues:						
Charges for Service	\$ 514,198	\$ 468,961	\$ 1,319,689	\$ 1,291,788	\$ 1,833,887	\$ 1,760,749
Operating Grants and Contributions	223,543	315,244	-	-	223,543	315,244
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues:						
Property Tax	2,055,765	2,054,684	71,110	38,424	2,126,875	2,093,108
Replacement Tax	151,197	115,337	-	-	151,197	115,337
State Taxes	1,013,543	983,711	-	-	1,013,543	983,711
Unrestricted Interest on Investments	6,225	6,085	2,061	345	8,286	6,430
Miscellaneous	18,576	61,590	4,805	-	23,381	61,590
Gain (Loss) on Sale	-	(56,967)	-	-	-	(56,967)
<b>Total Revenues</b>	<b><u>\$ 3,983,047</u></b>	<b><u>\$ 3,948,645</u></b>	<b><u>\$ 1,397,665</u></b>	<b><u>\$ 1,330,557</u></b>	<b><u>\$ 5,380,712</u></b>	<b><u>\$ 5,279,202</u></b>
Program Expenses:						
General						
Administration	\$ 450,142	\$ 445,180	\$ -	\$ -	\$ 450,142	\$ 445,180
Public Safety	590,569	553,869	-	-	590,569	553,869
Emergency Services	352,171	350,848	-	-	352,171	350,848
Parks and Recreation	98,030	31,790	-	-	98,030	31,790
Cemetery	63,498	59,684	-	-	63,498	59,684
Economic Development	1,057,115	1,247,236	-	-	1,057,115	1,247,236
Streets and Highways	614,408	534,563	-	-	614,408	534,563
Landfill	-	-	-	-	-	-
Water & Sewer	-	-	1,631,308	1,156,746	1,631,308	1,156,746
Refuse	-	-	245,069	216,492	245,069	216,492
<b>Total Expenses</b>	<b><u>\$ 3,225,933</u></b>	<b><u>\$ 3,223,170</u></b>	<b><u>\$ 1,876,377</u></b>	<b><u>\$ 1,373,238</u></b>	<b><u>\$ 5,102,310</u></b>	<b><u>\$ 4,596,408</u></b>
Excess(Deficit) Before Transfers	\$ 757,114	\$ 725,475	\$ (478,712)	\$ (42,681)	\$ 278,402	\$ 682,794
Transfers	(65,000)	-	65,000	-	-	-
<b>Change in Net Position</b>	<b>\$ 692,114</b>	<b>\$ 725,475</b>	<b>\$ (413,712)</b>	<b>\$ (42,681)</b>	<b>\$ 278,402</b>	<b>\$ 682,794</b>
Net Position, Beginning of Year	<u>3,749,058</u>	<u>3,023,583</u>	<u>3,113,899</u>	<u>3,156,580</u>	<u>6,862,957</u>	<u>6,180,163</u>
<b>Net Position, End of Year</b>	<b><u>\$ 4,441,172</u></b>	<b><u>\$ 3,749,058</u></b>	<b><u>\$ 2,700,187</u></b>	<b><u>\$ 3,113,899</u></b>	<b><u>\$ 7,141,359</u></b>	<b><u>\$ 6,862,957</u></b>

The City's net position of governmental activities increased approximately \$692,100 during the year. Total revenues for the governmental activities increased by approximately \$34,400 from the prior year.

The City's net position of business-type activities decreased approximately \$413,700 during the year. Charges for Services increased approximately \$67,100 during the year.

The cost of all governmental activities this year was approximately \$3,226,900 compared to approximately \$3,223,200 last year. The City made \$50,019 in principal payments on notes payable from General and TIF funds.

**CITY OF GALVA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2023**

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Capital Assets and Debt Administration

The City's capital assets include land, land improvements, infrastructure, buildings and equipment. Capital assets of governmental activities totaled \$3,458,719, net of accumulated depreciation at April 30, 2023. Capital assets of business type activities total \$4,077,732, net of accumulated depreciation, at April 30, 2023.

Additional information about the City's capital assets is presented in Note 5 to the financial statements.

At April 30, 2023, the City had \$360,682 of long-term debt outstanding for governmental activities and \$1,906,944 for business-type activities. Additional information about the City's long-term debt is presented in Note 6 to the financial statements.

The Future of the City of Galva, Illinois

As part of a strategy to encourage growth and development, the City of Galva, Illinois continues to operate three tax financing increment districts.

The City's Special Revenue Funds operate with limitations, as the use of these funds is restricted to redevelopment and road purposes. The City of Galva, Illinois presently knows of no other facts, decisions, or conditions that would have a significant impact on its financial position or its operations. The City must acknowledge that state and federal mandates often impact the funding of governmental operations and can change a governmental body's status very rapidly.

Contacting the City's Financial Management

This report is designed to provide our citizens and businesses with a general overview of the City's finances and operating activities. If you have questions about this report or require additional financial information, contact the City of Galva, Illinois at 311 N.W. 4th Ave, Galva, IL 61434, or by telephone at (309) 932-2555.

Rich Volkert  
City Mayor

## BASIC FINANCIAL STATEMENTS

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**April 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 1,343,946	\$ 537,518	\$ 1,881,464
Construction in Progress	-	-	-
<b>Total Current Assets</b>	<b>\$ 1,343,946</b>	<b>\$ 537,518</b>	<b>\$ 1,881,464</b>
Non Current Assets			
Land	\$ 1,113,876	\$ 30,938	\$ 1,144,814
Capital Assets	4,695,908	12,051,590	16,747,498
Accumulated Depreciation	(2,351,065)	(8,004,796)	(10,355,861)
<b>Total Non Current Assets</b>	<b>\$ 3,458,719</b>	<b>\$ 4,077,732</b>	<b>\$ 7,536,451</b>
<b>Total Assets</b>	<b>\$ 4,802,665</b>	<b>\$ 4,615,250</b>	<b>\$ 9,417,915</b>
<b>LIABILITIES</b>			
Current Liabilities			
Customer Deposits	\$ -	\$ 8,119	\$ 8,119
Payroll Liabilities	811	-	811
Long Term Liabilities			
Due Within One Year	23,126	224,238	247,364
<b>Total Current Liabilities</b>	<b>\$ 23,937</b>	<b>\$ 232,357</b>	<b>\$ 256,294</b>
Long Term Liabilities			
Due in More Than One Year	\$ 337,556	1,682,706	\$ 2,020,262
<b>Total Liabilities</b>	<b>\$ 361,493</b>	<b>\$ 1,915,063</b>	<b>\$ 2,276,556</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 3,098,037	\$ 2,170,788	\$ 5,268,825
Restricted			
Liability Insurance	-	-	-
Illinois Municipal Retirement Fund	75,934	-	75,934
Unemployment Insurance	14,165	-	14,165
Workers Compensation	10,452	-	10,452
Fire Department	1,561	-	1,561
Landfill	65,596	-	65,596
Cemetery	29,245	-	29,245
Unrestricted	1,146,182	529,399	1,675,581
<b>Total Net Position</b>	<b>\$ 4,441,172</b>	<b>\$ 2,700,187</b>	<b>\$ 7,141,359</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 4,802,665</b>	<b>\$ 4,615,250</b>	<b>\$ 9,417,915</b>

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**For the Fiscal Year Ended April 30, 2023**

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General Administration	\$ 450,142	\$ 160,599	\$ 198,443	\$ -	\$ (91,100)	\$ -	\$ (91,100)
Public Safety	590,569	104,954	-	-	(485,615)	-	(485,615)
Emergency & Fire Services	352,171	156,252	25,100	-	(170,819)	-	(170,819)
Parks and Recreation	98,030	-	-	-	(98,030)	-	(98,030)
Cemetery	63,498	92,393	-	-	28,895	-	28,895
Economic Development	1,057,115	-	-	-	(1,057,115)	-	(1,057,115)
Streets and Highways	614,408	-	-	-	(614,408)	-	(614,408)
Landfill	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 3,225,933</b>	<b>\$ 514,198</b>	<b>\$ 223,543</b>	<b>\$ -</b>	<b>\$ (2,488,192)</b>	<b>\$ -</b>	<b>\$ (2,488,192)</b>
<b>Business-Type Activities:</b>							
Water & Sewer	\$ 1,631,308	\$ 1,092,626	\$ -	\$ -	\$ -	\$ (538,682)	\$ (538,682)
Refuse	245,069	227,063	-	-	-	(18,006)	(18,006)
<b>Total Business-Type Activities</b>	<b>\$ 1,876,377</b>	<b>\$ 1,319,689</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (556,688)</b>	<b>\$ (556,688)</b>
<b>Total Functions/Programs</b>	<b>\$ 5,102,310</b>	<b>\$ 1,833,887</b>	<b>\$ 223,543</b>	<b>\$ -</b>	<b>\$ (2,488,192)</b>	<b>\$ (556,688)</b>	<b>\$ (3,044,880)</b>
<b>General Revenues</b>							
Taxes:	Property				\$ 2,055,765	\$ 71,110	\$ 2,126,875
	Replacement				151,197	-	151,197
	Sales				316,255	-	316,255
	Income				399,098	-	399,098
	Local Use				100,579	-	100,579
	Other				197,611	-	197,611
	Interest Income				6,225	2,061	8,286
	Gain/Loss on Disposal of Capital Assets				-	-	-
	Other Income				18,576	4,805	23,381
	<b>Total General Revenues</b>				<b>\$ 3,245,306</b>	<b>\$ 77,976</b>	<b>\$ 3,323,282</b>
Change in Net Position					\$ 757,114	\$ (478,712)	\$ 278,402
Transfer					(65,000)	65,000	-
Net Position, Beginning of Year					3,749,058	3,113,899	6,862,957
Net Position, End of Year					<b>\$ 4,441,172</b>	<b>\$ 2,700,187</b>	<b>\$ 7,141,359</b>

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED CASH BASIS -**  
**GOVERNMENTAL FUNDS**  
**April 30, 2023**

	General Fund	Special Revenue TIF #1	Special Revenue TIF #2	Special Revenue Nonmajor	Total Gov. Funds 4/30/2023
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,820,765	\$ 58,394	\$ (202,100)	\$ (333,113)	\$ 1,343,946
Total Assets	<u>\$ 1,820,765</u>	<u>\$ 58,394</u>	<u>\$ (202,100)</u>	<u>\$ (333,113)</u>	<u>\$ 1,343,946</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Payroll Liabilities	\$ 811	\$ -	\$ -	\$ -	\$ 811
Total Liabilities	<u>\$ 811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 811</u>
<b>Fund Balances</b>					
Restricted For:					
Liability Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
Illinois Municipal Retirement Fund	75,934	-	-	-	75,934
Unemployment Insurance	14,165	-	-	-	14,165
Workers Compensation	10,452	-	-	-	10,452
Fire Department	1,561	-	-	-	1,561
Landfill	65,596	-	-	-	65,596
Cemetery	29,245	-	-	-	29,245
Unassigned	<u>1,623,001</u>	<u>58,394</u>	<u>(202,100)</u>	<u>(333,113)</u>	<u>1,146,182</u>
Total Fund Balances	<u>\$ 1,819,954</u>	<u>\$ 58,394</u>	<u>\$ (202,100)</u>	<u>\$ (333,113)</u>	<u>\$ 1,343,135</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,820,765</u>	<u>\$ 58,394</u>	<u>\$ (202,100)</u>	<u>\$ (333,113)</u>	<u>\$ 1,343,946</u>

**CITY OF GALVA, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**April 30, 2023**

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Total fund balance – total governmental funds \$ 1,343,135

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Capital assets of \$5,809,784 net of accumulated depreciation (\$2,351,065). In the Statement of Net Position, capital assets are reported at historical cost and depreciated instead of reporting them as expenditures. 3,458,719

Long-term liabilities, including notes payable are not due and payable in the current year and, therefore are not reported as liabilities in the governmental funds. (360,682)

Net Position of governmental activities \$ 4,441,172

**CITY OF GALVA, ILLINOIS**

**STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**

**GOVERNMENTAL FUNDS**

**For the Fiscal Year Ended April 30, 2023**

	General Fund	Special Revenue TIF #1	Special Revenue TIF #2	Special Revenue Nonmajor	Total Governmental Funds 4/30/2023
<b>Revenues Received</b>					
Property Tax	\$ 526,605	\$ 447,826	\$ 863,803	\$ 217,531	\$ 2,055,765
Replacement Tax	151,197	-	-	-	151,197
Sales Tax	316,255	-	-	-	316,255
Income Tax	399,098	-	-	-	399,098
Local Use Tax	100,579	-	-	-	100,579
Other Taxes	66,828	-	-	130,783	197,611
Charges for Services	514,198	-	-	-	514,198
Interest Income	6,187	-	-	38	6,225
Income from Disposal of Assets	-	-	-	-	-
Other Income	242,119	-	-	-	242,119
Loan Proceeds	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 2,323,066</b>	<b>\$ 447,826</b>	<b>\$ 863,803</b>	<b>\$ 348,352</b>	<b>\$ 3,983,047</b>
<b>Expenditures Disbursed</b>					
<b>Current</b>					
General Administration	\$ 321,058	\$ -	\$ -	\$ -	\$ 321,058
Public Safety	561,917	-	-	-	561,917
Emergency & Fire Services	330,104	-	-	-	330,104
Parks and Recreation	90,204	-	-	-	90,204
Cemetery	57,863	-	-	-	57,863
Economic Development	9,897	64,189	157,698	6,985	238,769
Streets and Highways	340,524	-	-	183,350	523,874
Landfill	-	-	-	-	-
Capital Outlays	158,360	-	-	-	158,360
<b>Debt Service</b>					
Principal	50,019	-	-	-	50,019
Development Rebate	-	-	707,427	110,919	818,346
Interest	19,900	-	-	-	19,900
<b>Total Expenditures</b>	<b>\$ 1,939,846</b>	<b>\$ 64,189</b>	<b>\$ 865,125</b>	<b>\$ 301,254</b>	<b>\$ 3,170,414</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 383,220	\$ 383,637	\$ (1,322)	\$ 47,098	\$ 812,633
Intergovernmental Transfers	(65,000)	-	-	-	(65,000)
Net Change in Fund Balance	\$ 318,220	\$ 383,637	\$ (1,322)	\$ 47,098	\$ 747,633
Fund Balances, April 30, 2022	1,501,734	(325,243)	(200,778)	(380,211)	595,502
Fund Balances, April 30, 2023	<u>\$ 1,819,954</u>	<u>\$ 58,394</u>	<u>\$ (202,100)</u>	<u>\$ (333,113)</u>	<u>\$ 1,343,135</u>

**CITY OF GALVA, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,**  
**AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF**  
**ACTIVITIES**  
**For the Fiscal Year Ended April 30, 2023**

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Excess (Deficiency) of Revenues Over (Under) Expenditures \$ 812,633

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$158,360 did not exceed depreciation expense of \$263,898 in the current period. (105,538)

Advances on long-term liabilities are another source of funds in the governmental funds, but increases long-term liabilities in the statement of net position. Repayment of long-term liabilities is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position. This is the amount that loan proceeds of \$0 did not exceed loan payments on outstanding debt in the amount of \$50,019. 50,019

Change in Net Position of governmental activities \$ 757,114

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**April 30, 2023**

**Business-Type Activities - Proprietary Funds**

	<u>Water &amp; Sewer</u>	<u>Refuse</u>	<u>Total</u>
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	\$ 277,099	\$ 260,419	\$ 537,518
Construction in Progress	-	-	-
Total Current Assets	<u>\$ 277,099</u>	<u>\$ 260,419</u>	<u>\$ 537,518</u>
Non Current Assets			
Land	\$ 30,938	\$ -	\$ 30,938
Capital Assets	12,051,590	-	12,051,590
Accumulated Depreciation	<u>(8,004,796)</u>	<u>-</u>	<u>(8,004,796)</u>
Total Non Current Assets	<u>\$ 4,077,732</u>	<u>\$ -</u>	<u>\$ 4,077,732</u>
 Total Assets	 <u>\$ 4,354,831</u>	 <u>\$ 260,419</u>	 <u>\$ 4,615,250</u>
<b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
Current Liabilities			
Customer Deposits	\$ 8,119	\$ -	\$ 8,119
Long Term Liabilities Due Within One Year	<u>224,238</u>	<u>-</u>	<u>224,238</u>
Total Current Liabilities	<u>\$ 232,357</u>	<u>\$ -</u>	<u>\$ 232,357</u>
Long Term Liabilities			
Due in More Than One Year	<u>\$ 1,682,706</u>	<u>\$ -</u>	<u>\$ 1,682,706</u>
Total Liabilities	<u>\$ 1,915,063</u>	<u>\$ -</u>	<u>\$ 1,915,063</u>
<b>Net Position</b>			
Net Investment in Capital Assets	\$ 2,170,788	\$ -	\$ 2,170,788
Unrestricted	<u>268,980</u>	<u>260,419</u>	<u>529,399</u>
Total Net Position	<u>\$ 2,439,768</u>	<u>\$ 260,419</u>	<u>\$ 2,700,187</u>
 Total Liabilities and Net Position	 <u>\$ 4,354,831</u>	 <u>\$ 260,419</u>	 <u>\$ 4,615,250</u>

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -**  
**MODIFIED CASH BASIS - PROPRIETARY FUNDS**  
**April 30, 2023**

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	<u>Business-Type Activities - Proprietary Funds</u>		
	<u>Water &amp; Sewer</u>	<u>Refuse</u>	<u>Total</u>
<b>Operating Revenues</b>			
Charges for Services	\$ 1,092,626	\$ 227,063	\$ 1,319,689
Loan Forgiveness	-	-	-
Miscellaneous Income	<u>4,805</u>	<u>-</u>	<u>4,805</u>
Total Operating Revenues	<u>\$ 1,097,431</u>	<u>\$ 227,063</u>	<u>\$ 1,324,494</u>
 <b>Operating Expense</b>			
Personnel	\$ 469,951	\$ 29,041	\$ 498,992
Contractual Services	623,499	216,028	839,527
Other Expenditures	277,750	-	277,750
Depreciation	<u>260,108</u>	<u>-</u>	<u>260,108</u>
Total Operating Expenses	<u>\$ 1,631,308</u>	<u>\$ 245,069</u>	<u>\$ 1,876,377</u>
 Operating Income (Loss)	 <u>\$ (533,877)</u>	 <u>\$ (18,006)</u>	 <u>\$ (551,883)</u>
 <b>Non-Operating Revenues (Expenses)</b>			
Property Tax	\$ 28,921	\$ 42,189	\$ 71,110
Interest Income	2,061	-	2,061
Gain (Loss) on Disposal of Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>\$ 30,982</u>	<u>\$ 42,189</u>	<u>\$ 73,171</u>
 Income (Loss) Before Transfers	 <u>\$ (502,895)</u>	 <u>\$ 24,183</u>	 <u>\$ (478,712)</u>
 Transfers	 <u>65,000</u>	 <u>-</u>	 <u>65,000</u>
 Change in Net Position	 <u>\$ (437,895)</u>	 <u>\$ 24,183</u>	 <u>\$ (413,712)</u>
 Net Position, Beginning of Year	 <u>2,877,663</u>	 <u>236,236</u>	 <u>3,113,899</u>
 Net Position, End of Year	 <u>\$ 2,439,768</u>	 <u>\$ 260,419</u>	 <u>\$ 2,700,187</u>

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**April 30, 2023**

	<b>Business-Type Activities - Proprietary Funds</b>		
	<u>Water &amp; Sewer</u>	<u>Refuse</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers and Users	\$ 1,097,781	\$ 227,063	\$ 1,324,844
Payments to Suppliers	(901,249)	(216,028)	(1,117,277)
Payments to Employees	(469,951)	(29,041)	(498,992)
Net Cash Provided By (Used In)			
Operating Activities	<u>\$ (273,419)</u>	<u>\$ (18,006)</u>	<u>\$ (291,425)</u>
<b>Cash Flows Provided By (Used In)</b>			
<b>Non - Operating Activities:</b>			
Property Tax Receipts	\$ 28,921	\$ 42,189	\$ 71,110
Transfers from Other Funds	65,000	-	65,000
Net Cash Flows Provided By (Used In)			
Non - Operating Activities	<u>\$ 93,921</u>	<u>\$ 42,189</u>	<u>\$ 136,110</u>
<b>Cash Flows from Capital and Related</b>			
<b>Financing Activities:</b>			
Purchases of Capital Assets	\$ (208,712)	\$ -	\$ (208,712)
Income from Disposal of Capital Assets	-	-	-
Loan Proceeds	193,000	-	193,000
Principal Payments	(169,113)	-	(169,113)
Net Cash Provided By (Used In)			
Operating Activities	<u>\$ (184,825)</u>	<u>\$ -</u>	<u>\$ (184,825)</u>
<b>Cash Flows Provided By (Used In)</b>			
<b>Investing Activities</b>			
Interest Income	<u>\$ 2,061</u>	<u>\$ -</u>	<u>\$ 2,061</u>
<b>Net Increase (Decrease) in Cash</b>			
<b>and Cash Equivalents</b>	\$ (362,262)	\$ 24,183	\$ (338,079)
Cash, Beginning of the Year	<u>639,361</u>	<u>236,236</u>	<u>875,597</u>
Cash, End of the Year	<u><u>\$ 277,099</u></u>	<u><u>\$ 260,419</u></u>	<u><u>\$ 537,518</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (533,877)	\$ (18,006)	\$ (551,883)
Depreciation	260,108	-	260,108
Loan Forgiveness	-	-	-
Decrease in Payables	-	-	-
Decrease in Customer Deposits	350	-	350
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (273,419)</u></u>	<u><u>\$ (18,006)</u></u>	<u><u>\$ (291,425)</u></u>

**CITY OF GALVA, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**April 30, 2023**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization, Reporting Entity, and Accounting:** City of Galva, Illinois, is a political subdivision of the State of Illinois located in Henry County. The City operates under the President-Trustee form of government with the President and Board of Trustees elected on a caucus basis. The City provides numerous services to citizens including public safety, public works, recreation, community and economic development and general governmental services. The City also provides water, sewer, and refuse services to its citizens.

The City has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the City, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service and special financing relationships. The City has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the City's financial statements. In addition, the City is not aware of any entity that would exercise such oversight as to result in the City being considered a component unit of the entity.

The accounting policies of the City conform to the modified cash basis of accounting as applicable to state and local governmental units. The following is a summary of the more significant of such policies.

**Basis of Presentation:** The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function. The City does not allocate indirect expenses to its functions. Program revenues include charges for services, grants or contributions restricted to meeting the operating or capital requirements of a particular function. The City's charges for services include charges to citizens who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Funds are grouped into three broad categories depending on whether they are used to account for governmental activities, business-type activities, or fiduciary activities. The City does not conduct any fiduciary activities, and therefore, does not use fiduciary funds.

Governmental fund types are those through which all governmental functions of the City are financed. The City's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position instead of net income determination. Governmental fund types include the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, and Permanent Funds.

**CITY OF GALVA, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**April 30, 2023**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Governmental Funds:** Funds are organized as major or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the entity, meets certain quantitative criteria, or if its operations are deemed significant by the City's management. The quantitative criteria for major fund inclusion require an individual fund to constitute at least 10% of the total assets, liabilities, revenues, or expenditures for all governmental funds. The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The **TIF #1 and TIF #2 funds** are used to account for tax increment financing district related expenditures.

The City reports the following proprietary funds:

The **Water & Sewer Fund** is used to account for the operation and maintenance of the City's water and sewer system.

The **Refuse Fund** is used to account for all the revenues and expenditures of the garbage collection operations.

**Basis of Accounting:** In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, fund equity, revenues, and expenditures when they result from cash transactions with a provision for inter-fund receivables and payables in the fund financial statements. This basis is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. The government-wide financials would be presented on the accrual basis of accounting.

**Measurement Focus:** On the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus.

The measurement focus of the fund financial statements is the flow of current financial resources, all sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Only resources available to finance current expenditures and liabilities due in the current period are presented on the Statement of Assets, Liabilities, and Fund Balances.

**CITY OF GALVA, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**April 30, 2023**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for water, sewer, and refuse. Operating expenses for proprietary funds include the cost of services, capital projects and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses.

**Fund Balance:** In the fund financial statements, governmental funds report fund balance in categories based on the level of constraint placed upon the funds. When an expenditure is incurred for which multiple fund balances are available, the City's policy is to use funds in the order of the most restrictive level to the least restrictive. These levels are as follows:

**Non-spendable** - This category represents funds not in spendable form.

**Restricted** - This category represents funds limited in use due to constraints on purpose by enabling legislation.

**Committed** - This category represents funds limited in use due to constraints on purpose and circumstances of spending imposed by the Board. Such commitment is made via formal action by the Board and must be made prior to the end of the year. A commitment can only be modified or removed by the same formal action.

**Assigned** - The category represents intentions of the Board to use the funds for specific purposes. The Board has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** - This category includes the residual classification for the City's General Fund and includes all spendable amounts not contained in other classifications.

**Net Position:** The government-wide financial statements are required to report three components of net position:

**Invested in capital assets, net of related debt** - This component of net position consists of capital assets net of accumulated depreciation and is reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets.

**Restricted** - This component of net position consists of constraints placed on net position use through external restrictions such as enabling legislation.

**Unrestricted** - This component of net position consists of net position not meeting the definition of "restricted" or "invested in capital assets, net of related debt." When an expense is incurred for which both restricted and unrestricted resources are available for use, it is the City policy to use restricted resources first, then unrestricted resources as needed.

**Budget and Budgetary Accounting:** The budgets for all funds of the City are adopted on a cash basis. Budgeted amounts are as approved by the Board of Trustees. Appropriations approved through this budgeting process lapse at year-end.

**CITY OF GALVA, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**April 30, 2023**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budgets include fund balance carried over from prior years. It is not revenue of the current period, but is presented as revenue only for budgetary purposes. In statements comparing budget to actual, beginning budgetary fund balances have been reduced for carryover and reflect the budgetary ending fund balances projected.

The budget is prepared on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

**Subsequent Events:** In accordance with the Accounting Standards Codification 855-10-20, *Subsequent Events*, these financial statements considered subsequent events through October 16, 2023, the date the financial statements were available to be issued.

**Capital Assets:** Capital Assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Assets are capitalized when they meet certain thresholds and have a useful life of more than one year.

The minimum capitalization amount for individual equipment is \$5,000, for buildings and improvements is \$10,000, and for infrastructure assets is \$50,000. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	40 years
Building Improvements	20 years
Roads	10 years
Sidewalks	10 years
Equipment	7 years
Vehicles	5 years
Computer Equipment	5 years
Water and Sewer Systems	30-40 years
Machinery, Furniture, and Equipment	5-10 years

**NOTE 2 CASH AND INVESTMENTS**

**Cash and Cash Equivalents:** The City is authorized by statute to invest public funds not currently needed for operating expenses in notes, certificates, bonds, prime eligible bankers acceptances, certain high rated commercial paper, perfected repurchase agreements, or other evidences of indebtedness which are obligations of or guaranteed by the United States of America or any of its agencies, or in time deposits or savings accounts in depositories approved by the City Trustees and the Treasurer of the State of Illinois.

**Deposits:** Deposits (cash and certificates of deposit) are carried at cost, which approximates market value. The carrying amount of deposits is separately displayed on the Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis as Cash and Cash Equivalents.

The City maintains its cash in a bank deposit account at several financial institutions, which, at times, may exceed federally insured limits. At April 30, 2023, the bank balances were \$1,969,144.

**CITY OF GALVA, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**April 30, 2023**

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**NOTE 2 CASH AND INVESTMENTS (Continued)**

The City's deposits are categorized below to give an indication of the level of risk assumed by the entity. Category 1 includes deposits that are insured or collateralized with securities held by the City or by its agent in the City's name. Category 2 includes deposits collateralized with securities held by the pledging institutions trust department or agent in the City's name. Category 3 includes deposits that are uncollateralized.

	Carrying Amount	Bank Balance
Category 1	\$ 449,393	\$ 449,393
Category 2	1,432,071	1,519,751
Category 3	--	--
	<u>\$ 1,881,464</u>	<u>\$ 1,969,144</u>

**NOTE 3 PUBLIC ENTITY RISK POOL PARTICIPATION**

The City is exposed to various risks related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To limit exposure to these risks, the City is a member of the Illinois Municipal League Risk Management Association, a joint risk management pool of State of Illinois governments through which property, general liability, automotive liability, crime, boiler and machinery, public officials' and workers' compensation coverage is provided in excess of specific limits for the members, acting as a single insurable unit. The City is liable for up to \$500 per claim deductible. The City's policy is to record any related expenditures in the year in which they are notified and pay the assessment. The City is not aware of any additional assessments due at April 30, 2023. During the year ended April 30, 2023, there were no significant changes in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**NOTE 4 PROPERTY TAXES**

The City's Henry County property taxes are levied each calendar year on all taxable real property located in the City. Property taxes attach as an enforceable lien on property as of January 1 of the levy year. A certified copy of the tax levy has to be filed annually with the Henry County Clerk on or about the third Tuesday of December.

Henry County property taxes are due in two installments payable on or about June 1 and September 1 as established by the county. The County Treasurer collects the taxes and transfers the amount collected for the City in two installments in the months of June and September. Any additional amounts collected in the calendar year are paid in November. The property taxes reflected on the Statement of Activities reflect those levied in 2021 collected in 2022.

**CITY OF GALVA, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**April 30, 2023**

**NOTE 5 CAPITAL ASSETS**

The following table indicates the capital assets and their related depreciation expense:

	Balance April 30, 2022	Current Year Additions	Current Year Dispositions	Balance April 30, 2023
<b><u>Governmental Activities</u></b>				
Capital assets not being depreciated:				
Land	\$ 1,113,876	\$ -	\$ -	\$ 1,113,876
Capital assets being depreciated:				
Buildings and improvements	\$ 2,801,596	\$ 30,000	\$ -	\$ 2,831,596
Machinery and equipment	1,735,952	128,360	-	1,864,312
Total Capital Assets				
Being Depreciated	\$ 4,537,548	\$ 158,360	\$ -	\$ 4,695,908
Accumulated Depreciation:				
Buildings and improvements	\$ 1,273,802	\$ 121,732	\$ -	\$ 1,395,534
Machinery and equipment	813,365	142,166	-	955,531
Total Accumulated Depreciation	\$ 2,087,167	\$ 263,898	\$ -	\$ 2,351,065
<b><u>Business-Type Activities</u></b>				
Capital assets not being depreciated:				
Land	\$ 30,938	\$ -	\$ -	\$ 30,938
Capital assets being depreciated:				
Buildings and improvements	\$ 753,417	\$ -	\$ -	\$ 753,417
Machinery and equipment	930,973	208,712	-	1,139,685
Water and Sewer Systems	10,158,488	-	-	10,158,488
Total Capital Assets				
Being Depreciated	\$ 11,842,878	\$ 208,712	\$ -	\$ 12,051,590
Accumulated Depreciation:				
Buildings and improvements	\$ 137,877	\$ 18,631	\$ -	\$ 156,508
Machinery and equipment	566,232	94,752	-	660,984
Water and Sewer Systems	7,040,579	146,725	-	7,187,304
Total Accumulated Depreciation	\$ 7,744,688	\$ 260,108	\$ -	\$ 8,004,796

Depreciation expense for the year ended April 30, 2023 was charged to functions as follows:

<b>Governmental Activities:</b>		<b>Business-Type Activities:</b>	
General Government	\$ 129,084	Water and Sewer	\$ 260,108
Public Safety	28,652	Total Business-Type Activities	<u>\$ 260,108</u>
Emergency & Fire Services	21,552		
Parks and Recreation	7,826		
Transportation	71,942		
Cemetery	4,842		
Total Governmental Activities	<u>\$ 263,898</u>		

**CITY OF GALVA, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**April 30, 2023**

**NOTE 6 LONG TERM DEBT**

At April 30, 2023, the City's long-term debt consisted of the following notes payable:

Installment loan agreement with Community State Bank dated November 10, 2016, due in annual installments including 3.00% interest.	\$ 230,278
Installment loan agreement with Community State Bank dated May 22, 2019, due in annual installments including 4.85% interest.	304,000
Installment loan agreement with Community State Bank dated February 13, 2020, due in annual installments including 4.65% interest.	85,071
Installment loan agreement with Community State Bank dated July 16, 2020, due in annual installments including 3.25% interest.	56,927
Installment loan agreement with Community State Bank dated July 20, 2022 due in annual installments including 4.50% interest.	193,000
Installment loan agreement with Illinois Environmental Protection Agency dated August 31, 2015, due in monthly installments including 1.995% interest.	669,285
Installment loan agreement with Illinois Environmental Protection Agency dated December 15, 2015, due in monthly installments including 1.995% interest.	<u>729,065</u>
	\$ 2,267,626
Less current portion	<u>(247,364)</u>
<b>Total</b>	<b><u>\$ 2,020,262</u></b>

Maturities of long term debt are as follows during the periods ended April 30:

Year Ending	Principal	Interest	Total
2024	\$ 247,364	\$ 65,211	\$ 312,575
2025	253,914	58,660	312,574
2026	233,421	47,586	281,007
2027	216,040	42,675	258,715
2028	155,286	35,017	190,303
2029-2033	878,065	76,575	954,640
2034-2038	<u>283,536</u>	<u>7,917</u>	<u>291,453</u>
<b>Total</b>	<b><u>\$ 2,267,626</u></b>	<b><u>\$ 333,641</u></b>	<b><u>\$ 2,601,267</u></b>

Changes in long term liabilities for the year ended April 30, 2023 were as follows:

	Balance April 30, 2022	Current Year Additions	Current Year Payments	Loan Transfer	Balance April 30, 2023
<b>Governmental Activities:</b>					
Notes Payable	\$ 410,701	\$ -	\$ (50,019)	\$ -	\$ 360,682
<b>Business-Type Activities:</b>					
Notes Payable	<u>1,883,057</u>	<u>193,000</u>	<u>(169,113)</u>	-	<u>1,906,944</u>
<b>Total</b>	<b><u>\$ 2,293,758</u></b>	<b><u>\$ 193,000</u></b>	<b><u>\$ (219,132)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,267,626</u></b>

As of April 30, 2023, the City's legal debt margin was as follows:

Assessed Valuation	<u>\$ 58,256,660</u>
Statutory debt limitation (8.625% of assessed valuation)	<u>5,024,637</u>
Unused legal debt capacity	<u>\$ 2,757,011</u>

**CITY OF GALVA, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**April 30, 2023**

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**NOTE 7 UNEARNED REVENUE**

The City is the lessor of real estate located at 358 Front Street, Galva, Illinois. The three-year lease agreement with The University of Illinois requires rent of \$13,000 annually.

The City is the lessor of real estate located at 331 Market Street, Galva, Illinois. The one-year lease agreement with Enchanted Florist requires rent of \$400 monthly.

**NOTE 8 DEFINED BENEFIT PENSION PLAN**

The City participates in an employer's defined benefit pension plan, Illinois Municipal Retirement (IMRF) an agent multiple-employer plan. The City's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. 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 City's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for the calendar year 2022 was 2.06%. The employer 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 benefits rate is set by statute.

For the calendar year ending December 31, 2022, the City's annual pension cost of \$17,590 for the Regular plan was equal to the City's required and actual contributions.

As of December 31, 2022, the City's pension plan membership consisted of 14 retirees and beneficiaries, 9 inactive, non-retired members, and 15 active members.

The City's net pension liability was measured as of December 31, 2022, and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Asset Valuation Method	Market value of assets
Price inflation	2.25%
Salary increases	2.85% to 13.75%
Investment rate of return	7.25%

**CITY OF GALVA, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**April 30, 2023**

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**NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)**

The total pension liability retirement age projection was from the experience-based table of rates, that are specific to the type of eligibility condition. The table of rates was last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019. For non-disabled retirees, mortality rates were based on the Pub-2010, Amount Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, mortality rates were based on the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, mortality rates were based on the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The contribution rate retirement age projection was from the experience-based table of rates, that are specific to the type of eligibility condition. The table of rates was last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019. For non-disabled retirees, mortality rates were based on the Pub-2010, Amount Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, mortality rates were based on the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, mortality rates were based on the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Governmental Accounting Standards Board Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required.

The single discount rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the City's valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.05%; and the resulting single discount rate is 7.25%.

**CITY OF GALVA, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**April 30, 2023**

**NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)**

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance, December 31, 2021	4,187,332	5,481,051	(1,293,719)
Changes for the Year			
Service cost	72,122	-	72,122
Interest	298,925	-	298,925
Changes of benefit terms	-	-	-
Differences between expected and actual experience	48,037	-	48,037
Changes of assumptions	-	-	-
Contributions - employer	-	17,589	(17,589)
Contributions - employee	-	47,252	(47,252)
Net investment income	-	(664,750)	664,750
Benefit payments, including refunds of employee contributions	(200,584)	(200,584)	-
Other	-	(9,578)	9,578
Net Changes	<u>218,500</u>	<u>(810,071)</u>	<u>1,028,571</u>
Balance, December 31, 2022	<u>4,405,832</u>	<u>4,670,980</u>	<u>(265,148)</u>

Plan fiduciary net position as a percentage of the total pension liability is 106.02%.

The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability would be if it were to be calculated using discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate. This shows the sensitivity of the net pension liability to the single discount rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 4,895,343	\$ 4,405,832	\$ 4,022,040
Plan Fiduciary Net Position	\$ 4,670,980	\$ 4,670,980	\$ 4,670,980
Net Pension Liability/(Asset)	\$ 224,363	\$ (265,148)	\$ (648,940)

The required contribution for 2022 was determined as part of the December 31, 2020, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2020, included (a) 7.25% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a 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

**CITY OF GALVA, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**April 30, 2023**

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**NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)**

value of the City's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's Regular plan's overfunded actuarial accrued liability at December 31, 2020 is being amortized as a level percentage of projected payroll on an open 21-year basis.

As of December 31, 2022, the most recent actuarial valuation date, the Regular plan was 127.52% funded. The actuarial accrued liability for benefits was \$2,459,522 and the actuarial value of assets was \$3,136,403, resulting in an overfunded actuarial accrued liability (UAAL) of \$676,881. The covered payroll for calendar year 2022 (annual payroll of active employees covered by the plan) was \$853,867. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as other information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 9 LINES OF CREDIT**

The City has a credit agreement with Fast Stop under which it has an unlimited credit line up to that bears no interest. The City has utilized \$2,064 of the credit line as of April 30, 2023.

**NOTE 10 SUBSEQUENT EVENTS**

The City entered into an agreement on July 14, 2023 to purchase 44.43 acres in the amount of \$981,903.

The City entered into an agreement on June 19, 2023 to purchase 118 Exchange St, Galva, IL in the amount of \$35,000.

**NOTE 11 SUBSEQUENT EVENTS**

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

The interfund transfers for the year ended April 30, 2023 reflected a transfer from the General Fund to the Water and Sewer funds in the amount of \$65,000 for the American Rescue Plan grant for the water and sewer infrastructure.

## **OTHER INFORMATION**

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - GENERAL FUND**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 497,945	\$ 526,605	\$ 28,660
Replacement Tax	66,910	151,197	84,287
Sales Tax	241,185	316,255	75,070
Income Tax	296,796	399,098	102,302
Local Use Tax	80,486	100,579	20,093
Other Taxes	62,461	66,828	4,367
Charges for Service	252,611	514,198	261,587
Interest Income	459	6,187	5,728
Income from Disposal of Capital Assets	18,638	-	(18,638)
Other Income	430,643	242,119	(188,524)
Loan Proceeds	-	-	-
<b>Total Revenues</b>	<b>\$ 1,948,134</b>	<b>\$ 2,323,066</b>	<b>\$ 374,932</b>
<b>Expenditures:</b>			
<b>Administration</b>			
<b>Personnel:</b>			
Salaries	\$ 109,110	\$ 100,182	\$ 8,928
Health, Life, & Dental Insurance	9,949	15,887	(5,938)
Unemployment Insurance	1,578	1,115	463
Workers' Compensation	396	8,281	(7,885)
Social Security & Medicare Tax	8,347	8,307	40
IMRF Retirement Contributions	8,372	1,309	7,063
<b>Contractual Services:</b>			
Maintenance Services - Building	6,407	559	5,848
Maintenance Services - Equipment	1,875	-	1,875
Maintenance Services - Vehicle	1,650	1,138	512
Accounting Service	20,042	16,810	3,232
Engineering Service	1,500	850	650
Legal Service	12,834	6,514	6,320
Janitorial Service	11,250	7,700	3,550
Data Processing Service	1,911	-	1,911
Other Professional Services	12,185	10,022	2,163
Postage	4,256	5,969	(1,713)
Telephone	8,976	4,120	4,856
Publishing & Printing	2,848	2,036	812
Dues	10,598	5,028	5,570
Travel	1,331	433	898
Training	1,592	275	1,317
Publications	216	-	216
Utilities	23,372	31,273	(7,901)
Liability Insurance	6,747	19,355	(12,608)
<b>Commodities:</b>			
Office Supplies	15,272	23,259	(7,987)
Operating Supplies	2,511	1,870	641
Automotive Fuel/Oil	1,241	1,066	175

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - GENERAL FUND**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Expenditures:</b>			
<b>Administration (continued)</b>			
<b>Debt Service:</b>			
Principal	\$ -	\$ -	\$ -
Interest	-	-	-
<b>Capital Outlay:</b>			
Land	10,000	-	10,000
Building	30,000	-	30,000
Equipment	7,500	-	7,500
Vehicle	25,000	-	25,000
<b>Other Expenditures:</b>			
Community Relations	36,000	22,389	13,611
Property Taxes	4,256	11,099	(6,843)
Miscellaneous Expenses/Contingency	7,619	14,212	(6,593)
<b>Total Administration Expenses</b>	<b>\$ 406,741</b>	<b>\$ 321,058</b>	<b>\$ 85,683</b>
<b>Police Department</b>			
<b>Personnel:</b>			
Salaries	\$ 339,599	\$ 328,792	\$ 10,807
Health, Life, & Dental Insurance	78,094	93,952	(15,858)
Unemployment Insurance	2,147	1,543	604
Workers' Compensation	17,091	11,573	5,518
Social Security & Medicare Tax	25,979	25,762	217
IMRF Retirement Contributions	25,581	4,784	20,797
Uniform Allowance	4,185	1,343	2,842
<b>Contractual Services:</b>			
Maintenance Services - Building	12,500	94	12,406
Maintenance Services - Equipment	2,673	607	2,066
Maintenance Services - Vehicle	6,750	4,993	1,757
Legal Service	2,982	793	2,189
Data Processing	888	-	888
Animal Control	3,750	7,960	(4,210)
Towing & Storage	3,750	9,407	(5,657)
Other Professional Services	3,000	4,103	(1,103)
Postage	224	415	(191)
Telephone	9,863	5,611	4,252
Publishing	401	-	401
Dues	3,465	2,138	1,327
Travel Expenses	59	428	(369)
Training	5,711	1,500	4,211
Utilities	12,380	9,570	2,810
Liability Insurance	15,971	14,728	1,243
<b>Commodities:</b>			
Office Supplies	6,044	4,022	2,022
Operating Supplies	9,597	7,336	2,261
Automotive Fuel/Oil	21,983	17,193	4,790

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - GENERAL FUND**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Expenditures:</b>			
<b>Police Department (continued)</b>			
Debt Service:			
Principal	30,000	-	30,000
Interest	5,000	-	5,000
Capital Outlay:			
Building	12,500	-	12,500
Equipment	12,500	-	12,500
Vehicle	45,000	-	45,000
Other Expenditures:			
Miscellaneous Expenses/Contingency	1,406	3,270	(1,864)
<b>Total Police Department Expenses</b>	<b>\$ 721,073</b>	<b>\$ 561,917</b>	<b>\$ 159,156</b>
<b>Fire Department</b>			
Personnel:			
Salaries	\$ 8,419	\$ 8,058	\$ 361
Unemployment Insurance	226	111	115
Workers' Compensation	1,012	557	455
Social Security & Medicare Tax	644	617	27
IMRF Retirement Contributions	711	20	691
Uniform Allowance	2,834	-	2,834
Contractual Services:			
Maintenance Services - Building	5,000	236	4,764
Maintenance Services - Equipment	9,800	8,324	1,476
Maintenance Services - Vehicle	3,278	1,277	2,001
Legal Service	-	-	-
Data Processing Service	164	-	164
Other Professional Services	4,350	1,124	3,226
Postage	12	120	(108)
Telephone	6,462	2,159	4,303
Publishing	58	-	58
Dues	855	2,126	(1,271)
Travel Expenses	45	-	45
Training	1,528	850	678
Utilities	4,011	2,024	1,987
Liability Insurance	3,960	5,454	(1,494)
Commodities:			
Office Supplies	825	2,082	(1,257)
Operating Supplies	9,750	44,260	(34,510)
Automotive Fuel/Oil	821	369	452
Debt Service:			
Principal	13,178	12,563	615
Interest	1,647	515	1,132

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - GENERAL FUND**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Expenditures:</b>			
<b>Fire Department (continued)</b>			
Capital Outlay:			
Building	\$ 35,000	\$ -	\$ 35,000
Equipment	15,000	28,368	(13,368)
Other Expenditures:			
Miscellaneous Expenses/Contingency	6,998	6,887	111
<b>Total Fire Department Expenses</b>	<b>\$ 136,588</b>	<b>\$ 128,101</b>	<b>\$ 8,487</b>
<b>EMS Department</b>			
Contractual Services:			
Maintenance Services - Building	\$ 576	\$ -	\$ 576
Contractual Services:			
Legal Service	260	-	260
Other Professional Services	263,208	241,274	21,934
<b>Total EMS Department Expenses</b>	<b>\$ 264,044</b>	<b>\$ 241,274</b>	<b>\$ 22,770</b>
<b>ESDA Department</b>			
Personnel:			
Salaries	\$ 4,620	\$ 1,661	\$ 2,959
Unemployment Insurance	136	25	111
Workers' Compensation	-	-	-
Social Security & Medicare Tax	353	127	226
Contractual Services:			
Maintenance Services - Equipment	500	-	500
Postage	-	-	-
Telephone	1,088	362	726
Dues	62	-	62
Travel Expenses	16	-	16
Training	16	-	16
Utilities	22	-	22
Commodities:			
Office Supplies	500	-	500
Operating Supplies	1,500	-	1,500
Automotive Fuel/Oil	-	-	-
Other Expenditures:			
Miscellaneous Expenses/Contingency	72	-	72
<b>Total ESDA Department Expenses</b>	<b>\$ 8,885</b>	<b>\$ 2,175</b>	<b>\$ 6,710</b>
<b>Landfill Department</b>			
Commodities:			
Operating Supplies	\$ 940	\$ -	\$ 940
Other Expenditures:			
Miscellaneous Expenses/Contingency	276	-	276
<b>Total Landfill Department Expenses</b>	<b>\$ 1,216</b>	<b>\$ -</b>	<b>\$ 1,216</b>

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - GENERAL FUND**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Expenditures:</b>			
<b>Street Department</b>			
<b>Personnel:</b>			
Salaries	\$ 185,672	\$ 135,269	\$ 50,403
Health, Life, & Dental Insurance	39,453	48,129	(8,676)
Unemployment Insurance	1,010	593	417
Workers' Compensation	17,045	20,435	(3,390)
Social Security & Medicare Tax	14,204	10,348	3,856
IMRF Retirement Contributions	13,663	2,036	11,627
Uniform Allowance	2,541	100	2,441
<b>Contractual Services:</b>			
Maintenance Services - Building	3,303	1,508	1,795
Maintenance Services - Equipment	8,030	-	8,030
Maintenance Services - Vehicle	11,551	4,880	6,671
Maintenance Services - Street	8,256	-	8,256
IDOT Maintenance Agreement	-	-	-
Engineering Service	4,586	13,132	(8,546)
Legal	538	-	538
Data Processing	276	-	276
Other Professional Services	12,970	3,703	9,267
Postage	64	-	64
Telephone	-	-	-
Publishing	372	-	372
Dues	824	192	632
Travel Expenses	30	-	30
Training	364	-	364
Utilities	13,918	5,115	8,803
Street Lighting	36,249	19,268	16,981
Liability Insurance	14,770	24,006	(9,236)
Rentals/Leases	5,000	3,228	1,772
Tree Trimming	18,524	3,400	15,124
Demolition	22,028	1,068	20,960
<b>Commodities:</b>			
Maintenance Supplies - Building	196	-	196
Maintenance Supplies - Equipment	6,630	532	6,098
Maintenance Supplies - Vehicle	10,842	8,803	2,039
Maintenance Supplies - Street	5,548	-	5,548
Maintenance Supplies - Grounds	1,835	1,340	495
Office Supplies	856	-	856
Operating Supplies	86,794	20,591	66,203
Automotive Fuel/Oil	44,447	12,784	31,663
<b>Debt Service:</b>			
Principal	95,440	21,416	74,024
Interest	29,606	18,592	11,014

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - GENERAL FUND**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Expenditures:</b>			
<b>Street Department (continued)</b>			
Capital Outlay:			
Land	\$ -	\$ -	\$ -
Building	-	-	-
Equipment	50,000	99,992	(49,992)
Vehicle	110,000	-	110,000
Streets	-	-	-
Other Expenditures:			
Miscellaneous Expenses/Contingency	398	64	334
<b>Total Street Department Expenses</b>	<b>\$ 877,833</b>	<b>\$ 480,524</b>	<b>\$ 397,309</b>
<b>Cemetery Department</b>			
Personnel:			
Salaries	\$ 42,831	\$ 42,497	\$ 334
Health, Life, & Dental Insurance	1,947	2,732	(785)
Unemployment Insurance	606	547	59
Workers' Compensation	1,355	1,032	323
Social Security & Medicare Tax	3,276	3,251	25
IMRF Retirement Contributions	929	166	763
Contractual Services:			
Maintenance Services - Building	730	-	730
Maintenance Services - Equipment	842	-	842
Maintenance Services - Vehicle	606	-	606
Maintenance Services - Street	430	-	430
Data Processing	10	-	10
Other Professional Services	17,640	175	17,465
Publishing	130	273	(143)
Liability Insurance	480	684	(204)
Tree Trimming	-	800	(800)
Commodities:			
Maintenance Supplies - Equipment	1,082	471	611
Maintenance Supplies - Grounds	734	-	734
Operating Supplies	4,548	2,492	2,056
Automotive Fuel/Oil	2,728	2,743	(15)
Debt Service:			
Principal	17,094	16,040	1,054
Interest	726	793	(67)
Capital Outlay:			
Land	15,000	-	15,000
Building	5,000	-	5,000
Equipment	10,000	-	10,000
Vehicle	15,000	-	15,000
Other Expenditures:			
Miscellaneous Expenses/Contingency	318	-	318
<b>Total Cemetery Department Expenses</b>	<b>\$ 144,042</b>	<b>\$ 74,696</b>	<b>\$ 69,346</b>

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - GENERAL FUND**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Expenditures:</b>			
<b>Parks Department</b>			
Personnel:			
Salaries	\$ 14,321	15,274	\$ (953)
Health, Life, & Dental Insurance	228	-	228
Unemployment Insurance	186	105	81
Workers' Compensation	-	455	(455)
Social Security & Medicare Tax	1,096	1,168	(72)
IMRF Retirement Contributions	618	183	435
Contractual Services:			
Maintenance Services - Building	5,070	726	4,344
Maintenance Services - Equipment	180	-	180
Maintenance Services - Vehicle	90	-	90
Maintenance Services - Streets	4,900	-	4,900
Maintenance Services - Grounds	10,162	2,290	7,872
Engineering	2,500	-	2,500
Legal Service	1,000	-	1,000
Data Processing	250	-	250
Other Professional Services	13,582	11,795	1,787
Utilities	6,744	4,310	2,434
Liability Insurance	957	1,375	(418)
Tree Trimming	5,000	-	5,000
Commodities:			
Maintenance Supplies - Equipment	420	3,917	(3,497)
Maintenance Supplies - Grounds	6,272	35,995	(29,723)
Office Supplies	17	-	17
Operating Supplies	12,250	12,450	(200)
Automotive Fuel/Oil	487	161	326
Chemicals - Grounds	300	-	300
Capital Outlay:			
Building	52,500	30,000	22,500
Equipment	5,000	-	5,000
Vehicle	5,000	-	5,000
Other Expenditures:			
Miscellaneous Expenses/Contingency	53	-	53
<b>Total Parks Department Expenses</b>	<b>\$ 149,183</b>	<b>\$ 120,204</b>	<b>\$ 28,979</b>

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - GENERAL FUND**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Expenditures:</b>			
<b>Economic Development</b>			
Contractual Services:			
Meeting	\$ 2,400	\$ 72	\$ 2,328
Other Professional Services	-	-	-
US34 Logistics Corridor	-	3,000	(3,000)
Elevate Illinois	4,400	-	4,400
Henry County Economic Development	2,860	2,470	390
Galesburg Regional Economic Development	4,840	4,300	540
Galva Chamber of Commerce	-	-	-
Other Dues	-	-	-
HC ED Director	2,848	-	2,848
Travel Expenses	484	55	429
Training	132	-	132
Other Expenditures:			
Miscellaneous Expenses/Contingency	525	-	525
<b>Total Economic Development Expenses</b>	<u>\$ 18,489</u>	<u>\$ 9,897</u>	<u>\$ 8,592</u>
<b>Total Expenses</b>	<u>\$ 2,728,094</u>	<u>\$ 1,939,846</u>	<u>\$ 788,248</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		\$ 383,220	
<b>Intergovernmental Transfer</b>	5,000	(65,000)	(70,000)
<b>Fund Balance, April 30, 2022</b>		<u>1,501,734</u>	
<b>Fund Balance, April 30, 2023</b>		<u>\$ 1,819,954</u>	

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - MOTOR FUEL TAX FUND**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Motor Fuel Tax	\$ -	\$ 130,783	\$ 130,783
Other Taxes	-	-	-
Interest Income	-	38	38
Other Income	-	-	-
<b>Total Revenues</b>	<u>\$ -</u>	<u>\$ 130,821</u>	<u>\$ 130,821</u>
<b>Expenditures:</b>			
<b>Contractual Services:</b>			
Maintenance Services - Street	\$ -	\$ 88,838	\$ (88,838)
Engineering Service	-	9,760	(9,760)
<b>Commodities:</b>			
Operating Supplies	-	84,582	(84,582)
<b>Other Expenditures:</b>			
Miscellaneous Expenses/Contingency	-	170	(170)
<b>Total Motor Fuel Tax Expenses</b>	<u>\$ -</u>	<u>\$ 183,350</u>	<u>\$ (183,350)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		\$ (52,529)	
<b>Fund Balance, April 30, 2022</b>		<u>(305,542)</u>	
<b>Fund Balance, April 30, 2023</b>		<u>\$ (358,071)</u>	

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - TAX INCREMENT FINANCING FUND #1**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Property Tax	\$ 478,045	\$ 447,826	\$ (30,219)
Interest Income	-	-	-
Income from Disposal of Assets	-	-	-
Other Income	-	-	-
<b>Total Revenues</b>	<u>\$ 478,045</u>	<u>\$ 447,826</u>	<u>\$ (30,219)</u>
<b>Expenditures:</b>			
<b>Contractual Services:</b>			
Maintenance Services - Building	\$ 1,540,000	\$ 1,362	\$ 1,538,638
Maintenance Services - Equipment	5,000	-	5,000
Maintenance Services - Streets	630,000	-	630,000
Maintenance Services - Utility System	570,000	-	570,000
Maintenance Services - Grounds	5,000	-	5,000
Engineering Service	172,425	17,032	155,393
Legal Service	2,000	1,490	510
Other Professional Services	126,500	27,510	98,990
Demolition Disposal	-	4,348	(4,348)
Postage	30	49	(19)
Publishing	1,500	660	840
Travel	200	-	200
Utilities	17,142	6,710	10,432
<b>Commodities:</b>			
Maintenance Supplies - Building	2,876	-	2,876
Office Supplies	782	-	782
Operating Supplies	2,102	5,028	(2,926)
<b>Debt Service:</b>			
Principal	90,000	-	90,000
Interest	12,000	-	12,000
Development Rebate	-	-	-
<b>Capital Outlay:</b>			
Land	175,000	-	175,000
Building	67,500	-	67,500
Equipment	-	-	-
<b>Other Expenditures:</b>			
Property Taxes	13,000	-	13,000
Miscellaneous Expenses/Contingency	100	-	100
<b>Total Expenses</b>	<u>\$ 3,433,157</u>	<u>\$ 64,189</u>	<u>\$ 3,368,968</u>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over (Under) Expenditures</b>		\$ 383,637	
<b>Fund Balance, April 30, 2022</b>		<u>(325,243)</u>	
<b>Fund Balance, April 30, 2023</b>		<u>\$ 58,394</u>	

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - TAX INCREMENT FINANCING FUND #2**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Property Tax	\$ 901,034	\$ 863,803	\$ (37,231)
Interest Income	-	-	-
<b>Total Revenues</b>	<u>\$ 901,034</u>	<u>\$ 863,803</u>	<u>\$ (37,231)</u>
<b>Expenditures:</b>			
<b>Contractual Services:</b>			
Maintenance Services - Utility System	\$ -	\$ 1,537	\$ (1,537)
Maintenance Services - Grounfd	-	5,800	(5,800)
Engineering Service	-	36,977	(36,977)
Legal Service	-	2,400	(2,400)
Other Professional Services	-	87,092	(87,092)
Postage	-	75	(75)
Publishing	-	1,401	(1,401)
Utilities	-	2,196	(2,196)
<b>Commodities:</b>			
Operating Supplies	-	20,220	(20,220)
<b>Debt Service:</b>			
Development Rebate	991,137	707,427	283,710
<b>Capital Outlay:</b>			
Building	-	-	-
<b>Other Expenditures:</b>			
Miscellaneous Expenses/Contingency	-	-	-
<b>Total Expenses</b>	<u>\$ 991,137</u>	<u>\$ 865,125</u>	<u>\$ 126,012</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		\$ (1,322)	
<b>Fund Balance, April 30, 2022</b>		<u>(200,778)</u>	
<b>Fund Balance, April 30, 2023</b>		<u>\$ (202,100)</u>	

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - TAX INCREMENT FINANCING FUND #3**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Property Tax	\$ 225,684	\$ 217,531	\$ (8,153)
Interest Income	-	-	-
Total Revenues	<u>\$ 225,684</u>	<u>\$ 217,531</u>	<u>\$ (8,153)</u>
<b>Expenditures:</b>			
Contractual Services:			
Maintenance Services - Utility System	\$ -	\$ -	\$ -
Engineering Service	-	-	-
Legal Service	-	-	-
Other Professional Services	-	1,350	(1,350)
Utilities	-	-	-
Commodities:			
Operating Supplies	-	-	-
Debt Service:			
Development Rebate	247,500	110,919	136,581
Capital Outlay:			
Land	-	-	-
Other Expenditures:			
Property Taxes	5,770	5,635	135
Total Expenses	<u>\$ 253,270</u>	<u>\$ 117,904</u>	<u>\$ 135,366</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		<b>\$ 99,627</b>	
<b>Intergovernmental Transfer</b>	<b>(550,000)</b>	<b>-</b>	<b>550,000</b>
<b>Fund Balance, April 30, 2022</b>		<b>(74,669)</b>	
<b>Fund Balance, April 30, 2023</b>		<b><u>\$ 24,958</u></b>	

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - REFUSE DEPARTMENT**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Property Tax	\$ 42,519	\$ 42,189	\$ (330)
Charges for Services	163,463	227,063	63,600
Total Revenues	<u>\$ 205,982</u>	<u>\$ 269,252</u>	<u>\$ 63,270</u>
<b>Expenditures:</b>			
Personnel:			
Salaries	\$ 19,329	\$ 21,847	\$ (2,518)
Health, Life, & Dental Insurance	3,840	5,120	(1,280)
Unemployment Insurance	67	17	50
Social Security & Medicare Tax	1,478	2,057	(579)
IMRF Retirement Contributions	1,623	-	1,623
Contractual Services:			
Legal Service	-	68	(68)
Postage	486	-	486
Publishing	40	-	40
Garbage Disposal	236,029	180,511	55,518
Concrete Disposal/Recycle	37,500	29,311	8,189
Demolition Disposal	27,428	3,937	23,491
Liability Insurance	1,545	2,201	(656)
Commodities:			
Office Supplies	70	-	70
Operating Supplies	22	-	22
Miscellaneous Expenses/Contingency	20	-	20
Total Expenses	<u>\$ 329,477</u>	<u>\$ 245,069</u>	<u>\$ 84,408</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		<b>\$ 24,183</b>	
<b>Fund Balance, April 30, 2022</b>		<b><u>236,236</u></b>	
<b>Fund Balance, April 30, 2023</b>		<b><u>\$ 260,419</u></b>	

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - WATER & SEWER DEPARTMENT**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Property Tax	\$ 29,147	\$ 28,921	\$ (226)
Charges for Services	802,945	1,092,626	289,681
Interest Income	1,380	2,061	681
Loan Proceeds	192,000	193,000	1,000
Income from Disposal of Capital Assets	-	-	-
Other Income	680,922	4,805	(676,117)
Total Revenues	<u>\$ 1,706,394</u>	<u>\$ 1,321,413</u>	<u>\$ (384,981)</u>
<b>Expenditures:</b>			
<b>Administration</b>			
Personnel:			
Salaries	\$ 116,388	\$ 105,430	\$ 10,958
Health, Life, & Dental Insurance	17,427	19,964	(2,537)
Unemployment Insurance	551	166	385
Social Security & Medicare Tax	8,904	8,065	839
IMRF Retirement Contributions	9,835	1,914	7,921
<b>Operations</b>			
Personnel:			
Salaries	244,356	237,773	6,583
Health, Life, & Dental Insurance	27,691	67,268	(39,577)
Unemployment Insurance	2,288	-	2,288
Workers' Compensation	10,472	7,149	3,323
Social Security & Medicare Tax	18,693	18,190	503
IMRF Retirement Contributions	25,680	3,862	21,818
Uniform Allowance	4,004	170	3,834
Contractual Services:			
Maintenance Services - Building	6,036	-	6,036
Maintenance Services - Equipment	20,500	3,364	17,136
Maintenance Services - Vehicle	3,354	6,017	(2,663)
Maintenance Services - Utility System	95,437	66,492	28,945
Maintenance Services - Other	5,300	-	5,300
Engineering	86,582	89,184	(2,602)
Legal Service	24,540	6,377	18,163
Contractor	63,360	29,200	34,160
Sewer Pro Repair	500	-	500
Data Processing	770	-	770
Lab Analysis Service	32,960	16,108	16,852
Other Professional Services	11,278	244,543	(233,265)
Postage	3,460	2,861	599
Telephone	2,866	830	2,036
Publishing	1,497	535	962
Printing	1,805	-	1,805
Dues	13,750	7,524	6,226

**CITY OF GALVA, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - CASH BASIS - WATER & SEWER DEPARTMENT**  
**For the Fiscal Year Ended April 30, 2023**

	Original & Final Budget	Actual	Over (Under)
<b>Expenditures:</b>			
<b>Operations (continued)</b>			
<b>Contractual Services (continued):</b>			
Travel Expenses	704	602	102
Training	2,674	190	2,484
Publications	-	-	-
Utilities	123,063	87,432	35,631
Landfill Charges	-	-	-
Water Purchases	-	-	-
Fuel Purchases	-	-	-
Liability Insurance	26,651	62,240	(35,589)
Rentals	2,400	-	2,400
Other Contractual Services	2,400	-	2,400
<b>Commodities:</b>			
Maintenance Supplies - Building	1,196	5,419	(4,223)
Maintenance Supplies - Equipment	5,066	540	4,526
Maintenance Supplies - Vehicle	3,080	4,241	(1,161)
Maintenance Supplies - Street	939	62,577	(61,638)
Maintenance Supplies - Utility System	15,000	-	15,000
Maintenance Supplies - Other	3,000	8,742	(5,742)
Office Supplies	2,027	57	1,970
Operating Supplies	132,500	132,793	(293)
Small Tools	1,150	-	1,150
Janitorial Supplies	1,150	-	1,150
Automotive Fuel/Oil	25,538	21,095	4,443
Chemicals	5,000	-	5,000
<b>Debt Service:</b>			
Principal	216,246	169,113	47,133
Interest	55,001	40,527	14,474
<b>Capital Outlay:</b>			
Land	40,000	-	40,000
Building	27,500	-	27,500
Equipment	20,000	208,712	(188,712)
Vehicle	288,000	-	288,000
Utility System	742,000	-	742,000
Other	15,000	-	15,000
<b>Other Expenditures:</b>			
Miscellaneous Expenses/Contingency	21,726	1,759	19,967
<b>Total Expenses</b>	<b>\$ 2,639,295</b>	<b>\$ 1,749,025</b>	<b>\$ 890,270</b>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over (Under) Expenditures</b>		<b>\$ (427,612)</b>	
<b>Intergovernmental Transfer</b>	-	65,000	65,000
<b>Fund Balance, April 30, 2022</b>		<b>631,592</b>	
<b>Fund Balance, April 30, 2023</b>		<b>\$ 268,980</b>	

**CITY OF GALVA, ILLINOIS**  
**NOTES TO OTHER INFORMATION**  
**For the Fiscal Year Ended April 30, 2023**

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**NOTE 1 BUDGETARY INFORMATION**

The City adopts an annual appropriations ordinance on a basis consistent with the cash basis of accounting for all funds of the municipality. All annual appropriations lapse at fiscal year-end.

The City Treasurer submits to the City Board of Trustees a proposed list of appropriations for the fiscal year commencing May 1. The annual appropriations ordinance includes proposed expenditures. Public hearings are conducted to obtain taxpayer comments. Prior to the end of the first fiscal quarter, the annual appropriations ordinance is approved by resolution of the City Board of Trustees. Formal budgetary integration is employed as a management control device during the year for the general fund.

The City is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the City Board of Trustees. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The annual appropriations ordinance is prepared by fund. The City Board of Trustees is authorized to transfer budget amounts between departments within any fund; however, a petition signed by the electors during a regular election or emergency referendum is required in order to approve revisions that alter the total expenditures of any fund.

**CITY OF GALVA, ILLINOIS**  
**NOTES TO OTHER INFORMATION**  
**For the Fiscal Year Ended April 30, 2023**

**Other Information - Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/22	\$ 3,136,403	\$ 2,459,522	\$ (676,881)	127.52%	\$ 853,867	0.00%
12/31/21	2,848,909	2,210,939	(637,970)	128.86%	754,984	0.00%
12/31/20	2,395,795	2,009,320	(386,475)	119.23%	744,371	0.00%
12/31/19	2,042,364	1,943,180	(99,184)	105.10%	716,693	0.00%
12/31/18	1,834,106	1,834,488	382	99.98%	660,784	0.06%
12/31/17	1,947,060	1,873,967	(73,093)	103.90%	628,367	0.00%
12/31/16	1,877,201	1,991,798	114,597	94.25%	642,655	17.83%
12/31/15	1,690,447	1,791,617	101,170	94.35%	608,214	16.63%

On a market value basis, the actuarial value of assets as of December 31, 2022, is \$2,775,597. On a market basis, the funded ratio would be 112.85%.

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

IMRF fiscal year December 31, 2014 is the first year of GASB No. 68 implementation. The report will build prospectively.

**Schedules of Required Supplementary Information**  
**Multiyear Schedule of Changes in Net Pension Liability and Related Ratios**

Last 10 Calendar Years  
(schedule to be built prospectively from 2014)

Calendar year ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Pension Liability</b>										
Service Cost	\$ 72,122	\$ 70,357	\$ 78,601	\$ 75,776	\$ 64,714	\$ 73,338	\$ 67,680	\$ 67,231		
Interest on the Total Pension Liability	298,925	293,886	291,046	283,387	281,083	279,662	265,713	287,583		
Benefit Changes	0	0	0	0	0	0	0	0		
Difference between Expected and Actual Experience	48,037	(94,739)	(93,804)	(41,886)	(70,499)	15,137	29,937	(449,151)		
Assumption Changes	0	0	(24,802)	0	106,280	(130,427)	0	0		
Benefit Payments and Refunds	(200,584)	(201,197)	(214,285)	(211,799)	(240,419)	(188,460)	(171,891)	(223,095)		
<b>Net Change in Total Pension Liability</b>	<b>218,500</b>	<b>68,307</b>	<b>36,756</b>	<b>105,478</b>	<b>141,159</b>	<b>49,250</b>	<b>191,439</b>	<b>(317,432)</b>		
Total Pension Liability - Beginning	4,187,332	4,119,025	4,082,269	3,976,791	3,835,632	3,786,382	3,594,943	3,912,375		
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 4,405,832</b>	<b>\$ 4,187,332</b>	<b>\$ 4,119,025</b>	<b>\$ 4,082,269</b>	<b>\$ 3,976,791</b>	<b>\$ 3,835,632</b>	<b>\$ 3,786,382</b>	<b>\$ 3,594,943</b>		
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 17,589	\$ 44,389	\$ 53,744	\$ 40,564	\$ 56,300	\$ 53,097	\$ 63,622	\$ 50,543		
Employee Contributions	47,252	38,202	33,497	32,251	29,735	28,276	28,920	27,370		
Pension Plan Net Investment Income	(664,750)	830,351	633,569	725,147	(235,194)	637,663	239,374	19,072		
Benefit Payments and Refunds	(200,584)	(201,197)	(214,285)	(211,799)	(240,419)	(188,460)	(171,891)	(223,095)		
Other	(9,578)	(134,697)	19,778	13,257	44,690	(29,551)	32,470	(331,210)		
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(810,071)</b>	<b>577,048</b>	<b>526,303</b>	<b>599,420</b>	<b>(344,888)</b>	<b>501,025</b>	<b>192,495</b>	<b>(457,320)</b>		
Plan Fiduciary Net Position - Beginning	5,481,051	4,904,003	4,377,700	3,778,280	4,123,168	3,622,143	3,429,648	3,886,968		
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 4,670,980</b>	<b>\$ 5,481,051</b>	<b>\$ 4,904,003</b>	<b>\$ 4,377,700</b>	<b>\$ 3,778,280</b>	<b>\$ 4,123,168</b>	<b>\$ 3,622,143</b>	<b>\$ 3,429,648</b>		
Net Pension Liability/(Asset) - Ending (a) - (b)	(265,148)	(1,293,719)	(784,978)	(295,431)	198,511	(287,536)	164,239	165,295		
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	106.02%	130.90%	119.06%	107.24%	95.01%	107.50%	95.66%	95.40%		
<b>Covered Valuation Payroll<sup>(1)</sup></b>	\$ 853,868	\$ 754,984	\$ 744,372	\$ 716,693	\$ 660,784	\$ 628,367	\$ 642,655	\$ 608,214		
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	(31.05)%	(171.36)%	(105.46)%	(41.22)%	30.04%	(45.76)%	25.56%	27.18%		

**CITY OF GALVA, ILLINOIS**  
**NOTES TO OTHER INFORMATION**  
**For the Fiscal Year Ended April 30, 2023**

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**Other Information - Schedule of Funding Progress (Continued)**

MULTIYEAR SCHEDULE OF CONTRIBUTIONS  
 LAST 10 CALENDAR YEARS

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 50,543	\$ 50,543	\$ 0	\$ 608,214	8.31%
2016	63,623	63,622	1	642,655	9.90%
2017	53,097	53,097	0	628,367	8.45%
2018	56,299	56,300	(1)	660,784	8.52%
2019	40,565	40,564	1	716,693	5.66%
2020	53,744	53,744	0	744,372	7.22%
2021	44,393	44,389	4	754,984	5.88%
2022	17,590	17,589	1	853,868	2.06%

## **SUPPLEMENTARY INFORMATION**

**CITY OF GALVA, ILLINOIS**  
**COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED**  
**CASH BASIS - NONMAJOR FUNDS**  
**April 30, 2023**

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	Special Revenue Motor Fuel	Special Revenue TIF #3	Total Nonmajor Funds
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ (358,071)	\$ 24,958	\$ (333,113)
Due from Other Funds	-	-	-
Total Assets	<u>\$ (358,071)</u>	<u>\$ 24,958</u>	<u>\$ (333,113)</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>FUND BALANCES</b>			
Restricted For:			
Street Construction or Maintenance	\$ -	\$ -	\$ -
Unassigned	<u>(358,071)</u>	<u>24,958</u>	<u>(333,113)</u>
Total Fund Balances	<u>\$ (358,071)</u>	<u>\$ 24,958</u>	<u>\$ (333,113)</u>
Total Liabilities and Fund Balances	<u>\$ (358,071)</u>	<u>\$ 24,958</u>	<u>\$ (333,113)</u>

**CITY OF GALVA, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-  
MODIFIED CASH BASIS - NONMAJOR FUNDS**

**April 30, 2023**

	Special Revenue Motor Fuel	Special Revenue TIF #3	Total Nonmajor Funds
<b>Revenues</b>			
Property Tax	\$ -	\$ 217,531	\$ 217,531
Motor Fuel Tax	130,783	-	130,783
Other Taxes	-	-	-
Interest Income	38	-	38
Other Income	-	-	-
Total Revenues	<u>\$ 130,821</u>	<u>\$ 217,531</u>	<u>\$ 348,352</u>
<b>Expenditures</b>			
Economic Development	\$ -	\$ 6,985	\$ 6,985
Streets and Highways	183,350	-	183,350
Capital Outlays	-	-	-
Debt Service			
Development Rebate	-	110,919	110,919
Total Expenditures	<u>\$ 183,350</u>	<u>\$ 117,904</u>	<u>\$ 301,254</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (52,529)	\$ 99,627	\$ 47,098
Intergovernmental Transfers	-	-	-
Fund Balances, April 30, 2021	<u>(305,542)</u>	<u>(74,669)</u>	<u>(380,211)</u>
Fund Balances, April 30, 2022	<u>\$ (358,071)</u>	<u>\$ 24,958</u>	<u>\$ (333,113)</u>



**HOFFMAN & TRANEL, PC**  
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

President and Trustees of  
City of Galva, Illinois  
Henry County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Galva, Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Galva, Illinois' basic financial statements, and have issued our report thereon dated October 16, 2023 .

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Galva, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **City of Galva, Illinois' Response to Findings**

The City of Galva, Illinois' response to the findings identified in our audit is described in the accompanying schedule of findings. The City of Galva, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

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

*Hoffman & Tranel, PC*

Rock Island, Illinois  
October 16, 2023

**CITY OF GALVA, ILLINOIS**  
**SCHEDULE OF FINDINGS**  
**April 30, 2023**

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**Summary of Independent Auditor's Results**

- a. An unmodified opinion was issued on the financial statements.
- b. The audit did not disclose any material weaknesses in internal control over financial reporting.
- c. Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- d. The audit did not disclose any noncompliance which is material to the financial statements.
- e. The City of Galva, Illinois was not required to have an audit in accordance with the Office of Management and Budget's 2 CFR 200.

**Findings Related to the Financial Statements**

**Internal Control Deficiencies**

**Finding 2023-1: Cash Management**

**Finding:** The City's procedures need to be refined to ensure monthly bank reconciliations are completed accurately for all bank accounts and cash held in financial institutions reflected in the accounting records. The City commenced the use of the LOCIS software reconciliations to ensure that financial activity recorded in its accounting records is complete and accurate. However, numerous errors and/or omissions were identified during our audit when reconciling cash and investment accounts between bank balances and general ledger activities.

**Recommendation:** The City staff should ensure that monthly bank reconciliations are completed for all bank accounts, completed timely, and reconciled to the accounting records without variance.

**Response:** The City will update policies and procedures in place to ensure that the bank reconciliations will be completed going forward.

**Conclusion:** Response accepted.

**Other Findings**

**Finding 2023-2: Segregation of Duties**

**Finding:** The size of the City's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties.

**Recommendation:** The City board should remain involved in the financial affairs of the City to provide oversight and independent review functions.

**Response:** The City will continue current oversight activities.

**Conclusion:** Response accepted.

**Summary of Prior Findings**

**Cash Management**

Comment still valid. See current year finding 2023-1

**Payroll Tax Return Filing**

Comment no longer necessary.

**Destruction of Records**

Comment no longer necessary.

**Segregation of Duties**

Comment still valid. See current year finding 2023-2



HOFFMAN & TRANEL, PC  
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON TIF DISTRICTS' COMPLIANCE

President and Trustees of  
City of Galva, Illinois  
Henry County, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Galva, Illinois, as of and for the year ended April 30, 2023, and have issued our report thereon dated October 16, 2023. These financial statements are the responsibility of management of the City of Galva, Illinois. Compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs is the responsibility of management of the City of Galva, Illinois. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Galva, Illinois' compliance with those requirements or with the requirements of 65 ILCS 5/11-74.4 referred to in the following paragraph.

In connection with our audit, referred to above, we selected and tested transactions and records to determine the City of Galva's compliance with Subsection (q) of Section 11-74.4-3 of 65 ILCS 5/11-74.4, *Tax Increment Allocation Redevelopment Act* for TIF Fund I, TIF Fund II, and TIF Fund III.

The results of our tests indicate that for the items tested, the City of Galva, Illinois complied with Subsection (q) of Section 11-74.4-3 of 65 ILCS 5/11-74.4. Nothing came to our attention that caused us to believe that for the items not tested, the City of Galva, Illinois, was not in compliance with Subsection (q) of Section 11-74.4-3 of 65 ILCS 5/11-74.4.

This report is intended solely for the information and use of management of the City of Galva, Illinois and the State of Illinois and is not intended to and should not be used by anyone other than these specified parties.

*Hoffman & Tranel, PC*

Rock Island, Illinois  
October 16, 2023