

CITY OF GALVA, ILLINOIS

Annual Financial Report
and
Independent Auditor's Report

For the Year Ended

April 30, 2024



HOFFMAN & TRANEL, PC

Certified Public Accountants

Rock Island, Illinois

October 4, 2024

CITY OF GALVA, ILLINOIS
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**CITY OF GALVA, ILLINOIS
OFFICIALS
April 30, 2024**

<u>Name</u>	<u>Title</u>	<u>Term Expires/Expired</u>
Current Elected Officials:		
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, 2024, 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, 2024, 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 4, 2024, 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 4, 2024

CITY OF GALVA, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS
April 30, 2024

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, 2024. We encourage readers to consider this information in conjunction with the City's financial statements.

2024 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 decreased 3.34%, or approximately \$133,200, compared to the prior fiscal year. Program expenses of the City's governmental activities increased 6.79%, or approximately \$219,200, over the prior fiscal year.

The City's net position increased \$223,502, from April 30, 2023 to April 30, 2024. Of this amount, the net position of the governmental activities increased \$19,749 and the net position of the business type activities increased \$203,753.

As of April 30, 2024, and 2023, cash balances were as follows:

	<u>2024</u>	<u>2023</u>
General Funds	\$ 2,024,415	\$ 1,820,765
Special Revenue Funds	(1,203,589)	(476,819)
Proprietary Funds	<u>447,539</u>	<u>537,518</u>
	<u>\$ 1,268,365</u>	<u>\$ 1,881,464</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, 2024

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, 2024

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, 2024</u>	<u>April 30, 2023</u>	<u>April 30, 2024</u>	<u>April 30, 2023</u>	<u>April 30, 2024</u>	<u>April 30, 2023</u>
Current and Other Assets	\$ 867,178	\$ 1,343,946	\$ 447,539	\$ 537,518	\$ 1,314,717	\$ 1,881,464
Capital Assets	<u>5,082,474</u>	<u>3,458,719</u>	<u>4,676,363</u>	<u>4,077,732</u>	<u>9,758,837</u>	<u>7,536,451</u>
Total Assets	<u>\$ 5,949,652</u>	<u>\$ 4,802,665</u>	<u>\$ 5,123,902</u>	<u>\$ 4,615,250</u>	<u>\$ 11,073,554</u>	<u>\$ 9,417,915</u>
Long-Term Liabilities	\$ 1,487,529	\$ 360,682	\$ 2,211,343	\$ 1,906,944	\$ 3,698,872	\$ 2,267,626
Other Liabilities	<u>1,202</u>	<u>811</u>	<u>8,619</u>	<u>8,119</u>	<u>9,821</u>	<u>8,930</u>
Total Liabilities	<u>\$ 1,488,731</u>	<u>\$ 361,493</u>	<u>\$ 2,219,962</u>	<u>\$ 1,915,063</u>	<u>\$ 3,708,693</u>	<u>\$ 2,276,556</u>
Net Position:						
Invested in Capital Assets,						
Net of Related Debt	\$ 3,641,297	\$ 3,098,037	\$ 2,465,020	\$ 2,170,788	\$ 6,106,317	\$ 5,268,825
Restricted Net Assets	211,439	196,953	-	-	211,439	196,953
Unrestricted Net Assets	<u>608,185</u>	<u>1,146,182</u>	<u>438,920</u>	<u>529,399</u>	<u>1,047,105</u>	<u>1,675,581</u>
Total Net Position	<u>\$ 4,460,921</u>	<u>\$ 4,441,172</u>	<u>\$ 2,903,940</u>	<u>\$ 2,700,187</u>	<u>\$ 7,364,861</u>	<u>\$ 7,141,359</u>
Total Liabilities & Net Position	<u>\$ 5,949,652</u>	<u>\$ 4,802,665</u>	<u>\$ 5,123,902</u>	<u>\$ 4,615,250</u>	<u>\$ 11,073,554</u>	<u>\$ 9,417,915</u>

Net position of governmental activities increased approximately \$19,700, or 0.44%. Net position of business-type activities increased approximately \$203,800, or 7.55%. 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 \$608,200 at the end of this year.

CITY OF GALVA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2024

Government-Wide Financial Analysis (continued)

	Changes in Net Position for the Year Ended April 30					
	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Program revenues:						
Charges for Service	\$ 455,026	\$ 514,198	\$ 1,352,835	\$ 1,319,689	\$ 1,807,861	\$ 1,833,887
Operating Grants and Contributions	45,474	223,543	-	-	45,474	223,543
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues:						
Property Tax	2,124,121	2,055,765	79,370	71,110	2,203,491	2,126,875
Replacement Tax	109,328	151,197	-	-	109,328	151,197
State Taxes	985,395	1,013,543	-	-	985,395	1,013,543
Unrestricted Interest on Investments	16,707	6,225	2,916	2,061	19,623	8,286
Miscellaneous	91,504	18,576	3,325	4,805	94,829	23,381
Gain (Loss) on Sale	22,262	-	30,000	-	52,262	-
Total Revenues	<u>\$ 3,849,817</u>	<u>\$ 3,983,047</u>	<u>\$ 1,468,446</u>	<u>\$ 1,397,665</u>	<u>\$ 5,318,263</u>	<u>\$ 5,380,712</u>
Program Expenses:						
General						
Administration	\$ 465,939	\$ 450,142	\$ -	\$ -	\$ 465,939	\$ 450,142
Public Safety	596,228	590,569	-	-	596,228	590,569
Emergency Services	369,495	352,171	-	-	369,495	352,171
Parks and Recreation	36,278	98,030	-	-	36,278	98,030
Cemetery	57,917	63,498	-	-	57,917	63,498
Economic Development	1,157,427	1,057,115	-	-	1,157,427	1,057,115
Streets and Highways	761,833	614,408	-	-	761,833	614,408
Landfill	-	-	-	-	-	-
Water & Sewer	-	-	1,328,256	1,631,308	1,328,256	1,631,308
Refuse	-	-	321,388	245,069	321,388	245,069
Total Expenses	<u>\$ 3,445,117</u>	<u>\$ 3,225,933</u>	<u>\$ 1,649,644</u>	<u>\$ 1,876,377</u>	<u>\$ 5,094,761</u>	<u>\$ 5,102,310</u>
Excess(Deficit) Before Transfers	\$ 404,700	\$ 757,114	\$ (181,198)	\$ (478,712)	\$ 223,502	\$ 278,402
Transfers	<u>(384,951)</u>	<u>(65,000)</u>	<u>384,951</u>	<u>65,000</u>	<u>-</u>	<u>-</u>
Change in Net Position	\$ 19,749	\$ 692,114	\$ 203,753	\$ (413,712)	\$ 223,502	\$ 278,402
Net Position, Beginning of Year	<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>
Net Position, End of Year	<u>\$ 4,460,921</u>	<u>\$ 4,441,172</u>	<u>\$ 2,903,940</u>	<u>\$ 2,700,187</u>	<u>\$ 7,364,861</u>	<u>\$ 7,141,359</u>

The City's net position of governmental activities increased approximately \$19,700 during the year. Total revenues for the governmental activities decreased by approximately \$133,200 from the prior year.

The City's net position of business-type activities increased approximately \$203,800 during the year. Charges for Services increased approximately \$33,100 during the year.

The cost of all governmental activities this year was approximately \$3,445,100 compared to approximately \$3,225,900 last year. The City made \$26,162 in principal payments on notes payable from General and TIF funds.

CITY OF GALVA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2024

Capital Assets and Debt Administration

The City's capital assets include land, land improvements, infrastructure, buildings and equipment. Capital assets of governmental activities totaled \$5,082,474, net of accumulated depreciation at April 30, 2024. Capital assets of business type activities total \$4,676,363, net of accumulated depreciation, at April 30, 2024.

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

At April 30, 2024, the City had \$1,487,529 of long-term debt outstanding for governmental activities and \$2,211,343 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 increment financing 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, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 820,826	\$ 447,539	\$ 1,268,365
Construction in Progress	46,352	-	46,352
Total Current Assets	<u>\$ 867,178</u>	<u>\$ 447,539</u>	<u>\$ 1,314,717</u>
Non Current Assets			
Land	\$ 2,834,102	\$ 30,938	\$ 2,865,040
Capital Assets	4,862,403	12,894,380	17,756,783
Accumulated Depreciation	<u>(2,614,031)</u>	<u>(8,248,955)</u>	<u>(10,862,986)</u>
Total Non Current Assets	<u>\$ 5,082,474</u>	<u>\$ 4,676,363</u>	<u>\$ 9,758,837</u>
Total Assets	<u>\$ 5,949,652</u>	<u>\$ 5,123,902</u>	<u>\$ 11,073,554</u>
LIABILITIES			
Current Liabilities			
Customer Deposits	\$ -	\$ 8,619	\$ 8,619
Payroll Liabilities	1,202	-	1,202
Long Term Liabilities			
Due Within One Year	<u>196,528</u>	<u>307,371</u>	<u>503,899</u>
Total Current Liabilities	<u>\$ 197,730</u>	<u>\$ 315,990</u>	<u>\$ 513,720</u>
Long Term Liabilities			
Due in More Than One Year	<u>\$ 1,291,001</u>	<u>1,903,972</u>	<u>\$ 3,194,973</u>
Total Liabilities	<u>\$ 1,488,731</u>	<u>\$ 2,219,962</u>	<u>\$ 3,708,693</u>
NET POSITION			
Net Investment in Capital Assets	\$ 3,641,297	\$ 2,465,020	\$ 6,106,317
Restricted			
Liability Insurance	45,519	-	45,519
Illinois Municipal Retirement Fund	114,635	-	114,635
Unemployment Insurance	25,625	-	25,625
Workers Compensation	8,514	-	8,514
Audit	1,174	-	1,174
Cemetery	13,917	-	13,917
Parks & Recreation	2,055	-	2,055
Unrestricted	<u>608,185</u>	<u>438,920</u>	<u>1,047,105</u>
Total Net Position	<u>\$ 4,460,921</u>	<u>\$ 2,903,940</u>	<u>\$ 7,364,861</u>
Total Liabilities and Net Position	<u>\$ 5,949,652</u>	<u>\$ 5,123,902</u>	<u>\$ 11,073,554</u>

CITY OF GALVA, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Fiscal Year Ended April 30, 2024

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
Governmental Activities:							
General Administration	\$ 465,939	\$ 171,889	\$ 39,596	\$ -	\$ (254,454)	\$ -	\$ (254,454)
Public Safety	596,228	85,602	-	-	(510,626)	-	(510,626)
Emergency & Fire Services	369,495	159,666	-	-	(209,829)	-	(209,829)
Parks and Recreation	36,278	-	5,878	-	(30,400)	-	(30,400)
Cemetery	57,917	37,869	-	-	(20,048)	-	(20,048)
Economic Development	1,157,427	-	-	-	(1,157,427)	-	(1,157,427)
Streets and Highways	761,833	-	-	-	(761,833)	-	(761,833)
Landfill	-	-	-	-	-	-	-
Total Governmental Activities	\$ 3,445,117	\$ 455,026	\$ 45,474	\$ -	\$ (2,944,617)	\$ -	\$ (2,944,617)
Business-Type Activities:							
Water & Sewer	\$ 1,328,256	\$ 1,089,221	\$ -	\$ -	\$ -	\$ (239,035)	\$ (239,035)
Refuse	321,388	263,614	-	-	-	(57,774)	(57,774)
Total Business-Type Activities	\$ 1,649,644	\$ 1,352,835	\$ -	\$ -	\$ -	\$ (296,809)	\$ (296,809)
Total Functions/Programs	\$ 5,094,761	\$ 1,807,861	\$ 45,474	\$ -	\$ (2,944,617)	\$ (296,809)	\$ (3,241,426)
General Revenues							
Taxes:							
Property					\$ 2,124,121	\$ 79,370	\$ 2,203,491
Replacement					109,328	-	109,328
Sales					312,265	-	312,265
Income					404,374	-	404,374
Local Use					94,349	-	94,349
Other					174,407	-	174,407
Interest Income					16,707	2,916	19,623
Gain/Loss on Disposal of Capital Assets					22,262	30,000	52,262
Other Income					91,504	3,325	94,829
Total General Revenues					\$ 3,349,317	\$ 115,611	\$ 3,464,928
Change in Net Position					\$ 404,700	\$ (181,198)	\$ 223,502
Transfer					(384,951)	384,951	-
Net Position, Beginning of Year					4,441,172	2,700,187	7,141,359
Net Position, End of Year					\$ 4,460,921	\$ 2,903,940	\$ 7,364,861

CITY OF GALVA, ILLINOIS
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS
April 30, 2024

	General Fund	Special Revenue TIF #1	Special Revenue TIF #2	Special Revenue Nonmajor	Total Gov. Funds 4/30/2024
Assets					
Cash and Cash Equivalents	\$ 2,024,415	\$ 144,752	\$ (867,049)	\$ (481,292)	\$ 820,826
Total Assets	<u>\$ 2,024,415</u>	<u>\$ 144,752</u>	<u>\$ (867,049)</u>	<u>\$ (481,292)</u>	<u>\$ 820,826</u>
Liabilities and Fund Balances					
Liabilities					
Payroll Liabilities	\$ 1,202	\$ -	\$ -	\$ -	\$ 1,202
Total Liabilities	<u>\$ 1,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,202</u>
Fund Balances					
Restricted For:					
Liability Insurance	\$ 45,519	\$ -	\$ -	\$ -	\$ 45,519
Illinois Municipal Retirement Fund	114,635	-	-	-	114,635
Unemployment Insurance	25,625	-	-	-	25,625
Workers Compensation	8,514	-	-	-	8,514
Audit	1,174	-	-	-	1,174
Cemetery	13,917	-	-	-	13,917
Parks & Recreation	2,055	-	-	-	2,055
Unassigned	1,811,774	144,752	(867,049)	(481,292)	608,185
Total Fund Balances	<u>\$ 2,023,213</u>	<u>\$ 144,752</u>	<u>\$ (867,049)</u>	<u>\$ (481,292)</u>	<u>\$ 819,624</u>
Total Liabilities and Fund Balances	<u>\$ 2,024,415</u>	<u>\$ 144,752</u>	<u>\$ (867,049)</u>	<u>\$ (481,292)</u>	<u>\$ 820,826</u>

CITY OF GALVA, ILLINOIS
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
TO THE STATEMENT OF NET POSITION
April 30, 2024

Total fund balance – total governmental funds	\$ 819,624
Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:	
Capital assets of \$7,696,505 net of accumulated depreciation (\$2,614,031). In the Statement of Net Position, capital assets are reported at historical cost and depreciated instead of reporting them as expenditures.	5,082,474
Construction in progress of \$46,352 in the Statement of Net Position is reflected at carrying cost instead of reporting them as expenditures.	46,352
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.	<u>(1,487,529)</u>
Net Position of governmental activities	<u>\$ 4,460,921</u>

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, 2024

	General Fund	Special Revenue TIF #1	Special Revenue TIF #2	Special Revenue Nonmajor	Total Governmental Funds 4/30/2024
Revenues Received					
Property Tax	\$ 583,833	\$ 482,615	\$ 844,347	\$ 213,326	\$ 2,124,121
Replacement Tax	109,328	-	-	-	109,328
Sales Tax	312,265	-	-	-	312,265
Income Tax	404,374	-	-	-	404,374
Local Use Tax	94,349	-	-	-	94,349
Other Taxes	66,033	-	-	108,374	174,407
Charges for Services	455,026	-	-	-	455,026
Interest Income	11,404	-	5,275	28	16,707
Income from Disposal of Assets	43,500	-	-	-	43,500
Other Income	136,978	-	-	-	136,978
Loan Proceeds	-	273,786	879,223	-	1,153,009
Total Revenues	\$ 2,217,090	\$ 756,401	\$ 1,728,845	\$ 321,728	\$ 5,024,064
Expenditures Disbursed					
Current					
General Administration	\$ 344,582	\$ -	\$ -	\$ -	\$ 344,582
Public Safety	559,366	-	-	-	559,366
Emergency & Fire Services	346,052	-	-	-	346,052
Parks and Recreation	26,515	-	-	-	26,515
Cemetery	52,396	-	-	-	52,396
Economic Development	8,110	220,677	255,832	13,053	497,672
Streets and Highways	416,067	-	-	237,898	653,965
Landfill	-	-	-	-	-
Capital Outlays	216,792	449,366	1,587,163	110,000	2,363,321
Debt Service					
Principal	26,162	-	-	-	26,162
Development Rebate	-	-	550,799	108,956	659,755
Interest	17,789	-	-	-	17,789
Total Expenditures	\$ 2,013,831	\$ 670,043	\$ 2,393,794	\$ 469,907	\$ 5,547,575
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 203,259	\$ 86,358	\$ (664,949)	\$ (148,179)	\$ (523,511)
Intergovernmental Transfers	-	-	-	-	-
Net Change in Fund Balance	\$ 203,259	\$ 86,358	\$ (664,949)	\$ (148,179)	\$ (523,511)
Fund Balances, April 30, 2023	1,819,954	58,394	(202,100)	(333,113)	1,343,135
Fund Balances, April 30, 2024	\$ 2,023,213	\$ 144,752	\$ (867,049)	\$ (481,292)	\$ 819,624

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, 2024

Excess (Deficiency) of Revenues Over (Under) Expenditures \$ (523,511)

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 \$2,363,321 exceeded depreciation expense of \$287,025 in the current period. 2,076,296

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 \$1,153,009 exceeded loan payments on outstanding debt in the amount of \$26,162. (1,126,847)

As stated above, governmental funds report capital outlays as expenditures, therefore upon disposal of the capital assets, the entire amount is reflected as revenue. However, the statement of activities reflects the gain(loss) on the capital assets after cost and accumulated depreciation has been considered. This is the amount by which gross proceeds \$43,500 exceeded the gain on disposal of assets in the amount of \$22,262. (21,238)

Change in Net Position of governmental activities \$ 404,700

CITY OF GALVA, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
April 30, 2024

Business-Type Activities - Proprietary Funds

	<u>Water & Sewer</u>	<u>Refuse</u>	<u>Total</u>
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 197,776	\$ 249,763	\$ 447,539
Construction in Progress	-	-	-
Total Current Assets	<u>\$ 197,776</u>	<u>\$ 249,763</u>	<u>\$ 447,539</u>
Non Current Assets			
Land	\$ 30,938	\$ -	\$ 30,938
Capital Assets	12,894,380	-	12,894,380
Accumulated Depreciation	<u>(8,248,955)</u>	<u>-</u>	<u>(8,248,955)</u>
Total Non Current Assets	<u>\$ 4,676,363</u>	<u>\$ -</u>	<u>\$ 4,676,363</u>
Total Assets	<u>\$ 4,874,139</u>	<u>\$ 249,763</u>	<u>\$ 5,123,902</u>
Liabilities and Net Position			
Liabilities			
Current Liabilities			
Customer Deposits	\$ 8,619	\$ -	\$ 8,619
Long Term Liabilities Due			
Within One Year	<u>307,371</u>	<u>-</u>	<u>307,371</u>
Total Current Liabilities	<u>\$ 315,990</u>	<u>\$ -</u>	<u>\$ 315,990</u>
Long Term Liabilities			
Due in More Than One Year	<u>\$ 1,903,972</u>	<u>\$ -</u>	<u>\$ 1,903,972</u>
Total Liabilities	<u>\$ 2,219,962</u>	<u>\$ -</u>	<u>\$ 2,219,962</u>
Net Position			
Net Investment in Capital Assets	\$ 2,465,020	\$ -	\$ 2,465,020
Unrestricted	<u>189,157</u>	<u>249,763</u>	<u>438,920</u>
Total Net Position	<u>\$ 2,654,177</u>	<u>\$ 249,763</u>	<u>\$ 2,903,940</u>
Total Liabilities and Net Position	<u>\$ 4,874,139</u>	<u>\$ 249,763</u>	<u>\$ 5,123,902</u>

CITY OF GALVA, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
MODIFIED CASH BASIS - PROPRIETARY FUNDS
April 30, 2024

	<u>Business-Type Activities - Proprietary Funds</u>		
	<u>Water & Sewer</u>	<u>Refuse</u>	<u>Total</u>
Operating Revenues			
Charges for Services	\$ 1,089,221	\$ 263,614	\$ 1,352,835
Loan Forgiveness	-	-	-
Miscellaneous Income	<u>3,325</u>	<u>-</u>	<u>3,325</u>
Total Operating Revenues	<u>\$ 1,092,546</u>	<u>\$ 263,614</u>	<u>\$ 1,356,160</u>
Operating Expense			
Personnel	\$ 504,922	\$ 32,385	\$ 537,307
Contractual Services	290,072	289,003	579,075
Other Expenditures	250,073	-	250,073
Depreciation	<u>283,189</u>	<u>-</u>	<u>283,189</u>
Total Operating Expenses	<u>\$ 1,328,256</u>	<u>\$ 321,388</u>	<u>\$ 1,649,644</u>
Operating Income (Loss)	<u>\$ (235,710)</u>	<u>\$ (57,774)</u>	<u>\$ (293,484)</u>
Non-Operating Revenues (Expenses)			
Property Tax	\$ 32,252	\$ 47,118	\$ 79,370
Interest Income	2,916	-	2,916
Gain (Loss) on Disposal of Assets	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Non-Operating Revenues (Expenses)	<u>\$ 65,168</u>	<u>\$ 47,118</u>	<u>\$ 112,286</u>
Income (Loss) Before Transfers	\$ (170,542)	\$ (10,656)	\$ (181,198)
Transfers	<u>384,951</u>	<u>-</u>	<u>384,951</u>
Change in Net Position	\$ 214,409	\$ (10,656)	\$ 203,753
Net Position, Beginning of Year	<u>2,439,768</u>	<u>260,419</u>	<u>2,700,187</u>
Net Position, End of Year	<u>\$ 2,654,177</u>	<u>\$ 249,763</u>	<u>\$ 2,903,940</u>

CITY OF GALVA, ILLINOIS
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
April 30, 2024

	Business-Type Activities - Proprietary Funds		
	<u>Water & Sewer</u>	<u>Refuse</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers and Users	\$ 1,093,046	\$ 263,614	\$ 1,356,660
Payments to Suppliers	(540,145)	(289,003)	(829,148)
Payments to Employees	<u>(504,922)</u>	<u>(32,385)</u>	<u>(537,307)</u>
Net Cash Provided By (Used In)			
Operating Activities	<u>\$ 47,979</u>	<u>\$ (57,774)</u>	<u>\$ (9,795)</u>
Cash Flows Provided By (Used In)			
Non - Operating Activities:			
Property Tax Receipts	\$ 32,252	\$ 47,118	\$ 79,370
Transfers from Other Funds	<u>384,951</u>	<u>-</u>	<u>384,951</u>
Net Cash Flows Provided By (Used In)			
Non - Operating Activities	<u>\$ 417,203</u>	<u>\$ 47,118</u>	<u>\$ 464,321</u>
Cash Flows from Capital and Related			
Financing Activities:			
Purchases of Capital Assets	\$ (881,820)	\$ -	\$ (881,820)
Income from Disposal of Capital Assets	30,000	-	30,000
Loan Proceeds	509,706	-	509,706
Principal Payments	<u>(205,307)</u>	<u>-</u>	<u>(205,307)</u>
Net Cash Provided By (Used In)			
Operating Activities	<u>\$ (547,421)</u>	<u>\$ -</u>	<u>\$ (547,421)</u>
Cash Flows Provided By (Used In)			
Investing Activities			
Interest Income	<u>\$ 2,916</u>	<u>\$ -</u>	<u>\$ 2,916</u>
Net Increase (Decrease) in Cash			
and Cash Equivalents	\$ (79,323)	\$ (10,656)	\$ (89,979)
Cash, Beginning of the Year	<u>277,099</u>	<u>260,419</u>	<u>537,518</u>
Cash, End of the Year	<u><u>\$ 197,776</u></u>	<u><u>\$ 249,763</u></u>	<u><u>\$ 447,539</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (235,710)	\$ (57,774)	\$ (293,484)
Depreciation	283,189	-	283,189
Loan Forgiveness	-	-	-
Decrease in Payables	-	-	-
Increase in Customer Deposits	<u>500</u>	<u>-</u>	<u>500</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 47,979</u></u>	<u><u>\$ (57,774)</u></u>	<u><u>\$ (9,795)</u></u>

CITY OF GALVA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2024

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, 2024

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, 2024

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, 2024

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 4, 2024, 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, 2024, the bank balances were \$1,338,077.

CITY OF GALVA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2024

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	\$ 449,786	\$ 449,786
Category 2	818,579	888,291
Category 3	--	--
	<u>\$ 1,268,365</u>	<u>\$ 1,338,077</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, 2024. During the year ended April 30, 2024, 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 2022 collected in 2023.

CITY OF GALVA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2024

NOTE 5 CAPITAL ASSETS

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

	Balance April 30, 2023	Current Year Additions	Current Year Dispositions	Balance April 30, 2024
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land	\$ 1,113,876	\$ 1,720,226	\$ -	\$ 2,834,102
Capital assets being depreciated:				
Buildings and improvements	\$ 2,831,596	\$ -	\$ -	\$ 2,831,596
Machinery and equipment	1,864,312	211,792	(45,297)	2,030,807
Total Capital Assets Being Depreciated	<u>\$ 4,695,908</u>	<u>\$ 211,792</u>	<u>\$ (45,297)</u>	<u>\$ 4,862,403</u>
Accumulated Depreciation:				
Buildings and improvements	\$ 1,395,534	\$ 122,107	\$ -	\$ 1,517,641
Machinery and equipment	955,531	164,918	(24,059)	1,096,390
Total Accumulated Depreciation	<u>\$ 2,351,065</u>	<u>\$ 287,025</u>	<u>\$ (24,059)</u>	<u>\$ 2,614,031</u>
<u>Business-Type Activities</u>				
Capital assets not being depreciated:				
Land	\$ 30,938	\$ -	\$ -	\$ 30,938
Capital assets being depreciated:				
Buildings and improvements	\$ 753,417	\$ -	\$ -	\$ 753,417
Machinery and equipment	1,139,685	124,550	(39,030)	1,225,205
Water and Sewer Systems	10,158,488	757,270	-	10,915,758
Total Capital Assets Being Depreciated	<u>\$ 12,051,590</u>	<u>\$ 881,820</u>	<u>\$ (39,030)</u>	<u>\$ 12,894,380</u>
Accumulated Depreciation:				
Buildings and improvements	\$ 156,508	\$ 18,631	\$ -	\$ 175,139
Machinery and equipment	660,984	104,264	(39,030)	726,218
Water and Sewer Systems	7,187,304	160,294	-	7,347,598
Total Accumulated Depreciation	<u>\$ 8,004,796</u>	<u>\$ 283,189</u>	<u>\$ (39,030)</u>	<u>\$ 8,248,955</u>

Depreciation expense for the year ended April 30, 2024 was charged to functions as follows:

Governmental Activities:		Business-Type Activities:	
General Government	\$ 121,357	Water and Sewer	\$ 283,189
Public Safety	36,862	Total Business-Type Activities	<u>\$ 283,189</u>
Emergency & Fire Services	23,443		
Parks and Recreation	9,763		
Transportation	90,079		
Cemetery	5,521		
Total Governmental Activities	<u>\$ 287,025</u>		

CITY OF GALVA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2024

NOTE 6 LONG TERM DEBT

At April 30, 2024, 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.	\$ 168,528
Installment loan agreement with Community State Bank dated May 22, 2019, due in annual installments including 4.85% interest.	291,020
Installment loan agreement with Community State Bank dated February 13, 2020, due in annual installments including 4.65% interest.	65,244
Installment loan agreement with Community State Bank dated July 16, 2020, due in annual installments including 3.25% interest.	43,773
Installment loan agreement with Community State Bank dated July 20, 2022 due in annual installments including 4.50% interest.	171,031
Installment loan agreement with Community State Bank dated June 22, 2023 due in annual installments including 5.33% interest.	110,488
Installment loan agreement with Community State Bank dated July 31, 2023 due in annual installments including 5.45% interest.	879,223
Installment loan agreement with Community State Bank dated November 1, 2023 due in annual installments including 5.66% interest.	273,786
Installment loan agreement with Community State Bank dated November 17, 2023 due in annual installments including 6.16% interest.	274,137
Installment loan agreement with Community State Bank dated April 10, 2024 due in annual installments including 6.16% interest.	125,081
Installment loan agreement with Illinois Environmental Protection Agency dated August 31, 2015, due in monthly installments including 1.995% interest.	619,397
Installment loan agreement with Illinois Environmental Protection Agency dated December 15, 2015, due in monthly installments including 1.995% interest.	<u>677,164</u>
	<u>\$ 3,698,872</u>
Less current portion	<u>(503,899)</u>
Total	<u>\$ 3,194,973</u>

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

Year Ending	Principal	Interest	Total
2025	\$ 503,899	\$ 139,282	\$ 643,181
2026	469,300	128,406	597,706
2027	318,593	110,733	429,326
2028	263,601	97,314	360,915
2029	1,186,245	84,810	1,271,055
2030-2034	766,884	86,940	853,824
2035-2039	<u>190,350</u>	<u>7,110</u>	<u>197,460</u>
Total	<u>\$ 3,698,872</u>	<u>\$ 654,595</u>	<u>\$ 4,353,467</u>

CITY OF GALVA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2024

NOTE 6 LONG TERM DEBT (Continued)

Changes in long-term liabilities for the year ended April 30, 2024 were as follows:

	Balance <u>April 30, 2023</u>	Current Year <u>Additions</u>	Current Year <u>Payments</u>	Balance <u>April 30, 2024</u>
Governmental Activities:				
Notes Payable	\$ 360,682	\$ 1,153,009	\$ (26,162)	\$ 1,487,529
Business-Type Activities:				
Notes Payable	<u>1,906,944</u>	<u>509,706</u>	<u>(205,307)</u>	<u>2,211,343</u>
Total	<u>\$ 2,267,626</u>	<u>\$ 1,662,715</u>	<u>\$ (231,469)</u>	<u>\$ 3,698,872</u>

As of April 30, 2024, the City's legal debt margin was as follows:

Assessed valuation	<u>\$ 60,829,074</u>
Statutory debt limitation (8.625% of assessed valuation)	<u>\$ 5,246,508</u>
Unused legal debt capacity	<u>\$ 1,547,636</u>

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.

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 2023 was 0.87%. 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, 2023, the City's annual pension cost of \$7,974 for the Regular plan was equal to the City's required and actual contributions.

As of December 31, 2023, the City's pension plan membership consisted of 12 retirees and beneficiaries, 9 inactive, non-retired members, and 14 active members.

CITY OF GALVA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

The City’s net pension liability was measured as of December 31, 2023, 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, 2023, 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%

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 2023 valuation pursuant to an experience study of the period 2020-2022. For non-disabled retirees, mortality rates were based on the Pub-2010, Amount Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

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.

CITY OF GALVA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

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 3.77%; and the resulting single discount rate is 7.25%.

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance, December 31, 2022	4,405,832	4,670,980	(265,148)
Changes for the Year			
Service cost	81,487	-	81,487
Interest	314,700	-	314,700
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(197,587)	-	(197,587)
Changes of assumptions	(5,448)	-	(5,448)
Contributions - employer	-	7,973	(7,973)
Contributions - employee	-	41,243	(41,243)
Net investment income	-	507,329	(507,329)
Benefit payments, including refunds of employee contributions	(211,774)	(211,774)	-
Other	-	(185,507)	185,507
Net Changes	(18,622)	159,264	(177,886)
Balance, December 31, 2023	<u>4,387,210</u>	<u>4,830,244</u>	<u>(443,034)</u>

Plan fiduciary net position as a percentage of the total pension liability is 110.10%.

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.

	Current Single Discount		
	1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 4,883,940	\$ 4,387,210	\$ 3,999,273
Plan Fiduciary Net Position	\$ 4,830,244	\$ 4,830,244	\$ 4,830,244
Net Pension Liability/(Asset)	\$ 53,696	\$ (443,034)	\$ (830,971)

CITY OF GALVA, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

The required contribution for 2023 was determined as part of the December 31, 2021, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2021, included (a) 7.25% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 2.75% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.1% to 7.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the 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, 2021 is being amortized as a level percentage of projected payroll on an open 20-year basis.

As of December 31, 2023, the most recent actuarial valuation date, the Regular plan was 120.68% funded. The actuarial accrued liability for benefits was \$2,578,903 and the actuarial value of assets was \$3,112,245, resulting in an overfunded actuarial accrued liability (UAAL) of \$533,342. The covered payroll for calendar year 2023 (annual payroll of active employees covered by the plan) was \$916,496. 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 that bears no interest. The City has utilized \$8,150 of the credit line as of April 30, 2024.

The City has a credit agreement with Northern Tool under which it has a \$15,000 credit line that bears no interest. The City has utilized \$0 of the credit line as of April 30, 2024.

NOTE 10 CONSTRUCTION IN PROGRESS/SUBSEQUENT EVENTS

The City entered into an agreement with The Players Edge for the installation of a pickleball court on April 12, 2024 in the amount of \$8,388 of which they had paid \$5,000 by April 30, 2024.

The City is in the process of completing work on a community solar panel project in collaboration with BOW Renewables, LLC. As of April 30, 2024, the City had expended \$41,352 for the design of the sludge beds at North Plant. The remaining costs for the community solar panel project are unknown.

NOTE 11 INTERFUND TRANSFERS

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, 2024 reflected a transfer from TIF #2 to the Water and Sewer funds in the amount of \$384,951 for the sewer replacement at NE 1st Avenue completed with TIF #2 funds.

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Revenues:			
Property Taxes	\$ 553,221	\$ 583,833	\$ 30,612
Replacement Tax	102,667	109,328	6,661
Sales Tax	257,525	312,265	54,740
Income Tax	327,518	404,374	76,856
Local Use Tax	83,077	94,349	11,272
Other Taxes	66,108	66,033	(75)
Charges for Service	287,479	455,026	167,547
Interest Income	222	11,404	11,182
Income from Disposal of Capital Assets	8,801	43,500	34,699
Other Income	393,775	136,978	(256,797)
Loan Proceeds	-	-	-
Total Revenues	\$ 2,080,393	\$ 2,217,090	\$ 136,697
Expenditures:			
Administration			
Personnel:			
Salaries	\$ 111,709	\$ 109,957	\$ 1,752
Health, Life, & Dental Insurance	35,167	34,749	418
Unemployment Insurance	778	885	(107)
Workers' Compensation	364	313	51
Social Security & Medicare Tax	8,546	9,045	(499)
IMRF Retirement Contributions	1,906	1,398	508
Contractual Services:			
Maintenance Services - Building	5,730	-	5,730
Maintenance Services - Equipment	2,360	-	2,360
Maintenance Services - Vehicle	2,204	1,252	952
Accounting Service	21,142	17,650	3,492
Engineering Service	3,700	4,221	(521)
Legal Service	21,000	16,123	4,877
Janitorial Service	9,240	7,154	2,086
Data Processing Service	1,805	-	1,805
Other Professional Services	12,659	17,005	(4,346)
Postage	2,901	3,331	(430)
Telephone	6,667	4,521	2,146
Publishing & Printing	2,881	4,597	(1,716)
Dues	8,573	8,812	(239)
Travel	650	971	(321)
Training	780	-	780
Publications	204	-	204
Utilities	39,404	22,178	17,226
Liability Insurance	25,283	7,646	17,637
Commodities:			
Office Supplies	22,214	16,928	5,286
Operating Supplies	3,759	2,681	1,078
Automotive Fuel/Oil	1,717	1,055	662

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Expenditures:			
Administration (continued)			
Debt Service:			
Principal	\$ -	\$ -	\$ -
Interest	-	-	-
Capital Outlay:			
Land	10,000	-	10,000
Building	30,000	-	30,000
Equipment	7,500	-	7,500
Vehicle	15,000	-	15,000
Other Expenditures:			
Community Relations	36,000	41,798	(5,798)
Property Taxes	18,000	2,402	15,598
Miscellaneous Expenses/Contingency	7,196	7,910	(714)
Total Administration Expenses	\$ 477,039	\$ 344,582	\$ 132,457
Police Department			
Personnel:			
Salaries	\$ 359,993	\$ 303,990	\$ 56,003
Health, Life, & Dental Insurance	120,029	101,335	18,694
Unemployment Insurance	2,147	1,104	1,043
Workers' Compensation	14,079	8,455	5,624
Social Security & Medicare Tax	27,539	23,786	3,753
IMRF Retirement Contributions	5,971	2,287	3,684
Uniform Allowance	6,450	3,762	2,688
Contractual Services:			
Maintenance Services - Building	4,752	480	4,272
Maintenance Services - Equipment	1,625	614	1,011
Maintenance Services - Vehicle	7,749	11,419	(3,670)
Legal Service	1,880	-	1,880
Data Processing	1,118	-	1,118
Animal Control	9,056	7,100	1,956
Towing & Storage	8,862	3,515	5,347
Other Professional Services	5,608	23,137	(17,529)
Postage	228	97	131
Telephone	12,713	5,593	7,120
Publishing	378	176	202
Dues	3,450	3,249	201
Travel Expenses	98	485	(387)
Training	5,519	14,700	(9,181)
Utilities	15,483	8,725	6,758
Liability Insurance	18,557	7,646	10,911
Commodities:			
Office Supplies	4,834	3,548	1,286
Operating Supplies	9,732	10,212	(480)
Automotive Fuel/Oil	20,632	11,490	9,142
Maintenance Supplies - Vehicle	-	1,296	(1,296)

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Expenditures:			
Police Department (continued)			
Debt Service:			
Principal	\$ 15,000	\$ -	\$ 15,000
Interest	2,500	-	2,500
Capital Outlay:			
Building	12,500	-	12,500
Equipment	12,500	-	12,500
Vehicle	55,000	50,760	4,240
Other Expenditures:			
Miscellaneous Expenses/Contingency	1,328	1,165	163
Total Police Department Expenses	\$ 767,310	\$ 610,126	\$ 157,184
Fire Department			
Personnel:			
Salaries	\$ 8,488	\$ 9,027	\$ (539)
Unemployment Insurance	250	79	171
Workers' Compensation	662	313	349
Social Security & Medicare Tax	649	691	(42)
IMRF Retirement Contributions	159	16	143
Uniform Allowance	10,814	26,009	(15,195)
Contractual Services:			
Maintenance Services - Building	1,350	-	1,350
Maintenance Services - Equipment	10,672	7,735	2,937
Maintenance Services - Vehicle	3,238	676	2,562
Legal Service	-	-	-
Data Processing Service	206	-	206
Other Professional Services	4,380	6,822	(2,442)
Postage	12	259	(247)
Telephone	2,399	2,047	352
Publishing	54	-	54
Dues	2,772	1,605	1,167
Travel Expenses	302	-	302
Training	1,536	300	1,236
Utilities	2,494	1,756	738
Liability Insurance	6,137	3,823	2,314
Commodities:			
Office Supplies	1,270	220	1,050
Operating Supplies	16,055	42,032	(25,977)
Automotive Fuel/Oil	671	327	344
Debt Service:			
Principal	-	-	-
Interest	-	-	-

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Expenditures:			
Fire Department (continued)			
Capital Outlay:			
Equipment	\$ 35,000	\$ -	\$ 35,000
Vehicle	15,000	-	15,000
Other Expenditures:			
Miscellaneous Expenses/Contingency	5,000	10,127	(5,127)
Total Fire Department Expenses	\$ 129,570	\$ 113,864	\$ 15,706
EMS Department			
Contractual Services:			
Maintenance Services - Building	\$ -	\$ -	\$ -
Contractual Services:			
Legal Service	-	-	-
Other Professional Services	273,842	227,795	46,047
Total EMS Department Expenses	\$ 273,842	\$ 227,795	\$ 46,047
ESDA Department			
Personnel:			
Salaries	\$ 1,992	\$ 2,439	\$ (447)
Unemployment Insurance	59	30	29
Workers' Compensation	-	-	-
Social Security & Medicare Tax	153	199	(46)
Contractual Services:			
Maintenance Services - Equipment	1,322	270	1,052
Postage	-	-	-
Telephone	1,322	364	958
Dues	54	-	54
Travel Expenses	20	-	20
Training	20	-	20
Utilities	18	-	18
Commodities:			
Office Supplies	50	-	50
Operating Supplies	1,500	1,091	409
Automotive Fuel/Oil	8	-	8
Other Expenditures:			
Miscellaneous Expenses/Contingency	68	-	68
Total ESDA Department Expenses	\$ 6,586	\$ 4,393	\$ 2,193
Landfill Department			
Commodities:			
Operating Supplies	\$ 940	\$ -	\$ 940
Other Expenditures:			
Miscellaneous Expenses/Contingency	276	-	276
Total Landfill Department Expenses	\$ 1,216	\$ -	\$ 1,216

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Expenditures:			
Street Department			
Personnel:			
Salaries	\$ 201,547	\$ 172,581	\$ 28,966
Health, Life, & Dental Insurance	42,591	53,953	(11,362)
Unemployment Insurance	1,663	575	1,088
Workers' Compensation	22,248	17,537	4,711
Social Security & Medicare Tax	15,418	12,300	3,118
IMRF Retirement Contributions	2,950	1,225	1,725
Uniform Allowance	1,485	1,320	165
Contractual Services:			
Maintenance Services - Building	22,020	4,235	17,785
Maintenance Services - Equipment	7,584	459	7,125
Maintenance Services - Vehicle	5,856	19,752	(13,896)
Maintenance Services - Street	7,798	-	7,798
IDOT Maintenance Agreement	-	-	-
Engineering Service	12,838	1,142	11,696
Legal	508	-	508
Data Processing	262	-	262
Other Professional Services	16,314	6,814	9,500
Postage	60	-	60
Telephone	-	-	-
Publishing	372	246	126
Dues	324	149	175
Travel Expenses	30	-	30
Training	344	-	344
Utilities	10,302	5,616	4,686
Street Lighting	30,347	19,228	11,119
Landfill Charges	41,800	-	41,800
Liability Insurance	30,248	15,021	15,227
Rentals/Leases	6,456	-	6,456
Tree Trimming	18,524	19,750	(1,226)
Demolition	20,370	-	20,370
Commodities:			
Maintenance Supplies - Building	186	-	186
Maintenance Supplies - Equipment	6,320	756	5,564
Maintenance Supplies - Vehicle	11,250	6,806	4,444
Maintenance Supplies - Street	5,238	-	5,238
Maintenance Supplies - Grounds	4,776	1,199	3,577
Office Supplies	810	9	801
Operating Supplies	84,818	44,092	40,726
Automotive Fuel/Oil	38,076	11,263	26,813
Debt Service:			
Principal	62,358	26,162	36,196
Interest	6,062	17,789	(11,727)

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Expenditures:			
Street Department (continued)			
Capital Outlay:			
Land	\$ -	\$ -	\$ -
Building	-	-	-
Equipment	40,000	94,895	(54,895)
Vehicle	75,000	-	75,000
Streets	40,000	-	40,000
Other Expenditures:			
Miscellaneous Expenses/Contingency	398	39	359
Total Street Department Expenses	<u>\$ 895,551</u>	<u>\$ 554,913</u>	<u>\$ 340,638</u>
Cemetery Department			
Personnel:			
Salaries	\$ 60,603	\$ 33,647	\$ 26,956
Health, Life, & Dental Insurance	3,288	2,510	778
Unemployment Insurance	608	331	277
Workers' Compensation	1,355	626	729
Social Security & Medicare Tax	4,636	2,574	2,062
IMRF Retirement Contributions	260	64	196
Contractual Services:			
Maintenance Services - Building	690	-	690
Maintenance Services - Equipment	796	1,668	(872)
Maintenance Services - Vehicle	572	-	572
Maintenance Services - Street	400	-	400
Engineering Service	1,200	-	1,200
Data Processing	10	-	10
Other Professional Services	48,000	4,425	43,575
Publishing	364	188	176
Liability Insurance	884	765	119
Tree Trimming	-	-	-
Commodities:			
Maintenance Supplies - Equipment	1,082	-	1,082
Maintenance Supplies - Vehicle	1,022	231	791
Maintenance Supplies - Grounds	200	-	200
Office Supplies	188	-	188
Operating Supplies	4,356	2,198	2,158
Automotive Fuel/Oil	3,183	1,724	1,459
Capital Outlay:			
Land	15,000	-	15,000
Building	5,000	-	5,000
Equipment	35,000	40,200	(5,200)
Vehicle	15,000	-	15,000
Other Expenditures:			
Miscellaneous Expenses/Contingency	302	1,445	(1,143)
Total Cemetery Department Expenses	<u>\$ 203,999</u>	<u>\$ 92,596</u>	<u>\$ 111,403</u>

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Expenditures:			
Parks Department			
Personnel:			
Salaries	\$ 20,396	\$ 12,974	\$ 7,422
Health, Life, & Dental Insurance	216	-	216
Unemployment Insurance	182	104	78
Workers' Compensation	467	313	154
Social Security & Medicare Tax	1,561	992	569
IMRF Retirement Contributions	229	41	188
Contractual Services:			
Maintenance Services - Building	4,970	137	4,833
Maintenance Services - Equipment	170	60	110
Maintenance Services - Vehicle	90	-	90
Maintenance Services - Streets	4,900	-	4,900
Maintenance Services - Grounds	10,162	2,524	7,638
Engineering	2,500	-	2,500
Legal Service	1,000	-	1,000
Data Processing	250	-	250
Other Professional Services	36,120	-	36,120
Utilities	6,465	4,641	1,824
Liability Insurance	1,326	765	561
Tree Trimming	5,000	-	5,000
Commodities:			
Maintenance Supplies - Equipment	398	280	118
Maintenance Supplies - Grounds	5,924	-	5,924
Office Supplies	17	-	17
Operating Supplies	18,208	3,013	15,195
Automotive Fuel/Oil	620	671	(51)
Chemicals - Grounds	620	-	620
Capital Outlay:			
Building	50,000	-	50,000
Equipment	75,000	30,937	44,063
Vehicle	5,000	-	5,000
Other Expenditures:			
Miscellaneous Expenses/Contingency	53	-	53
Total Parks Department Expenses	\$ 251,844	\$ 57,452	\$ 194,392

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Expenditures:			
Economic Development			
Contractual Services:			
Meeting	\$ 2,800	\$ 194	\$ 2,606
Other Professional Services	-	-	-
US34 Logistics Corridor	-	2,000	(2,000)
Elevate Illinois	4,840	-	4,840
Henry County Economic Development	3,080	2,470	610
Galesburg Regional Economic Development	4,840	3,300	1,540
Galva Chamber of Commerce	-	-	-
Other Dues	-	-	-
HC ED Director	2,750	-	2,750
Travel Expenses	506	146	360
Training	264	-	264
Other Expenditures:			
Miscellaneous Expenses/Contingency	746	-	746
Total Economic Development Expenses	\$ 19,826	\$ 8,110	\$ 11,716
Total Expenses	\$ 3,026,783	\$ 2,013,831	\$ 1,012,952
Excess (Deficiency) of Revenues			
Over (Under) Expenditures		\$ 203,259	
Intergovernmental Transfer	75,000	-	(75,000)
Fund Balance, April 30, 2023		1,819,954	
Fund Balance, April 30, 2024		\$ 2,023,213	

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Revenues:			
Motor Fuel Tax	\$ -	\$ 108,374	\$ 108,374
Other Taxes	-	-	-
Interest Income	-	28	28
Other Income	-	-	-
Total Revenues	<u>\$ -</u>	<u>\$ 108,402</u>	<u>\$ 108,402</u>
Expenditures:			
Contractual Services:			
Maintenance Services - Street	\$ -	\$ 151,642	\$ (151,642)
Engineering Service	-	1,914	(1,914)
Commodities:			
Operating Supplies	-	84,342	(84,342)
Other Expenditures:			
Miscellaneous Expenses/Contingency	-	-	-
Total Motor Fuel Tax Expenses	<u>\$ -</u>	<u>\$ 237,898</u>	<u>\$ (237,898)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ (129,496)	
Fund Balance, April 30, 2023		<u>(358,071)</u>	
Fund Balance, April 30, 2024		<u>\$ (487,567)</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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Revenues:			
Property Tax	\$ 487,039	\$ 482,615	\$ (4,424)
Interest Income	-	-	-
Income from Disposal of Assets	-	-	-
Loan Proceeds	883,000	273,786	(609,214)
Other Income	-	-	-
Total Revenues	<u>\$ 1,370,039</u>	<u>\$ 756,401</u>	<u>\$ (613,638)</u>
Expenditures:			
Contractual Services:			
Maintenance Services - Building	\$ 1,540,000	\$ 5,122	\$ 1,534,878
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	35,441	136,984
Legal Service	2,000	1,938	62
Other Professional Services	126,500	139,198	(12,698)
Demolition Disposal	-	407	(407)
Postage	30	-	30
Publishing	1,500	-	1,500
Travel	200	58	142
Utilities	17,142	11,238	5,904
Commodities:			
Maintenance Supplies - Building	2,876	460	2,416
Office Supplies	782	-	782
Operating Supplies	2,102	19,614	(17,512)
Debt Service:			
Principal	90,000	-	90,000
Interest	12,000	-	12,000
Capital Outlay:			
Land	1,071,400	426,306	645,094
Building	67,500	-	67,500
Utility System	-	23,060	(23,060)
Other Expenditures:			
Property Taxes	13,000	4,201	8,799
Miscellaneous Expenses/Contingency	100	3,000	(2,900)
Total Expenses	<u>\$ 4,329,557</u>	<u>\$ 670,043</u>	<u>\$ 3,659,514</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ 86,358	
Intergovernmental Transfer	(325,243)	-	325,243
Fund Balance, April 30, 2023		<u>58,394</u>	
Fund Balance, April 30, 2024		<u>\$ 144,752</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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Revenues:			
Property Tax	\$ 844,078	\$ 844,347	\$ 269
Interest Income	-	5,275	5,275
Loan Proceeds	-	879,223	879,223
Total Revenues	\$ 844,078	\$ 1,728,845	\$ 884,767
Expenditures:			
Contractual Services:			
Maintenance Services - Utility System	\$ -	\$ -	\$ -
Maintenance Services - Ground	-	-	-
Engineering Service	-	57,261	(57,261)
Legal Service	-	-	-
Other Professional Services	-	60,625	(60,625)
Demolition Disposal	-	2,400	(2,400)
Publishing	-	-	-
Utilities	-	-	-
EPA Required Filtration	-	137,500	(137,500)
Commodities:			
Operating Supplies	-	(338)	338
Debt Service:			
Development Rebate	-	550,799	(550,799)
Capital Outlay:			
Land	-	1,183,920	(1,183,920)
Building	688,500	-	688,500
Utility System	577,500	403,243	174,257
Other Expenditures:			
Miscellaneous Expenses/Contingency	-	(1,616)	1,616
Total Expenses	\$ 1,266,000	\$ 2,393,794	\$ (1,127,794)
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ (664,949)	
Fund Balance, April 30, 2023		(202,100)	
Fund Balance, April 30, 2024		\$ (867,049)	

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Revenues:			
Property Tax	\$ 213,258	\$ 213,326	\$ 68
Interest Income	-	-	-
Total Revenues	<u>\$ 213,258</u>	<u>\$ 213,326</u>	<u>\$ 68</u>
Expenditures:			
Contractual Services:			
Maintenance Services - Utility System	\$ -	\$ -	\$ -
Engineering Service	-	7,112	(7,112)
Legal Service	-	-	-
Other Professional Services	-	-	-
Utilities	-	-	-
Commodities:			
Operating Supplies	-	-	-
Debt Service:			
Development Rebate	-	108,956	(108,956)
Capital Outlay:			
Land	-	110,000	(110,000)
Building	207,755	-	207,755
Other Expenditures:			
Property Taxes	5,770	5,941	(171)
Total Expenses	<u>\$ 213,525</u>	<u>\$ 232,009</u>	<u>\$ (18,484)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ (18,683)	
Intergovernmental Transfer	-	-	-
Fund Balance, April 30, 2023		<u>24,958</u>	
Fund Balance, April 30, 2024		<u>\$ 6,275</u>	

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Revenues:			
Property Tax	\$ 47,588	\$ 47,118	\$ (470)
Charges for Services	179,959	263,614	83,655
Total Revenues	<u>\$ 227,547</u>	<u>\$ 310,732</u>	<u>\$ 83,185</u>
Expenditures:			
Personnel:			
Salaries	\$ 29,622	\$ 24,590	\$ 5,032
Health, Life, & Dental Insurance	6,242	5,682	560
Unemployment Insurance	18	19	(1)
Social Security & Medicare Tax	2,267	1,881	386
IMRF Retirement Contributions	553	213	340
Contractual Services:			
Legal Service	-	-	-
Postage	460	-	460
Publishing	34	-	34
Garbage Disposal	199,693	257,474	(57,781)
Concrete Disposal/Recycle	52,500	30,000	22,500
Demolition Disposal	36,570	-	36,570
Liability Insurance	3,302	1,529	1,773
Commodities:			
Office Supplies	66	-	66
Operating Supplies	17	-	17
Miscellaneous Expenses/Contingency	20	-	20
Total Expenses	<u>\$ 331,364</u>	<u>\$ 321,388</u>	<u>\$ 9,976</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures		\$ (10,656)	
Fund Balance, April 30, 2023		<u>260,419</u>	
Fund Balance, April 30, 2024		<u>\$ 249,763</u>	

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, 2024

	Original & Final Budget	Actual	Positive (Negative)
Revenues:			
Property Tax	\$ 32,574	\$ 32,252	\$ (322)
Charges for Services	865,983	1,089,221	223,238
Interest Income	1,380	2,916	1,536
Loan Proceeds	192,000	509,706	317,706
Income from Disposal of Capital Assets	-	30,000	30,000
Other Income	407,313	3,325	(403,988)
Total Revenues	<u>\$ 1,499,250</u>	<u>\$ 1,667,420</u>	<u>\$ 168,170</u>
Expenditures:			
Administration			
Personnel:			
Salaries	\$ 139,353	\$ 114,214	\$ 25,139
Health, Life, & Dental Insurance	24,320	11,462	12,858
Unemployment Insurance	4,111	116	3,995
Social Security & Medicare Tax	10,660	8,737	1,923
IMRF Retirement Contributions	2,606	986	1,620
Operations			
Personnel:			
Salaries	310,552	258,873	51,679
Health, Life, & Dental Insurance	79,190	81,940	(2,750)
Unemployment Insurance	1,558	-	1,558
Workers' Compensation	7,862	3,758	4,104
Social Security & Medicare Tax	23,757	19,804	3,953
IMRF Retirement Contributions	7,024	2,235	4,789
Uniform Allowance	2,700	2,797	(97)
Contractual Services:			
Maintenance Services - Building	5,966	663	5,303
Maintenance Services - Equipment	16,218	5,982	10,236
Maintenance Services - Vehicle	8,182	6,532	1,650
Maintenance Services - Utility System	177,098	52,379	124,719
Maintenance Services - Other	11,000	-	11,000
Engineering	137,530	24,828	112,702
Legal Service	24,188	75	24,113
Contractor	60,090	31,200	28,890
Sewer Pro Repair	1,150	-	1,150
Data Processing	1,035	-	1,035
Lab Analysis Service	36,182	16,192	19,990
Other Professional Services	13,960	14,399	(439)
Postage	4,106	3,318	788
Telephone	2,679	710	1,969
Publishing	2,218	-	2,218
Printing	2,544	-	2,544
Dues	13,968	11,370	2,598

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, 2024

	Original & Final Budget	Actual	Over (Under)
Expenditures:			
Operations (continued)			
Contractual Services (continued):			
Travel Expenses	\$ 1,315	\$ 1,275	\$ 40
Training	2,412	575	1,837
Publications	-	-	-
Utilities	108,199	80,494	27,705
Landfill Charges	-	-	-
Water Purchases	-	-	-
Fuel Purchases	5,000	-	5,000
Liability Insurance	82,579	40,080	42,499
Rentals	2,400	-	2,400
Other Contractual Services	2,400	-	2,400
Commodities:			
Maintenance Supplies - Building	1,561	-	1,561
Maintenance Supplies - Equipment	4,784	-	4,784
Maintenance Supplies - Vehicle	3,483	4,800	(1,317)
Maintenance Supplies - Street	15,350	-	15,350
Maintenance Supplies - Utility System	19,198	-	19,198
Maintenance Supplies - Other	-	21,493	(21,493)
Office Supplies	2,523	1,469	1,054
Operating Supplies	230,300	150,944	79,356
Small Tools	1,150	-	1,150
Janitorial Supplies	1,150	-	1,150
Automotive Fuel/Oil	26,834	20,206	6,628
Chemicals	5,000	-	5,000
Debt Service:			
Principal	185,897	205,307	(19,410)
Interest	48,367	49,492	(1,125)
Capital Outlay:			
Land	40,000	-	40,000
Building	27,500	-	27,500
Equipment	88,056	124,550	(36,494)
Vehicle	60,000	-	60,000
Utility System	332,500	372,319	(39,819)
Other	15,000	-	15,000
Other Expenditures:			
Miscellaneous Expenses/Contingency	21,726	1,669	20,057
Total Expenses	\$ 2,466,491	\$ 1,747,243	\$ 719,248
Excess (Deficiency) of Revenues			
Over (Under) Expenditures		\$ (79,823)	
Intergovernmental Transfer	-	-	-
Fund Balance, April 30, 2023		268,980	
Fund Balance, April 30, 2024		\$ 189,157	

CITY OF GALVA, ILLINOIS
NOTES TO OTHER INFORMATION
For the Fiscal Year Ended April 30, 2024

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, 2024

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)
12/31/23	\$ 3,112,245	\$ 2,578,903	\$ (533,342)	120.68%	\$ 916,496	0.00%
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, 2023, is \$2,960,403. On a market basis, the funded ratio would be 114.79%.

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 2015.)

Calendar year ending December 31	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost ¹	\$ 81,587	\$ 77,122	\$ 70,357	\$ 78,601	\$ 75,776	\$ 66,714	\$ 73,338	\$ 67,680	\$ 67,251	
Interest on the Total Pension Liability	314,700	298,925	293,896	291,046	293,387	291,293	279,067	265,713	297,583	
Benefit Changes	0	0	0	0	0	0	0	0	0	
Difference between Expected and Actual Experience	(197,587)	48,037	(94,739)	(93,804)	(41,886)	(70,498)	15,137	29,317	(449,151)	
Assumption Changes	(5,448)	0	0	(24,822)	0	106,280	(130,427)	0	0	
Benefit Payments and Refunds	(211,774)	(200,584)	(201,197)	(214,285)	(211,793)	(240,419)	(189,460)	(171,891)	(223,035)	
Net Change in Total Pension Liability	(119,622)	218,500	69,307	36,756	105,479	141,159	19,250	191,439	(317,432)	
Total Pension Liability - Beginning	4,425,832	4,187,332	4,118,025	4,082,269	3,976,791	3,835,632	3,786,382	3,595,943	3,912,375	
Total Pension Liability - Ending (a)	\$ 4,306,210	\$ 4,405,832	\$ 4,187,332	\$ 4,118,025	\$ 4,082,269	\$ 3,976,791	\$ 3,805,632	\$ 3,786,382	\$ 3,594,943	
Plan Fiduciary Net Position										
Employer Contributions	\$ 7,973	\$ 17,589	\$ 44,389	\$ 53,744	\$ 40,564	\$ 56,300	\$ 51,097	\$ 63,622	\$ 50,543	
Employee Contributions	41,253	47,252	39,202	33,497	32,251	29,735	29,276	28,920	27,370	
Pension Plan Net Investment Income	527,329	(664,750)	830,351	633,569	725,147	(235,194)	617,663	238,374	19,072	
Benefit Payments and Refunds	(211,774)	(200,584)	(201,197)	(214,285)	(211,793)	(240,419)	(189,460)	(171,891)	(223,035)	
Other	(185,507)	(8,578)	(134,697)	19,778	13,257	44,690	(29,551)	37,470	(331,210)	
Net Change in Plan Fiduciary Net Position	159,264	(810,071)	577,249	526,303	599,420	(344,889)	501,225	192,195	(457,320)	
Plan Fiduciary Net Position - Beginning	4,670,980	5,481,051	4,903,802	4,377,200	3,778,280	4,123,169	3,622,143	3,429,648	3,866,668	
Plan Fiduciary Net Position - Ending (b)	\$ 4,830,244	\$ 4,670,980	\$ 5,481,051	\$ 4,903,503	\$ 4,377,700	\$ 3,778,280	\$ 4,123,168	\$ 3,622,143	\$ 3,409,348	
Net Pension Liability/(Asset) - Ending (a) - (b)	(443,034)	(265,148)	(1,293,719)	(784,978)	(295,431)	198,511	(287,536)	164,239	185,595	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110.10%	106.02%	130.93%	119.06%	107.24%	96.21%	107.57%	95.66%	95.40%	
Covered Valuation Payroll¹	\$ 916,496	\$ 853,868	\$ 754,984	\$ 744,172	\$ 716,693	\$ 660,784	\$ 628,367	\$ 642,655	\$ 608,214	
Net Pension Liability as a Percentage of Covered Valuation Payroll	(48.34)%	(31.05)%	(171.36)%	(105.46)%	(41.22)%	30.04%	(45.76)%	25.56%	27.18%	

¹ Does not necessarily represent Covered Employee Payroll as defined in GASB Statement No. 68.

CITY OF GALVA, ILLINOIS
NOTES TO OTHER INFORMATION
For the Fiscal Year Ended April 30, 2024

Other Information - Schedule of Funding Progress (Continued)

MULTIYEAR SCHEDULE OF CONTRIBUTIONS
LAST 10 CALENDAR YEARS

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 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%
2023	7,974	7,973	1	916,496	0.87%

SUPPLEMENTARY INFORMATION

CITY OF GALVA, ILLINOIS
COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED
CASH BASIS - NONMAJOR FUNDS
April 30, 2024

	<u>Special Revenue Motor Fuel</u>	<u>Special Revenue TIF #3</u>	<u>Total Nonmajor Funds</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ (487,567)	\$ 6,275	\$ (481,292)
Due from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ (487,567)</u>	<u>\$ 6,275</u>	<u>\$ (481,292)</u>
LIABILITIES AND FUND BALANCES			
FUND BALANCES			
Restricted For:			
Street Construction or Maintenance	\$ -	\$ -	\$ -
Unassigned	<u>(487,567)</u>	<u>6,275</u>	<u>(481,292)</u>
Total Fund Balances	<u>\$ (487,567)</u>	<u>\$ 6,275</u>	<u>\$ (481,292)</u>
 Total Liabilities and Fund Balances	 <u>\$ (487,567)</u>	 <u>\$ 6,275</u>	 <u>\$ (481,292)</u>

CITY OF GALVA, ILLINOIS

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

April 30, 2024

	Special Revenue Motor Fuel	Special Revenue TIF #3	Total Nonmajor Funds
Revenues			
Property Tax	\$ -	\$ 213,326	\$ 213,326
Motor Fuel Tax	108,374	-	108,374
Other Taxes	-	-	-
Interest Income	28	-	28
Other Income	-	-	-
Total Revenues	<u>\$ 108,402</u>	<u>\$ 213,326</u>	<u>\$ 321,728</u>
Expenditures			
Economic Development	\$ -	\$ 13,053	\$ 13,053
Streets and Highways	237,898	-	237,898
Capital Outlays	-	110,000	110,000
Debt Service			
Development Rebate	-	108,956	108,956
Total Expenditures	<u>\$ 237,898</u>	<u>\$ 232,009</u>	<u>\$ 469,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (129,496)	\$ (18,683)	\$ (148,179)
Intergovernmental Transfers	-	-	-
Fund Balances, April 30, 2023	<u>(358,071)</u>	<u>24,958</u>	<u>(333,113)</u>
Fund Balances, April 30, 2024	<u>\$ (487,567)</u>	<u>\$ 6,275</u>	<u>\$ (481,292)</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, 2024, 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 4, 2024.

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 4, 2024

CITY OF GALVA, ILLINOIS
SCHEDULE OF FINDINGS
April 30, 2024

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 2024-1: 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 uses the LOCIS software reconciliations to ensure that financial activity is recorded in its accounting records. However, there are some accounts that have not been reflected in the general ledger for the police, fire department, and cemetery funds.

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 work on ensuring that all bank accounts for the city have been reflected in the general ledger.

Conclusion: Response accepted.

Other Findings

Finding 2024-2: 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 2024-1

Segregation of Duties

Comment still valid. See current year finding 2024-2



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, 2024, and have issued our report thereon dated October 4, 2024. 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 4, 2024