

**CITY OF GALENA
GALENA, ILLINOIS**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

APRIL 30, 2020

CITY OF GALENA
GALENA, ILLINOIS

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GALENA, ILLINOIS**

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Galena
Galena, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, each major fund, the fiduciary funds, and the aggregate remaining fund information of the City of Galena, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1C. This includes 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

Auditor's Responsibility (continued)

an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made, by management, as well as evaluating the overall presentation of the financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, each major fund, the fiduciary funds, and aggregate remaining fund information of the City of Galena as of April 30, 2020 and the respective changes in modified cash basis financial position and, when applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1C.

Basis of Accounting

We draw attention to Note 1C of the financial statements that 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.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the City of Galena's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information presented is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1C.

Disclaimer of Opinion on Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Galena's basic financial statements. The accompanying Other Information (Part 1 and 2), as listed in the table of contents, and is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2020 on our consideration of the City of Galena's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Galena's internal control over financial reporting and compliance.

O'Connor, Brooks & Co., P.C.

O'CONNOR, BROOKS & CO., P.C.

Galena, Illinois

August 25, 2020

**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**

To the Mayor and City Council
City of Galena
Galena, 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, business-type activities, each major fund, the fiduciary funds, and the aggregate remaining fund information of the City of Galena, as of and for the year ended April 30, 2020 and the related notes to the financial statements, which collectively comprise the City of Galena's basic financial statements and have issued our report thereon dated August 25, 2020. Our report expressed an unmodified opinion on the basic financial statements which were prepared in conformity with the modified cash basis method of accounting. Our report included a disclaimer of opinion on the other information.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Galena's 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 the City of Galena's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Galena's 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies (Finding 2020-001 through Finding 2020-004) in internal control that we consider to be material weaknesses. Finding 2020-001 through Finding 2020-004 were also noted in the prior year's audit.

Internal Control Over Financial Reporting (continued)

Finding 2020-001: Segregation of Duties

Criteria: An important aspect of any good system of internal accounting control includes adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Condition: Adequate segregation of duties is lacking in the current system of internal accounting control.

Cause: The administration of the City of Galena is not large enough to permit an adequate segregation of duties in all respects for an effective system of internal accounting control.

Effect: The existence of this material weakness has the potential for misstatement of financial statement amounts and those amounts may be material. The potential also exists for the misappropriation of assets.

Recommendation: This situation dictates that the city administrator remain involved in the financial affairs of the City by providing oversight and independent review functions.

Response: The city administrator and staff continue to take this issue seriously and attempt to build in as many checks and balances as possible. We will continue to look for opportunities to improve internal controls across all aspects of the City operation to reduce the risk of fraud and inaccurate financial records.

The city administrator has assumed oversight functions to address this issue. Oversight functions of the city administrator include, but are not limited to, reviewing payroll runs on a random basis, reviewing leave time reports on a random basis, and reviewing all health insurance enrollments and premium payments. The city administrator continues to review in detail the financial report on a monthly basis and present the finance director with related questions. The city administrator remains involved in managing the City's investments across all funds. These oversight functions will continue.

Checks and balances aimed at reducing the risk of loss have been implemented across City operations. These internal controls continue to be a priority for the City.

Conclusion: Response accepted.

Finding 2020-002: Financial Statement Preparation and Disclosure

Criteria: A deficiency in internal control over financial reporting 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 of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the City's financial statements.

Condition: Accounting personnel do not prepare financial statements in accordance with the modified cash basis of accounting.

Cause: The City's management presently lacks the qualifications and training to appropriately fulfill these responsibilities, which is a common situation in small governmental entities.

Effect: Financial statement misstatements or disclosure omissions may exist and would not be detected and corrected by management in a timely manner.

Recommendation: Obtaining additional modified cash basis knowledge through reading relevant accounting literature and attending local professional education courses should help management significantly improve in their ability to prepare and take responsibility for reliable modified cash basis financial statements.

Internal Control Over Financial Reporting (continued)

Finding 2020-002: Financial Statement Preparation and Disclosure (continued)

Response: The finance director does not possess a degree in accounting, but has many years of actual experience with accounting and the preparation of financial statements. The finance director will continue to participate in continuing education to improve her knowledge of GAAP and modified cash accounting. The finance director has attended advanced training on auditing and GAAP with the Illinois Government Finance Officers Association and continues to be active in the Illinois Municipal Treasurers Association. The city administrator will also continue to explore opportunities for relevant continuing education on municipal finance as part of an ongoing commitment to at least 40 hours of continuing education each year.

Conclusion: Response accepted.

Finding 2020-003: Bank Reconciliations

Criteria: Reconciling of amounts outstanding to the recorded amounts is an integral part of any sound accounting system.

Condition: The monthly reconciled amounts, in some cases, do not agree with the amounts recorded in the general ledger.

Cause: Monthly bank reconciliation reports do not identify all pertinent items to agree with amounts reported in the general ledger.

Effect: The existence of this material weakness has the potential for misstatement of financial statement amounts and those amounts may be material.

Recommendation: We recommend the bank reconciliation report generated each month be vouched directly to the corresponding general ledger account for agreement.

Response: The finance director will vouch the bank reconciliation report generated each month directly to the corresponding general ledger account for agreement. The finance director will confirm the reconciliation process each month with the city administrator and note and resolve any irregularities.

Conclusion: Response accepted.

Finding 2020-004: Financial Reporting and Accounting Procedures - Oversight

Criteria: The performance of the necessary procedures involved with financial reporting and accounting issues are an important component of the entity's reporting structure.

Condition: The City's performance of these procedures appears to be lacking oversight procedures.

Cause: Oversight procedures performed would mitigate the likelihood of material misstatements occurring within the financial reporting environment.

Effect: The existence of this material weakness has the potential for misstatement of financial statement amounts and those amounts may be material.

Internal Control Over Financial Reporting (continued)

Finding 2020-004: Financial Reporting and Accounting Procedures - Oversight (continued)

As a result of audit procedures performed by our firm, certain suggested adjusting journal entries were proposed to the City for your approval. We suggested a total of 38 adjustments to 15 various City funds and government-wide accounts.

A listing of significant suggested entries per fund is as follows:

Government-Wide

- Adjust capital assets to include construction-in-progress from prior period.
- Adjust pension related activity.

General Fund

- Adjust prepaid items.
- Adjust accounts payable - payroll related.
- Reclassify revenues and expenses to correct amounts.
- Adjust combined cash to other funds.

Insurance Fund

- Adjust cash balances.
- Reclassify expenses to proper accounts.

Capital Projects Fund

- Adjust RLF project expenditures.
- Adjust transfers.

Parks & Recreation Fund

- Adjust cash balances.
- Adjust grant expenditures.

Fire Protection Fund

- Adjust cash balances.
- Adjust expenditures.

IMRF Fund

- Adjust combined cash.

Debt Service Fund

- Reclassify principal and interest paid.

Turner Hall Fund

- Record depreciation expense.

Water Fund

- Adjust combined cash.
- Capitalize assets acquired.
- Record depreciation expense.
- Adjust loan balance.
- Record pension expense and liability.
- Adjust accounts payable.

Internal Control Over Financial Reporting (continued)

Finding 2020-004: Financial Reporting and Accounting Procedures - Oversight (continued)

Sewer Fund

- Adjust combined cash.
- Record depreciation expense.
- Adjust loan balances.
- Capitalize assets acquired.
- Record amortization expense.
- Record pension expense and liability.

Garbage and Refuse Fund

- Record depreciation expense.
- Record pension expense and liability.
- Adjust accounts payable – payroll related.
- Capitalize assets acquired.

Swimming Pool Fund

- Adjust combined cash.
- Adjust loan balances.
- Capitalize assets acquired.
- Record depreciation and amortization expenses.
- Record pension expense and liability.
- Reclassify expenditures to proper account.

Shuttle/Parking Fund

- Record depreciation expenses.

Accrued Benefits Fund

- Reclassify payments received.

Recommendation: This situation dictates that the city council and city administrator remain involved in the financial affairs of the City by providing oversight and independent review of financial reporting and accounting procedures.

Response: Our small number of staff and limited resources contribute to this issue. As previously noted, the finance director is pursuing continuing education and training to help avoid material misstatements in the future. We have experienced marked improvement in this area as the finance director's expertise with financial software systems and our accounting system has advanced through actual experience. The city administrator has taken a more active roll in monitoring the most common areas of misstatement.

Conclusion: Response accepted.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Galena's financial statements are free of material misstatement, we performed tests of the City's 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*.

We also noted certain additional matters that we reported to management in a separate letter dated August 25, 2020.

City of Galena's Responses to Findings

The City of Galena's responses to the findings identified in our audit are described above. The City of Galena's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

O'Connor, Brooks & Co., P.C.

O'CONNOR, BROOKS & CO., P.C.

Galena, Illinois
August 25, 2020

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020**

The management of the City of Galena provides the following information as an introduction, overview and analysis of the City's financial statements for the year ended April 30, 2020.

Please read this analysis in conjunction with the City's financial statements, which begin on page 18. The first two financial statements are government-wide statements that account for all activities of the City. The fund financial statements that follow report activities of the City's major funds in more detail.

Government-wide statements

These statements report on the City as a whole. They are prepared on the modified cash basis method of accounting.

- *The Statement of Net Position.* This statement (pages 18 and 19) reports all assets and liabilities of the City as of April 30, 2020. The difference between total assets and total liabilities is reported as "net position." Increases in net position generally indicate an improvement in financial position while decreases may indicate a deterioration of financial position.
- *The Statement of Activities.* This statement (page 20) serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the City for the year ended April 30, 2020. Changes in net position are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expense of the City's various programs net of related revenues, as well as a separate presentation of revenues available for general purposes.

Fund financial statements

These statements provide financial position and results of the City's major funds. A fund is an accounting entity created to account for a specific activity or purpose. The major funds of the City of Galena are the General Fund, Fire Protection Fund, Motor Fuel Tax Fund, Parks & Recreation Fund, Public Works Fund, Debt Service Fund, Water Fund, Sewer Fund and Garbage and Refuse Fund. The creation of these funds is either mandated by law or created by management to demonstrate financial compliance with budgetary or legal requirements. Funds are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental funds.* Governmental funds are used to account for "governmental-type" activities. Unlike the government-wide financial statements, governmental fund statements use a "flow of financial resources" measurement focus. That is to say, the operating statement of a governmental fund attempts to answer the question, "Are there more or less resources that can be spent in the near future as a result of events and transactions of the period?" Increases in spendable resources are reported in the operating statement as "revenues" or "other financing sources." Decreases in spendable resources are reported as "expenditures" or "other financing uses." We describe the differences between governmental funds and governmental activities (reported in the Statement of Net Position and the Statement of Activities) in reconciliations presented with the governmental fund financial statements on pages 21-26.

The governmental fund financial statements on pages 21-26 separately display the governmental funds considered to be major funds. All other governmental funds, which are referred to as "nonmajor" funds, are combined into a single column. Detailed financial data for each major governmental fund and nonmajor governmental fund is provided in the Supplementary Information section of this report.

CITY OF GALENA
GALENA, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

Fund financial statements (continued)

- *Proprietary funds.* Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, but provide more detail and additional information such as cash flows.

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprise for which (1) the intent is that the costs (expenses, including depreciation) be recovered primarily through user charges, or (2) determination of net income is appropriate for management control, accountability or other purposes.

The City of Galena's Water, Sewer and Garbage Funds are considered to be the major funds of the proprietary funds which are displayed separately in the proprietary fund statements on pages 27-33. The activities of the City's other proprietary funds are combined into one column for nonmajor funds.

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Fiduciary fund statements are on pages 34 and 35.

- *Notes to the basic financial statements.* The notes provide additional and explanatory data. They are an integral part of the basic financial statements. This data is on pages 36-72 of this report.
- *Supplementary information.* These schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. This data is on pages 73-105 of this report.
- *Other information.* These statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. This data is on pages 106-113 of this report.

Government-wide summary and analysis

The following tables present condensed information in net position and changes in net position for the years ended April 30, 2019 and 2020.

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020**

Government-wide summary and analysis (continued)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2019	2020	2019	2020	2019	2020	2019-2020
ASSETS:							
Current Assets	\$ 1,271,058	\$ 2,758,618	\$ 1,006,130	\$ 170,724	\$ 2,277,188	\$ 2,929,342	28.64%
Noncurrent Assets	2,281,179	490,158	1,602,912	1,860,258	3,884,091	2,350,416	-39.49%
Capital Assets, Net of Depreciation	20,130,912	20,468,989	8,101,697	7,413,250	28,232,609	27,882,239	-1.24%
TOTAL ASSETS	\$ 23,683,149	\$ 23,717,765	\$ 10,710,739	\$ 9,444,232	\$ 34,393,888	\$ 33,161,997	-3.58%
DEFERRED OUTFLOWS OF RESOURCES:							
Pension Related Deferred Outflow	\$ 1,167,451	\$ 775,379	\$ 223,862	\$ 153,712	\$ 1,391,313	\$ 929,091	-33.22%
LIABILITIES:							
Current Liabilities	\$ 47,048	\$ 57,231	\$ 2,816	\$ 162,563	\$ 49,864	\$ 219,794	340.79%
Noncurrent Liabilities	2,258,322	1,094,835	7,835,762	7,271,966	10,094,084	8,366,801	-17.11%
TOTAL LIABILITIES	\$ 2,305,370	\$ 1,152,066	\$ 7,838,578	\$ 7,434,529	\$ 10,143,948	\$ 8,586,595	-15.35%
DEFERRED INFLOWS OF RESOURCES:							
Pension Related Deferred Inflows	\$ 708,800	\$ 1,042,544	\$ 135,915	\$ 206,675	\$ 844,715	\$ 1,249,219	47.89%
NET POSITION:							
Investment in Capital Assets, Net of Related Debt	\$ 18,688,890	\$ 19,422,333	\$ 824,935	\$ 150,834	\$ 19,513,825	\$ 19,573,167	0.30%
Restricted	1,960,048	1,695,707	60,000	60,000	2,020,048	1,755,707	-13.09%
Unrestricted	1,187,492	1,180,494	2,075,172	1,745,906	3,262,664	2,926,400	-10.31%
TOTAL NET POSITION	\$ 21,836,430	\$ 22,298,534	\$ 2,960,107	\$ 1,956,740	\$ 24,796,537	\$ 24,255,274	-2.18%

The amount by which the City's assets exceed its liabilities is called net position. At year-end, the City's net position was \$24,255,274. Of that amount, approximately \$19,573,167 was invested in capital assets, net of debt, and depreciation related to those assets. There was \$1,755,707 of net position restricted for purposes specified by special tax levies, other state statutes, and a loan agreement. The remaining \$2,926,400 was unrestricted and available for future use as directed by the city council. Overall, the net position decreased 2.18 percent from the prior year.

The governmental activities have a total net position of \$22,298,534 for the year ended April 30, 2020, which is an increase of \$462,104 from the year ended April 30, 2019. This increase is attributable to an increase in capital assets, net related debt.

The total net position of the business-type activities totaled \$1,956,740 for the year ended April 30, 2020, which is a decrease of \$1,003,367 from the year ended April 30, 2019. This decrease from the prior year is mostly attributable to depreciation expense.

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020**

Government-wide summary and analysis (continued)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2019	2020	2019	2020	2019	2020	2019-2020
<u>PROGRAM REVENUES:</u>							
Charges for Services	\$ 255,693	\$ 49,089	\$ 1,874,285	\$ 1,768,909	\$ 2,129,978	\$ 1,817,998	-14.65%
Operating Grant & Contributions	101,216	30,466	31,846	41,733	133,062	72,199	-45.74%
Capital Grant and Contributions	2,821,118	319,126	-	-	2,821,118	319,126	-88.69%
<u>GENERAL REVENUES:</u>							
Property Taxes & Local Taxes	1,471,722	1,498,052	30	30	1,471,752	1,498,082	1.79%
Other Taxes	3,706,756	4,085,245	434,493	442,727	4,141,249	4,527,972	9.34%
Bond Premium	6,615	4,857	768	1,755	7,383	6,612	-10.44%
Interest Earnings	64,233	47,391	16,879	25,608	81,112	72,999	-10.00%
Miscellaneous	323,776	120,547	6,692	20,688	330,468	141,235	-57.26%
Pension Earnings	879,083	1,246,090	-	146,945	879,083	1,393,035	58.46%
Proceeds from Sale of Assets	212,797	24,250	-	-	212,797	24,250	-88.60%
Gain on Trade/Sale of Assets	25,701	10,594	-	-	25,701	10,594	-58.78%
Total Revenues Before Transfers	\$ 9,868,710	\$ 7,435,707	\$ 2,364,993	\$ 2,448,395	\$ 12,233,703	\$ 9,884,102	-19.21%
Transfers	62,838	(179,495)	(62,838)	179,495	-	-	
TOTAL REVENUES AND TRANSFERS	\$ 9,931,548	\$ 7,256,212	\$ 2,302,155	\$ 2,627,890	\$ 12,233,703	\$ 9,884,102	-19.21%
<u>PROGRAM EXPENDITURES:</u>							
General Government	\$ 3,156,057	\$ 3,446,496	\$ -	\$ -	\$ 3,156,057	\$ 3,446,496	9.20%
Public Safety	1,309,948	1,300,914	-	-	1,309,948	1,300,914	-0.69%
Public Works/Transportation	1,664,953	1,733,208	-	-	1,664,953	1,733,208	4.10%
Culture & Recreation	245,986	268,908	-	-	245,986	268,908	9.32%
Community Development	1,743	1,743	-	-	1,743	1,743	0.00%
Interest on Long-Term Debt	56,499	42,839	-	-	56,499	42,839	-24.18%
Garbage Collection & Disposal	-	-	249,665	270,504	249,665	270,504	8.35%
Water	-	-	820,903	941,693	820,903	941,693	14.71%
Sewer	-	-	1,688,926	2,011,213	1,688,926	2,011,213	19.08%
Shuttle Services	-	-	7,603	10,232	7,603	10,232	34.58%
Turner Hall	-	-	76,290	80,578	76,290	80,578	5.62%
Swimming Pool	-	-	213,355	317,037	213,355	317,037	48.60%
TOTAL PROGRAM EXPENDITURES	\$ 6,435,186	\$ 6,794,108	\$ 3,056,742	\$ 3,631,257	\$ 9,491,928	\$ 10,425,365	9.83%
Increase (Decrease) in Net Position	\$ 3,496,362	\$ 462,104	\$ (754,587)	\$ (1,003,367)	\$ 2,741,775	\$ (541,263)	-119.74%
NET POSITION - BEGINNING	18,340,068	21,836,430	3,714,694	2,960,107	22,054,762	24,796,537	12.43%
NET POSITION - ENDING	\$ 21,836,430	\$ 22,298,534	\$ 2,960,107	\$ 1,956,740	\$ 24,796,537	\$ 24,255,274	-2.18%

Total revenues for governmental and business-type activities decreased by \$2,349,601 for the year. The decrease is due to lower grant revenues in the governmental funds.

Total expenses for governmental and business-type activities increased \$933,437 for the year. The increase is due mainly to increased expenditures for personnel and depreciation.

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020**

Individual funds summary and analysis

Governmental Funds

Governmental funds, as stated earlier, focus on spendable resources and near-term inflows of those resources. As such, fund balance is generally a good indication of net resources available for spending at the end of the fiscal year, subject to any stated restrictions in its use.

The fund balance of the General Fund at April 30, 2020 was \$1,787,620. This represented a decrease of \$137,178 during the year. This decrease is due mainly to increased capital outlay expenditures.

The fund balance of the Fire Protection Fund at April 30, 2020 was \$931,073. This represented an increase of \$311,101 during the year. This increase is due mainly to decreased expenditures.

The fund balance of the Motor Fuel Tax Fund at April 30, 2020 was \$126,557. This represented a decrease of \$643,390 during the year. This decrease is due mainly to increased capital outlay expenditures.

The fund deficit of the Park and Recreation Fund at April 30, 2020 was \$270,686. This represented a decrease of \$22,093 during the year. The decrease is due mainly to reduced capital outlay expenditures.

The fund balance of the Public Works Fund at April 30, 2020 was \$86,659. This represented an increase of \$8,695. This increase is due to reduced capital outlay expenditures.

The fund balance of the Debt Service Fund at April 30, 2020 was \$44,962. This represented an increase of \$106,357 during the year. Annually, property tax monies are transferred from the Capital Projects Fund and other nonmajor funds to the Debt Service Fund to meet the principal and interest requirements of the general obligation bonds and capital leases.

Proprietary Funds

As stated earlier, the City's proprietary fund statement provides the same type of information found in the government-wide financial statements, but in more detail.

The net position balance of the Water Fund at April 30, 2020 was \$1,374,291. This represented a decrease of \$214,850 from the prior year. This decrease is due mainly to expenditures exceeding revenues.

The fund deficit of the Sewer Fund at April 30, 2020 was \$682,586. This represented a decrease of \$809,673 from the prior year fund balance. This decrease is due mainly to depreciation expense.

The net position balance of the Garbage and Refuse Fund at April 30, 2020 was \$242,085. This represented a decrease of \$4,606. The decrease is due mainly to expenditures exceeding revenues.

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020**

Analysis of significant budget variations

During the course of the year, the city council amended the amount of the original budget/appropriation. The final General Fund actual expenditures totaled \$3,418,865 or 2.40 percent lower than the final budgeted expenditures of \$3,503,026. The City budgeted extra for community development, general maintenance of capital assets, and contingency (unexpected expenses for other budget items). There was an increase from the original budget of \$110,646 to the final budget. The variance between original and final budget results are not expected to have a significant effect on future services or liquidity of the City of Galena.

Analysis of capital assets

A summary of capital investments during the year is as follows:

\$ 1,496,702	for infrastructure
\$ 75,782	for public works equipment
\$ 11,048	for public works buildings and improvements
\$ 32,084	for public safety equipment
\$ 4,685	for public safety building and improvements
\$ 12,366	for federal government equipment
\$ 69,013	for culture and recreational infrastructure
\$ 10,723	for culture and recreation equipment
\$ 1,054	for swimming pool equipment
\$ 31,317	for sewer equipment
\$ 185,593	for sewer distribution and collection
\$ 64,181	for water equipment
\$ 184,701	for water distribution and collection
\$ 568	for recycling trash cans

Additional information on the City's capital assets can be found in Note 4 of this report.

Analysis of long-term debt

Governmental Activities:

During the year, the City paid principal and interest of:

\$ 162,486	and \$20,491	respectively, for 2012A GO Bonds (Alt Rev) - TIF Projects
\$ 43,254	and \$ 5,455	respectively, for 2012A GO Bonds (Alt Rev) - Garage
\$ 37,692	and \$ 4,753	respectively, for 2012A GO Bonds (Alt Rev) - Rec Park
\$ 10,098	and \$ 1,273	respectively, for 2012A GO Bonds (Alt Rev) - Bike Trail
\$ 35,000	and \$ 3,395	respectively, for 2012B GO Bonds (Alt Rev) - Meeker Street Bridge
\$ 30,000	and \$ 2,910	respectively, for 2012B GO Bonds (Alt Rev) - Flood Control
\$ 76,836	and \$ 4,534	for 2010 Sale Tax Capital Projects

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020**

Analysis of long-term debt (continued)

At year-end, the City had \$1,046,656 in outstanding long-term debt relating to the Governmental Activities. They are as follows:

Governmental Activities	Amount	Principal Due Next Year
Revenue Bonds, Series, 2012A and 2012B (Alt Rev)	\$ 1,007,235	\$ 323,088
2010 Sales Tax Loan	39,421	39,421
Total	\$ 1,046,656	\$ 362,509

Business-Type Activities:

During the year, the City paid principal and interest of:

- \$16,470 and \$2,077 respectively, relating to 2012A GO Bond (Alt Rev)
- \$35,000 and \$3,395 respectively, relating to 2012B GO Bonds (Alt Rev)
- \$68,110 and \$12,938 respectively, relating to Illinois EPA Water Loan
- \$6,130,000 and \$397,190 respectively, relating to 2010 GO Bonds (Alt Rev)

New debt issued during the fiscal year is as follows:

\$5,900,000 General Obligation Bonds (Alt Rev) Series 2020 – Sewer

Business-Type Activities	Amount	Principal Due Next Year
General Obligation Bond (Alternative Revenue Sources)	\$5,900,000	\$ 70,000
General Obligation Bond (Alternative Revenue Sources) Series 2010	305,000	305,000
2004 IEPA Loan - Water Utility	899,651	138,785
General Obligation Bond (Alternative Revenue Sources) Series 2012A and 2012B	157,765	51,912
TOTAL	\$7,262,416	\$ 565,697

As of April 30, 2020, the City's general obligation debt limitation was \$8,660,749. This was a decrease of \$85,371 from the prior year. The general obligation debt limitation is based on the assessed taxable valuation of the most recent property tax levy.

The City's bond rating issued by Standard & Poor remained AA-during the year. Additional information on the City's debt can be found in Notes 4 and 10 of this report.

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020**

Conditions that could have an effect on the financial position of the City

Subsequent to the year ended April 30, 2020, the City approved the following expenditures:

<u>FUND</u>	<u>DESCRIPTION</u>	<u>ESTIMATED COST</u>	<u>GRANT FUNDED</u>
General	Art & Recreation Center	\$ 10,000	\$ -
General	Public Works Garage Improvement	30,000	-
General	Tree Removal	20,000	-
General	Maintenance Projects	10,000	-
General	Public Works Dump Truck	16,430	-
Emergency Services	Siren redevelopment	18,000	-
Parks & Recreation	Riding Mower	12,000	-
Parks & Recreation	Canoe/Kayak Project	127,500	127,500
Parks & Recreation	Parking Expansion	37,500	37,500
Fire Protection	Turn Out Gear	150,000	-
Fire Protection	Building Maintenance	10,000	-
Capital Projects	Street Improvements	53,000	-
Capital Projects	Gear Street	62,000	-
Water	Water Tower Inspections	15,000	-
Water	East Side Water Project	1,384,717	-
Sewer	Dump Truck	10,000	-
Sewer	Hughlett Sewer Lining	50,000	-
Turner Hall	Building Maintenance	11,700	-
Turner Hall	Signage and Lighting	11,100	11,100
Swimming Pool	Maintenance and Improvements	82,100	-
Total Capital Expenses		<u>\$ 2,121,047</u>	<u>\$ 176,100</u>
Net Cost		<u>\$ 1,944,947</u>	

Planned borrowings for FY2021: May 1, 2020 to April 30, 2021

<u>FUND</u>	<u>DESCRIPTION</u>	<u>ESTIMATED AMOUNT</u>	<u>GRANT FUNDED</u>
Water	Low interest loan from the Illinois EPA for water system improvements	\$1,579,137	\$0

NOTE: This is expected to have \$800,000 of the principal forgiven by the lender.

Requests for information

This financial report is designed to provide a general overview of the City of Galena's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Council, 101 Green Street, P.O., Box 310, Galena, Illinois 61036.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2020

	Govern- mental Activities	Business- Type Activities	Total
ASSETS:			
<u>Current Assets:</u>			
Cash, Deposits and Investments	\$ 2,758,618	\$ (25,161)	\$ 2,733,457
Accounts Receivable	-	195,885	195,885
Total Current Assets	<u>\$ 2,758,618</u>	<u>\$ 170,724</u>	<u>\$ 2,929,342</u>
<u>Noncurrent Assets:</u>			
Cash, Deposits and Investments	\$ 469,190	\$ 1,751,969	\$ 2,221,159
Restricted Cash, Deposits and Investments	-	60,000	60,000
Bond Discount	58,472	56,747	115,219
Less: Amortization	(37,504)	(8,458)	(45,962)
<u>Capital Assets:</u>			
Land and Improvements	1,735,293	136,830	1,872,123
Historical Treasures	30,705	-	30,705
Buildings and Equipment, Net of Accumulated Depreciation	5,597,038	1,249,894	6,846,932
Infrastructure, Net of Accumulated Depreciation	13,105,953	6,026,526	19,132,479
Net Capital Assets	<u>\$ 20,468,989</u>	<u>\$ 7,413,250</u>	<u>\$ 27,882,239</u>
Total Noncurrent Assets	<u>\$ 20,959,147</u>	<u>\$ 9,273,508</u>	<u>\$ 30,232,655</u>
TOTAL ASSETS	<u>\$ 23,717,765</u>	<u>\$ 9,444,232</u>	<u>\$ 33,161,997</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related Deferred Outflows	<u>\$ 775,379</u>	<u>\$ 153,712</u>	<u>\$ 929,091</u>
LIABILITIES:			
<u>Current Liabilities:</u>			
Bond Premium	\$ 114,680	\$ 169,228	\$ 283,908
Less: Amortization	(72,616)	(6,665)	(79,281)
Payroll Related	15,167	-	15,167
Total Current Liabilities	<u>\$ 57,231</u>	<u>\$ 162,563</u>	<u>\$ 219,794</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES: (continued)			
<u>Noncurrent Liabilities:</u>			
Due Within One Year	\$ 362,509	\$ 565,697	\$ 928,206
Due Within More Than One Year	684,147	6,696,719	7,380,866
Net Pension Liability	48,179	9,550	57,729
Total Noncurrent Liabilities	<u>\$ 1,094,835</u>	<u>\$ 7,271,966</u>	<u>\$ 8,366,801</u>
TOTAL LIABILITIES	<u>\$ 1,152,066</u>	<u>\$ 7,434,529</u>	<u>\$ 8,586,595</u>
 DEFERRED INFLOWS OF RESOURCES:			
Pension Related Deferred Inflows	<u>\$ 1,042,544</u>	<u>\$ 206,675</u>	<u>\$ 1,249,219</u>
 NET POSITION:			
Invested in Capital Assets, Net of Related Debt	\$ 19,422,333	\$ 150,834	\$ 19,573,167
Restricted for:			
Debt Service	44,962	60,000	104,962
Other Purposes	1,650,745	-	1,650,745
Unrestricted	1,180,494	1,745,906	2,926,400
TOTAL NET POSITION	<u>\$ 22,298,534</u>	<u>\$ 1,956,740</u>	<u>\$ 24,255,274</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

Functions/Programs:	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 3,446,496	\$ 44,064	\$ 2,690	\$ -	\$ (3,399,742)	\$ -	\$ (3,399,742)
Public Safety	1,300,914	-	-	-	(1,300,914)	-	(1,300,914)
Public Works	1,733,208	-	-	275,809	(1,457,399)	-	(1,457,399)
Culture/Recreation	268,908	5,025	27,776	43,317	(192,790)	-	(192,790)
Community Development	1,743	-	-	-	(1,743)	-	(1,743)
Interest on Long-Term Debt	42,839	-	-	-	(42,839)	-	(42,839)
Total Governmental Activities	<u>\$ 6,794,108</u>	<u>\$ 49,089</u>	<u>\$ 30,466</u>	<u>\$ 319,126</u>	<u>\$ (6,395,427)</u>	<u>\$ -</u>	<u>\$ (6,395,427)</u>
Business-Type Activities:							
Garbage and Refuse Collection	\$ 270,504	\$ 251,239	\$ -	\$ -	\$ -	\$ (19,265)	\$ (19,265)
Water	941,693	672,163	-	-	-	(269,530)	(269,530)
Sewer	2,011,213	695,657	5,440	-	-	(1,310,116)	(1,310,116)
Shuttle Service	10,232	33,259	-	-	-	23,027	23,027
Turner Hall	80,578	28,655	36,293	-	-	(15,630)	(15,630)
Swimming Pool	317,037	87,936	-	-	-	(229,101)	(229,101)
Total Business-Type Activities	<u>\$ 3,631,257</u>	<u>\$ 1,768,909</u>	<u>\$ 41,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,820,615)</u>	<u>\$ (1,820,615)</u>
Total Government	<u>\$ 10,425,365</u>	<u>\$ 1,817,998</u>	<u>\$ 72,199</u>	<u>\$ 319,126</u>	<u>\$ (6,395,427)</u>	<u>\$ (1,820,615)</u>	<u>\$ (8,216,042)</u>
GENERAL REVENUES:							
Taxes:							
Property Taxes					\$ 1,498,052	\$ 30	\$ 1,498,082
Other Local Taxes					1,496,798	442,727	1,939,525
Intergovernmental Taxes					2,588,447	-	2,588,447
Bond Premium					4,857	1,755	6,612
Investment Earnings					47,391	25,608	72,999
Miscellaneous					120,547	20,688	141,235
Net Pension Related Activity					1,246,090	146,945	1,393,035
Proceeds from Sale of Assets					24,250	-	24,250
Gain on Sale of Assets					10,594	-	10,594
Total General Revenues					<u>\$ 7,037,026</u>	<u>\$ 637,753</u>	<u>\$ 7,674,779</u>
Transfers					(179,495)	179,495	-
TOTAL REVENUES AND TRANSFERS					<u>\$ 6,857,531</u>	<u>\$ 817,248</u>	<u>\$ 7,674,779</u>
Change in Net Position					\$ 462,104	\$ (1,003,367)	\$ (541,263)
NET POSITION - BEGINNING					21,836,430	2,960,107	24,796,537
NET POSITION - ENDING					<u>\$ 22,298,534</u>	<u>\$ 1,956,740</u>	<u>\$ 24,255,274</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
APRIL 30, 2020

	General Fund	Fire Protection Fund	Motor Fuel Tax Fund	Parks & Recreation Fund	Public Works - Capital Projects Fund	Debt Service Fund	Nonmajor Govern- mental Funds	Total Govern- mental Funds
ASSETS:								
Cash, Deposits & Investments	\$ 1,802,787	\$ 931,073	\$ 126,557	\$ 23,526	\$ 86,659	\$ 44,962	\$ 506,456	\$ 3,522,020
TOTAL ASSETS	<u>\$ 1,802,787</u>	<u>\$ 931,073</u>	<u>\$ 126,557</u>	<u>\$ 23,526</u>	<u>\$ 86,659</u>	<u>\$ 44,962</u>	<u>\$ 506,456</u>	<u>\$ 3,522,020</u>
LIABILITIES AND FUND BALANCES:								
<u>Current Liabilities:</u>								
Cash Overdraft	\$ -	\$ -	\$ -	\$ 294,212	\$ -	\$ -	\$ -	\$ 294,212
Payroll Related	15,167	-	-	-	-	-	-	15,167
Total Current Liabilities	<u>\$ 15,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,379</u>
<u>Fund Balances:</u>								
Restricted	\$ -	\$ 931,073	\$ 126,557	\$ -	\$ 86,659	\$ 44,962	\$ 506,456	\$ 1,695,707
Unassigned	1,787,620	-	-	(270,686)	-	-	-	1,516,934
Total Fund Balances (Deficits)	<u>\$ 1,787,620</u>	<u>\$ 931,073</u>	<u>\$ 126,557</u>	<u>\$ (270,686)</u>	<u>\$ 86,659</u>	<u>\$ 44,962</u>	<u>\$ 506,456</u>	<u>\$ 3,212,641</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,802,787</u>	<u>\$ 931,073</u>	<u>\$ 126,557</u>	<u>\$ 23,526</u>	<u>\$ 86,659</u>	<u>\$ 44,962</u>	<u>\$ 506,456</u>	

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
APRIL 30, 2020

Total Fund Balances	\$ 3,212,641
Amounts reported for governmental activities in the statement of net position (Statement 1) are different because:	
Amounts received from bond premium of \$114,680, net of amortization of \$72,616, are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	(42,064)
Amounts paid for bond issuance costs of \$58,472, net of amortization of \$37,504, are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	20,968
Capital assets of \$51,433,267, net of depreciation of \$30,964,278, are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	20,468,989
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(1,094,835)
Deferred Inflows of Resources are not current financial excess and, therefore, are not reported in the governmental funds.	(1,042,544)
Deferred Outflows of Resources are not current financial resources and, therefore, are not reported in the governmental funds.	<u>775,379</u>
Net Position of Governmental Activities	<u><u>\$ 22,298,534</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	General Fund	Fire Protection Fund	Motor Fuel Tax Fund	Park and Recreation Fund	Public Works - Capital Projects Fund	Debt Service Fund	Nonmajor Govern- mental Funds	Total Govern- mental Funds
REVENUES:								
Local Taxes	\$ 1,786,613	\$ 364,660	\$ -	\$ 82,660	\$ -	\$ -	\$ 526,125	\$ 2,760,058
Licenses and Permits	234,792	-	-	-	-	-	-	234,792
Intergovernmental	1,908,752	27,350	137,619	-	442,727	-	71,999	2,588,447
Fines and Forfeitures	28,981	-	-	-	-	-	-	28,981
Charges for Services	15,083	-	-	5,025	-	-	-	20,108
Investment Earnings	28,609	9,675	3,168	156	1,467	-	4,316	47,391
Donations	1,190	-	-	27,776	-	-	-	28,966
Grants	1,500	-	-	43,317	275,809	-	-	320,626
Miscellaneous	111,274	-	-	9,273	-	-	-	120,547
TOTAL REVENUES	\$ 4,116,794	\$ 401,685	\$ 140,787	\$ 168,207	\$ 720,003	\$ -	\$ 602,440	\$ 6,149,916
EXPENDITURES:								
Current:								
General Government	\$ 1,618,711	\$ -	\$ -	\$ -	\$ -	-	\$ 523,125	\$ 2,141,836
Public Safety	915,088	73,328	-	-	-	-	69,459	1,057,875
Public Works	719,930	-	97,247	-	-	-	-	817,177
Culture/Recreation	-	-	-	123,885	-	-	9,954	133,839

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	General Fund	Fire Protection Fund	Motor Fuel Tax Fund	Park and Recreation Fund	Public Works - Capital Projects Fund	Debt Service Fund	Nonmajor Govern- mental Funds	Total Govern- mental Funds
EXPENDITURES: (continued)								
Debt Service:								
Principal	-	-	-	-	-	395,339	-	395,339
Interest & Other Charges	-	-	-	-	-	42,839	-	42,839
Capital Outlay	165,136	14,256	938,030	91,129	507,245	-	8,000	1,723,796
TOTAL EXPENDITURES	<u>\$ 3,418,865</u>	<u>\$ 87,584</u>	<u>\$ 1,035,277</u>	<u>\$ 215,014</u>	<u>\$ 507,245</u>	<u>\$ 438,178</u>	<u>\$ 610,538</u>	<u>\$ 6,312,701</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 697,929</u>	<u>\$ 314,101</u>	<u>\$ (894,490)</u>	<u>\$ (46,807)</u>	<u>\$ 212,758</u>	<u>\$ (438,178)</u>	<u>\$ (8,098)</u>	<u>\$ (162,785)</u>
OTHER FINANCING SOURCES (USES):								
Transfers In	\$ 44,838	\$ -	\$ 251,100	\$ 122,715	\$ -	\$ 544,535	\$ 22,390	\$ 985,578
Transfers Out	(904,195)	(3,000)	-	(53,815)	(204,063)	-	-	(1,165,073)
Proceeds from Sale of Surplus Equipment	24,250	-	-	-	-	-	-	24,250
TOTAL OTHER FINANCING SOURCE (USES)	<u>\$ (835,107)</u>	<u>\$ (3,000)</u>	<u>\$ 251,100</u>	<u>\$ 68,900</u>	<u>\$ (204,063)</u>	<u>\$ 544,535</u>	<u>\$ 22,390</u>	<u>\$ (155,245)</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	General Fund	Fire Protection Fund	Motor Fuel Tax Fund	Park and Recreation Fund	Public Works - Capital Projects Fund	Debt Service Fund	Nonmajor Govern- mental Funds	Total Govern- mental Funds
Net Change in Fund Balance	\$ (137,178)	\$ 311,101	\$ (643,390)	\$ 22,093	\$ 8,695	\$ 106,357	\$ 14,292	\$ (318,030)
FUND BALANCE (DEFICIT) - BEGINNING	1,924,798	619,972	769,947	(292,779)	77,964	(61,395)	492,164	3,530,671
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 1,787,620</u>	<u>\$ 931,073</u>	<u>\$ 126,557</u>	<u>\$(270,686)</u>	<u>\$ 86,659</u>	<u>\$ 44,962</u>	<u>\$ 506,456</u>	<u>\$ 3,212,641</u>
Net Change in Fund Balances - Total Governmental Funds								\$ (318,030)

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 net position the cost of these assets are capitalized. The assets are depreciated over their estimated useful lives and depreciation expense is reported in the statement of activities.

Value of assets acquired	1,723,796
Depreciation reported in the government-wide statements.	(1,360,670)
Gain on sale of surplus property	10,594

Principal payments reported as expenditures in the fund statements.	395,339
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The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

Governmental funds report bond discounts as expenditures and bond premiums as revenues. However, in the statement of net position, the cost and receipts are capitalized. The assets and liabilities are amortized in the statement of activities.

Amortized Bond Premium reported in government-wide statements.	4,857
Amortized Bond Discount reported in government-wide statements.	(5,848)
Net change in pension liability is not a current activity and, therefore, is not reported in the fund financial statements.	(768,121)
Net change in pension related deferred outflows/inflows and pension assets.	<u>780,187</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 462,104</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF FUND NET POSITION - MODIFIED CASH BASIS -
PROPRIETARY FUNDS
APRIL 30, 2020

	Business-Type Activities - Enterprise Funds				Total
	Water Fund	Sewer Fund	Garbage and Refuse Fund	Nonmajor Enterprise Funds	
ASSETS:					
<u>Current Assets:</u>					
Cash, Deposits, and Investments	\$ -	\$ 267,211	\$ 30,915	\$ 245,286	\$ 543,412
Accounts Receivable	78,052	83,667	34,166	-	195,885
Total Current Assets	<u>\$ 78,052</u>	<u>\$ 350,878</u>	<u>\$ 65,081</u>	<u>\$ 245,286</u>	<u>\$ 739,297</u>
<u>Noncurrent Assets:</u>					
Cash, Deposit, and Investments	\$ 741,820	\$ 780,313	\$ 175,452	\$ 54,384	\$ 1,751,969
Restricted Cash, Deposits, and Investments	60,000	-	-	-	60,000
Bond Discount Fees	-	54,101	-	2,646	56,747
Less: Amortization	-	(6,596)	-	(1,862)	(8,458)
<u>Capital Assets:</u>					
Land and Improvements	41,830	95,000	-	-	136,830
Distribution & Collection Systems	7,968,247	19,813,060	-	-	27,781,307
Buildings & Equipment	1,344,341	1,249,701	7,119	2,668,974	5,270,135
Less: Accumulated Depreciation	(7,372,740)	(16,524,805)	(3,628)	(1,873,849)	(25,775,022)
Net Capital Assets	<u>\$ 1,981,678</u>	<u>\$ 4,632,956</u>	<u>\$ 3,491</u>	<u>\$ 795,125</u>	<u>\$ 7,413,250</u>
Total Noncurrent Assets	<u>\$ 2,783,498</u>	<u>\$ 5,460,774</u>	<u>\$ 178,943</u>	<u>\$ 850,293</u>	<u>\$ 9,273,508</u>
TOTAL ASSETS	<u>\$ 2,861,550</u>	<u>\$ 5,811,652</u>	<u>\$ 244,024</u>	<u>\$ 1,095,579</u>	<u>\$ 10,012,805</u>
DEFERRED OUTFLOW OF RESOURCES	<u>\$ 46,805</u>	<u>\$ 58,332</u>	<u>\$ 4,768</u>	<u>\$ 43,807</u>	<u>\$ 153,712</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF FUND NET POSITION - MODIFIED CASH BASIS -
PROPRIETARY FUNDS
APRIL 30, 2020

	Business-Type Activities - Enterprise Funds				Total
	Water Fund	Sewer Fund	Garbage and Refuse Fund	Nonmajor Enterprise Funds	
LIABILITIES:					
<u>Current Liabilities:</u>					
Cash Overdraft	\$ 568,573	\$ -	\$ -	\$ -	\$ 568,573
Bond Premium	-	161,502	-	7,726	169,228
Less: Amortization	-	(987)	-	(5,678)	(6,665)
Current Portion of Bonds & Notes Payable	138,785	410,000	-	16,912	565,697
Total Current Liabilities	<u>\$ 707,358</u>	<u>\$ 570,515</u>	<u>\$ -</u>	<u>\$ 18,960</u>	<u>\$ 1,296,833</u>
<u>Noncurrent Liabilities:</u>					
Bonds & Notes Payable	\$ 760,866	\$ 5,900,000	\$ -	\$ 35,853	\$ 6,696,719
Net Pension Liability	2,908	3,624	296	2,722	9,550
Total Noncurrent Liabilities	<u>\$ 763,774</u>	<u>\$ 5,903,624</u>	<u>\$ 296</u>	<u>\$ 38,575</u>	<u>\$ 6,706,269</u>
TOTAL LIABILITIES	<u>\$ 1,471,132</u>	<u>\$ 6,474,139</u>	<u>\$ 296</u>	<u>\$ 57,535</u>	<u>\$ 8,003,102</u>
 DEFERRED INFLOW OF RESOURCES	 <u>\$ 62,932</u>	 <u>\$ 78,431</u>	 <u>\$ 6,411</u>	 <u>\$ 58,901</u>	 <u>\$ 206,675</u>
 NET POSITION:					
Invested in Capital Assets, Net of Related Debt	\$ 1,082,027	\$ (1,677,044)	\$ 3,491	\$ 742,360	\$ 150,834
Restricted for Debt Service	60,000	-	-	-	60,000
Unrestricted	232,264	994,458	238,594	280,590	1,745,906
TOTAL NET POSITION	<u>\$ 1,374,291</u>	<u>\$ (682,586)</u>	<u>\$ 242,085</u>	<u>\$ 1,022,950</u>	<u>\$ 1,956,740</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
MODIFIED CASH BASIS - PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	Business-Type Activities - Enterprise Funds				Total
	Water Fund	Sewer Fund	Garbage and Refuse Fund	Nonmajor Enterprise Funds	
OPERATING REVENUES:					
Charges for Services	\$ 571,981	\$ 683,255	\$ 245,562	\$ 94,208	\$ 1,595,006
Penalties	10,283	12,402	5,677	-	28,362
Concessions	-	-	-	24,739	24,739
Rent	89,899	-	-	30,903	120,802
Pension Earnings	53,126	44,711	4,546	44,562	146,945
Other - Miscellaneous	6,831	4,959	4,321	1,376	17,487
TOTAL OPERATING REVENUES	\$ 732,120	\$ 745,327	\$ 260,106	\$ 195,788	\$ 1,933,341
OPERATING EXPENSES:					
Personnel	\$ 101,050	\$ 125,938	\$ 10,294	\$ 76,351	\$ 313,633
Pension Expense	47,621	47,266	4,361	41,663	140,911
Maintenance Services	457,447	394,189	175,649	132,019	1,159,304
Professional Services	23,639	38,344	-	-	61,983
Communications	2,500	2,545	3,990	4,654	13,689
Services and Charges	12,348	18,000	61,170	33,865	125,383
General Supplies	-	-	2,248	58,750	60,998
Other Expenditures	24,242	38,591	12,039	14,354	89,226
Bad Debt	166	207	70	-	443
Depreciation and Amortization	245,964	865,394	683	44,114	1,156,155
TOTAL OPERATING EXPENSES	\$ 914,977	\$ 1,530,474	\$ 270,504	\$ 405,770	\$ 3,121,725
Operating Income (Loss)	\$ (182,857)	\$ (785,147)	\$ (10,398)	\$ (209,982)	\$ (1,188,384)

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
MODIFIED CASH BASIS - PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	Business-Type Activities - Enterprise Funds				Total
	Water Fund	Sewer Fund	Garbage and Refuse Fund	Nonmajor Enterprise Funds	
<u>NONOPERATING REVENUES (EXPENSES):</u>					
Bond Discount Amortization	\$ -	\$ (2,548)	\$ -	\$ -	\$ (2,548)
Bond Premium Amortization	-	987	-	768	1,755
Bond Issuance Costs	-	(123,945)	-	-	(123,945)
Interest Earnings	3,533	14,418	5,782	1,875	25,608
Interest Expense	(26,716)	(354,246)	-	(2,077)	(383,039)
Property Taxes Revenue	10	10	10	-	30
Sales Taxes Revenue	-	442,727	-	-	442,727
Grants	-	5,440	-	36,293	41,733
Solar Electric Sales	-	3,201	-	-	3,201
TOTAL NONOPERATING REVENUE (EXPENSES)	\$ (23,173)	\$ (13,956)	\$ 5,792	\$ 36,859	\$ 5,522
Income (Loss) Before Transfers	\$ (206,030)	\$ (799,103)	\$ (4,606)	\$ (173,123)	\$ (1,182,862)
Transfers In	-	-	-	198,885	198,885
Transfers Out	(8,820)	(10,570)	-	-	(19,390)
Change in Net Position	\$ (214,850)	\$ (809,673)	\$ (4,606)	\$ 25,762	\$ (1,003,367)
TOTAL NET POSITION - BEGINNING	1,589,141	127,087	246,691	997,188	2,960,107
TOTAL NET POSITION - ENDING	\$ 1,374,291	\$ (682,586)	\$ 242,085	\$ 1,022,950	\$ 1,956,740

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	Business-Type Activities - Enterprise Funds				Total
	Water Fund	Sewer Fund	Garbage and Refuse Fund	Nonmajor Enterprise Funds	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Receipts from Customers	\$ 669,874	\$ 694,594	\$ 248,264	\$ 149,850	\$ 1,762,582
Payments to Suppliers for Goods & Services	(520,176)	(491,669)	(255,096)	(243,642)	(1,510,583)
Payments to Employees for Services	(101,050)	(125,938)	(10,294)	(76,351)	(313,633)
Other Receipts/(Payments)	6,831	4,959	4,321	1,376	17,487
Net Cash Provided (Used) by Operating Activities	<u>\$ 55,479</u>	<u>\$ 81,946</u>	<u>\$ (12,805)</u>	<u>\$ (168,767)</u>	<u>\$ (44,147)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Transfers In/(Out)	\$ (8,820)	\$ (10,570)	\$ -	\$ 198,885	\$ 179,495
Property Taxes Received	10	10	10	-	30
Sales Taxes Received	-	442,727	-	-	442,727
Net Cash Provided (Used) by Noncapital Financing Activities	<u>\$ (8,810)</u>	<u>\$ 432,167</u>	<u>\$ 10</u>	<u>\$ 198,885</u>	<u>\$ 622,252</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Purchases of Capital Assets	\$ (248,882)	\$ (216,911)	\$ (568)	\$ (1,054)	\$ (467,415)
Principal Paid on Capital Debt	(135,380)	(6,165,000)	-	(16,470)	(6,316,850)
Interest Paid on Capital Debt	(26,716)	(478,191)	-	(2,077)	(506,984)
Proceeds from Bond Issuance	-	5,900,000	-	-	5,900,000
Proceeds from Bond Premium	-	161,502	-	-	161,502
Grants	-	5,440	-	36,293	41,733
Bond Issuance	-	(24,952)	-	-	(24,952)
Net Cash (Used) in Capital and Related Financing Activities	<u>\$ (410,978)</u>	<u>\$ (818,112)</u>	<u>\$ (568)</u>	<u>\$ 16,692</u>	<u>\$ (1,212,966)</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	Business-Type Activities - Enterprise Funds				Total
	Water Fund	Sewer Fund	Garbage and Refuse Fund	Nonmajor Enterprise Funds	
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest Earned on Deposits	\$ 3,533	\$ 14,418	\$ 5,782	\$ 1,875	\$ 25,608
Solar Electric Sales	-	3,201	-	-	3,201
Net Cash Provided by Investing Activities	<u>\$ 3,533</u>	<u>\$ 17,619</u>	<u>\$ 5,782</u>	<u>\$ 1,875</u>	<u>\$ 28,809</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (360,776)	\$ (286,380)	\$ (7,581)	\$ 48,685	\$ (606,052)
BALANCE - BEGINNING OF YEAR	<u>594,023</u>	<u>1,333,904</u>	<u>213,948</u>	<u>250,985</u>	<u>2,392,860</u>
BALANCE - END OF YEAR	<u>\$ 233,247</u>	<u>\$ 1,047,524</u>	<u>\$ 206,367</u>	<u>\$ 299,670</u>	<u>\$ 1,786,808</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating Income (Loss)	\$ (182,857)	\$ (785,147)	\$ (10,398)	\$ (209,982)	\$ (1,188,384)
<u>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</u>					
Bad Debt	166	207	70	-	443
Depreciation and Amortization	245,964	865,394	683	44,114	1,156,155
Pension Expense	47,621	47,266	4,361	41,663	140,911
Deferred Miscellaneous Revenue	(53,126)	(44,711)	(4,546)	(44,562)	(146,945)
<u>Changes in Assets and Liabilities:</u>					
Accounts Receivable	(2,289)	(1,063)	(2,975)	-	(6,327)
Net Cash Provided (Used) by Operating Activities	<u>\$ 55,479</u>	<u>\$ 81,946</u>	<u>\$ (12,805)</u>	<u>\$ (168,767)</u>	<u>\$ (44,147)</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF CASH CLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Garbage and Refuse Fund</u>	<u>Nonmajor Enterprise Funds</u>	
<u>RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:</u>					
<u>Current Assets:</u>					
Cash, Deposits, and Investments	\$ 217,705	\$ 267,211	\$ 30,915	\$ 245,286	\$ 761,117
<u>Noncurrent Assets:</u>					
Cash, Deposits, and Investments	524,114	780,313	175,452	54,384	1,534,263
Restricted Cash	60,000	-	-	-	60,000
<u>Current Liabilities:</u>					
Cash Overdraft	(568,572)	-	-	-	(568,572)
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 233,247</u>	<u>\$ 1,047,524</u>	<u>\$ 206,367</u>	<u>\$ 299,670</u>	<u>\$ 1,786,808</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
APRIL 30, 2020

	<u>Employee Benefit Trust Fund</u>	<u>Agency Fund</u>
<u>ASSETS:</u>		
Cash, Deposits, and Investments	\$ 191,655	\$ 7,399
TOTAL ASSETS	<u>\$ 191,655</u>	<u>\$ 7,399</u>
<u>LIABILITIES:</u>		
Cash Overdraft	\$ 6,148	\$ 2,222
Due to Cable Franchise Grantee	-	5,011
TOTAL LIABILITIES	<u>\$ 6,148</u>	<u>\$ 7,233</u>
<u>NET POSITION:</u>		
Held in Trust for Employee Benefits	<u>\$ 185,507</u>	<u>\$ 166</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	Employee Accrued Benefit Trust Fund	Agency Fund
ADDITIONS:		
Employer Contributions:		
Received from General Fund	\$ 16,550	\$ -
Net Investment Income:		
Interest Earned	753	36
TOTAL ADDITIONS	<u>\$ 17,303</u>	<u>\$ 36</u>
DEDUCTIONS:		
Distribution	\$ 1,331	\$ -
TOTAL DEDUCTIONS	<u>\$ 1,331</u>	<u>\$ -</u>
Increase (Decrease) in Net Position	\$ 15,972	\$ 36
NET POSITION - BEGINNING	<u>169,535</u>	<u>130</u>
NET POSITION - ENDING	<u><u>\$ 185,507</u></u>	<u><u>\$ 166</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 1 - Summary of Significant Accounting Policies:

A. Reporting Entity

The City of Galena is an incorporated city with a population of approximately 3,400 residents (2010 census) located in Jo Daviess County, Illinois.

The City operates under a council form of government, which is governed by a six person board of alderpersons and a mayor. All seven of these positions are elected by the citizens of the City.

The accompanying financial statements present all of the funds of the government over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships (as distinct from legal relationships). Based upon the above criteria, the City has determined that there are no component unit organizations to be reported on within the financial statements. The City also has determined that the City is not a component unit of any other entity.

B. Basis of Presentation

Government-Wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Except for depreciation expense, the City does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements:

Financial statements of the reporting entity are organized into 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, net position/fund

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 1 - Summary of Significant Accounting Policies: (continued)

Basis of Presentation (continued)

Fund Financial Statements: (continued)

equity, revenues, and expenditures/expenses. Government resources are allocated and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. These financial statements reflect eight generic fund types and three broad fund categories.

An emphasis is placed on major funds within the governmental and proprietary fund categories. Funds are organized as major funds or nonmajor funds within the governmental and proprietary fund statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns, and the nonmajor funds are aggregated and reported in a single column in the fund financial statements. The funds of the financial reporting entity are described below:

Governmental Funds

General Fund - The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those that are legally or administratively required to be accounted for in other funds.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The fund includes the Public Works Fund.

Debt Service Fund - This fund accounts for the resources and expenditures relating to the long-term debt of the governmental funds.

Proprietary Funds

Enterprise Fund - The Enterprise Fund is used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Water, Sewer, Garbage and Refuse Collection, Shuttle Services, Turner Hall, and the Swimming Pool Fund.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 1 - Summary of Significant Accounting Policies: (continued)

Basis of Presentation (continued)

Fiduciary Funds

They are used to account for assets held by the City in a trustee capacity or as an agent on behalf of others.

In addition, the City reports the following fiduciary fund types:

Pension (and other employee benefit) Trust Funds - They are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, or other employee benefit plans.

The Employee Accrued Benefits Fund is used to account for the activities of employee accrued vacation and sick time unused by the employee and is funded by contributions from the General Fund.

Agency Funds - They are used to report resources held in a purely custodial capacity for individuals or organizations outside the reporting entity. The Cable Fund is used to account for the monies as set forth in the cable franchise agreement between the City of Galena and the cable franchisee.

Major and Nonmajor Funds

The funds are further classified as major and nonmajor as follows:

Major Funds:

General Fund - This fund is the general operating fund for the City. It is used for all financial resources except those that are required to be accounted for in another fund.

Fire Protection - Special Revenue Fund - This fund is used to account for the revenues and expenditures associated with providing fire protection activities. Financing is provided by an annual property tax levy.

Motor Fuel Tax Fund - Special Revenue Fund - This fund is used to account for the revenues and expenditures associated with public works projects and street maintenance activity. Financing is provided by allotments of motor fuel tax collected by the State of Illinois and forwarded to the City.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 1 - Summary of Significant Accounting Policies: (continued)

Major and Nonmajor Funds (continued)

Parks and Recreation Fund - Special Revenue Fund - This fund is used to account for the revenues and expenditures associated with maintenance and improvement expenditures associated with providing parks for leisure activities. Financing is provided by an annual property tax level, donations, and grants.

Public Works Fund - Capital Projects Fund - This fund is used to account for the revenues and expenditures associated with capital projects associated with infrastructure and other capital outlay activity. Financing is provided from a non-home rule sales tax approved by referendum.

Debt Service Fund - This fund is used to account for expenditures for principal and interest on all governmental debt. Financing is provided from transfers of cash from various City funds.

Water Fund - Proprietary Fund - This fund is used to account for the revenues and expenses associated with providing fresh water to the residents of the City. Financing is provided primarily by charges for services.

Sewer Fund - Proprietary Fund - This fund is used to account for the revenues and expenses associated with providing sanitation services to the residents of the City. Financing is provided primarily by charges for services and a non-home rule sales tax approved by referendum.

Garbage and Refuse Collection Fund - Proprietary Fund - This fund is used to account for revenues and expenses associated with the collection of garbage and refuse throughout the City. Financing is provided primarily by charges for services.

Nonmajor Funds:

Annual Audit - Special Revenue Fund
Emergency Services Defense - Special Revenue Fund
Insurance - Special Revenue Fund
Illinois Municipal Retirement - Special Revenue Fund
Medicare/Social Security - Special Revenue Fund
Flood Control - Special Revenue Fund
Shuttle Services - Enterprise Fund - Proprietary Fund
Turner Hall - Enterprise Fund - Proprietary Fund
Swimming Pool - Enterprise Fund - Proprietary Fund

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 1 - Summary of Significant Accounting Policies: (continued)

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus, as presented, are the determination of operating income, change in net position (cost recovery), and financial position.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (payroll taxes) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

Government-wide and fund financial statements are maintained on the modified cash basis method of accounting, which is a comprehensive basis of accounting other than U.S. Generally Accepted Accounting Principles. Under a pure cash basis method of accounting, revenues are recognized when collected rather than when earned, and expenditures are recognized when paid rather than when incurred. These financial statements are modified from the cash basis method of accounting because of the recording of prepaid items, capital assets presented net of accumulated depreciation, deferred outflows of resources, payroll withholding, proprietary fund accounts receivable, capital assets and the related depreciation expense, long-term debt, and net pension liability.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 1 - Summary of Significant Accounting Policies: (continued)

D. Assets, Liabilities, and Net Position or Equity

1. Cash, Deposits and Investments

For the purpose of the Statement of Net Position, "cash, deposits and investments" includes all demand, savings accounts and certificates of deposits and money markets (external investment pools) of the City. For the purposes of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less.

2. Certificates of Deposit

Certificates of deposit approximate market value and consist of investments with original maturities from four months to twenty-two months with interest ranging from 0.25% to 2.50%. Certificates of deposit with maturity dates more than three months from the balance sheet date are classified as noncurrent assets.

3. Receivables - Business-Type Activities

In the government-wide financial statements, receivables consist of utility revenues earned at year-end and not yet received.

All amounts are considered fully collectible and establishment of a reserve for uncollectible accounts is not considered necessary.

4. Restricted Cash, Deposits and Investments

Mandatory segregations of assets are presented as restricted assets. Such segregations are required for bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Bond Discount

Bond discounts paid at issuance date are amortized over the life of the bond. Expenses are recognized annually and accumulated until fully expired.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 1 - Summary of Significant Accounting Policies: (continued)

Assets, Liabilities, and Net Position or Equity (continued)

6. Capital Assets

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$20,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Prior to May 1, 2003, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB No. 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. The City has retroactively reported all infrastructure assets acquired by its governmental fund types.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. The cost of renewals and betterments relating to retirement units is added to plan accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plan accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20-40 years
Machinery and Equipment	3-10 years
Utility System	20-50 years
Infrastructure	20-50 years

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 1 - Summary of Significant Accounting Policies: (continued)

Assets, Liabilities, and Net Position or Equity (continued)

7. **Deferred Outflows of Resources**

Deferred outflows of resources represent a consumption of net position that is applied to future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to expense and contributions from the employer after the measurement date, but before the end of employees reporting period.

8. **Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of unrecognized items not yet charged to revenue for return on pension plan assets after the pension plan measurement date, but before the end of the pension plan operating year.

9. **Pensions**

For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement fund (IMRF) and additions to/deductions from IMRF fiduciary net position have been determined in the same basis reported by IMRF. For this purpose, benefit payments (including referrals of employee contribution) are recognized when due and payable in accordance with the benefit times. Investments are reported at fair value.

10. **Bond Premium**

Bond premium earned at issuance date is amortized over the life of the bond. Revenue is recognized annually and accumulated until fully expired.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 1 - Summary of Significant Accounting Policies: (continued)

Assets, Liabilities, and Net Position or Equity (continued)

11. **Long-Term Obligations**

All long-term obligations (except compensated absences - Note 12) to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

12. **Equity Classifications**

Government-Wide Statements

Equity is classified as net position and displayed in three components:

Net Position:

- Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.
- Restricted net position - Consists of net position legally restricted by outside parties for a specific purpose.
- Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 1 - Summary of Significant Accounting Policies: (continued)

Assets, Liabilities, and Net Position or Equity (continued)

Equity Classifications (continued)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Equity in the Fund Financial Statements is classified as Fund Balance and discharged in these components as follows:

- Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors or state or federal laws, or imposed by law through constitutional provisions or enabling legislation.
- Assigned - Amounts constrained and established by the government itself or by a body or an official delegated by the governing body.
- Unassigned - All amounts not included in other spendable classifications.

Assigned and unassigned amounts are considered to have been spent when an expenditure is incurred for purposes that either classification is available for.

Fiduciary fund equity is classified as held in trust for employee benefits and revolving loans on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the City believes it is in compliance with all significant restrictions.

E. Property Tax Calendar

The City's property tax is levied each year on all taxable real property located within the City on or before the last Tuesday in December. The 2018 property tax levy proceeds were reflected as revenue in the financial statements for the year ended April 30, 2020. The 2019 levy was passed by the City Council on December 10, 2019. The 2019 property tax levy proceeds will be reflected as revenue in the financial statements for the year ended April 30, 2021. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. Payments must be made by these dates or a penalty will be assessed. The City receives significant distributions of tax receipts within the months of July, August, September, October, and November. A schedule of property tax extensions and rates are presented within the financial report on Schedule 22.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 1 - Summary of Significant Accounting Policies: (continued)

F. Operating/Non-Operating Revenue and Expenses

The proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the proprietary funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

G. Proprietary (Enterprise) Funds

In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement numbers 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements.

H. Allocated Indirect Costs

On the Statement of Activities, the indirect costs of depreciation expense was allocated without using a separate column because these costs were included in the program expenses reported for individual functions and activities.

I. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward interfund transfers, restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure to interfund transfers, restricted fund balance, and then to other, less restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 1 - Summary of Significant Accounting Policies: (continued)

J. Estimates

The preparation of financial statements in conformity with modified cash basis method of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Cash, Deposits and Investments:

The investment policy of the City includes all funds governed by the City Council. The policy of the City is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all state and local statutes governing the investment of public funds. Investments may be made in any type allowed for in the Illinois Compiled Statutes (30 ILCS 235) Public Funds Investment Act regarding the investment of public funds.

A. Cash and Deposits

At April 30, 2020, the cash deposits and investments balance per bank was \$5,319,370. The carrying amount of the bank balance was \$5,205,300. The difference between the bank and carrying balance was outstanding checks and/or deposits that had not cleared the bank at year-end.

The cash and deposits are categorized in accordance with risk factors created by Governmental Reporting Standards. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit in excess of FDIC limits, must be secured by some form of collateral and held at an independent third party institution in the name of the City. As of April 30, 2020, the City's bank deposits of \$5,319,370 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name. As of April 30, 2020, the City's bank balance of \$5,319,370 was exposed to custodial credit risk as follows:

1.	Uninsured and Uncollateralized	\$	-0-
2.	Collateralized with securities held by the pledging financial institution, or	\$	-0-
3.	Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name	\$	-0-

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 2 - Cash, Deposits and Investments: (continued)

B. Investments

The investment policy of the City applies to the activities of all its funds. The policy establishes cash management and investment guidelines for the stewardship of public funds under the City's jurisdiction. The Illinois Compiled Statutes (30 ILCS 235) Public Funds Investment Act will take precedence except where the City's policy would be more restrictive.

The City invests a portion of its cash balance in the Illinois Funds, which is authorized by state statute (30 ILCS 235). The Illinois Funds Money Market Fund (formerly known as IPTIP) is a money market fund created in 1975 by the Illinois General Assembly. Its primary purpose is to provide the public treasurer and other custodians of public funds with the alternative investment vehicle, which enables them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds.

The monies invested by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements.

The time deposits are collateralized 100% over FDIC of FSLIC \$250,000 insurance with U.S. Treasury obligations and marked to market on a weekly basis to maintain sufficiency. The repurchase agreements are collateralized at 100% with U.S. Treasury obligations and the collateral is checked daily to determine sufficiency.

The individual participants maintain separate investment accounts representing a proportionate share of the pool assets and its respective collateral; therefore, no collateral is identified with each individual participant's account.

Credit Risk: The Illinois Funds is a 2a7-like investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but operates under an investment policy that is consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Illinois Funds were rated AAAM by Standard & Poor.

Cost (actual amounts) approximates fair value.

A summary of the external investment pool balance by fund is listed below:

<u>Money Market</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Fair Value Amounts</u>
Various Funds	-	1.891%-2.451%	\$ 797,398
Motor Fuel Tax Fund	-	1.891%-2.451%	96,849
TOTAL			<u>\$ 894,247</u>

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 2 - Cash, Deposits and Investments: (continued)

C. Restricted Cash, Deposits and Investments

The following long-term debt accounts represent the balances of the restricted cash and investments:

Reserve - To prevent or remedy a default in the payment of the interest on/or principal of said outstanding bonds.

Following is a list of restricted cash and investments at April 30, 2020:

<u>Restricted Cash, Deposits and Investments</u>	
Reserve Account (Water Fund)	\$ 60,000
Total Restricted Cash, Deposits and Investments	<u>\$ 60,000</u>

A summary of Cash, Deposits and Investments by fund is as follows:

<u>Fund</u>		<u>Maturity</u>	<u>Interest</u>	<u>Carrying</u>
<u>Primary Government</u>	<u>Type of Cash Account</u>	<u>Date</u>	<u>Rate</u>	<u>Amount</u>
General Fund	Petty Cash	-	-	\$ 325
Various Funds	Checking	-	1.15%	329,982
Motor Fuel Tax Fund	Checking	-	1.15%	67,333
Employee Benefit Trust Fund	Savings	-	0.20%	6,764
Cable Fund	Savings	-	0.20%	7,399
Various Funds	Illinois Funds	-	-	797,398
Motor Fuel Tax Fund	Illinois Funds	-	-	96,849
General Fund	Certificate of Deposit	01/08/21	2.30%	148,260
General Fund	Certificate of Deposit	01/08/21	2.30%	149,040
General Fund	Certificate of Deposit	02/18/23	0.40%	409,367
General Fund	Certificate of Deposit	02/10/21	1.00%	603,769
General Fund	Certificate of Deposit	02/10/21	1.00%	84,528
General Fund	Certificate of Deposit	02/10/21	1.00%	72,452
General Fund	Certificate of Deposit	08/12/22	2.50%	59,823

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 2 - Cash, Deposits and Investments: (continued)

Restricted Cash, Deposits and Investments (continued)

A summary of Cash, Deposits and Investments by fund is as follows:

<u>Fund</u>		<u>Maturity</u>	<u>Interest</u>	<u>Carrying</u>
<u>Primary Government</u>	<u>Type of Cash Account</u>	<u>Date</u>	<u>Rate</u>	<u>Amount</u>
Motor Fuel Tax Fund	Certificate of Deposit	08/20/21	0.40%	52,940
Garbage Fund	Certificate of Deposit	01/08/21	2.30%	148,260
Garbage Fund	Certificate of Deposit	08/12/22	2.50%	27,192
Fire Protection Fund	Certificate of Deposit	07/10/21	2.25%	246,540
Flood Control Fund	Certificate of Deposit	02/20/23	1.75%	26,470
Accrued Benefits Fund	Certificate of Deposit	02/20/23	1.75%	35,999
Capital Projects Fund	Certificate of Deposit	03/18/21	0.25%	258,093
Water Fund	Certificate of Deposit	08/20/21	0.40%	317,640
Water Fund	Certificate of Deposit	03/18/21	0.25%	206,475
Water Fund	Certificate of Deposit	02/10/21	0.50%	217,705
Sewer Fund	Certificate of Deposit	02/10/21	1.00%	241,508
Sewer Fund	Certificate of Deposit	08/10/22	2.50%	432,476
Sewer Fund	Certificate of Deposit	02/18/23	1.75%	106,329
Shuttle Fund	Certificate of Deposit	08/12/22	2.50%	54,384
TOTAL CASH, DEPOSITS & INVESTMENTS AT APRIL 30, 2020				<u><u>\$5,205,300</u></u>

Reconciliation to the Financial Statements:

Statement of Net Position (Statement 1):

Current Assets:

Cash, Deposits and Investments \$ 2,733,457

Noncurrent Assets:

Cash, Deposits and Investments 2,221,159

Restricted Cash, Deposits and Investments 60,000

\$ 5,014,616

Statement of Fiduciary Net Position (Statement 8):

Cash, Deposits and Investments:

Employee Benefit Trust \$ 191,655

Agency 7,399

Cash Overdraft (8,370)

\$ 190,684

TOTAL CASH, DEPOSITS AND INVESTMENTS

\$ 5,205,300

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 3 - Capital Assets:

Capital asset activity for the year ended April 30, 2020 was as follows:

	<u>Balance</u> <u>5/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>4/30/2020</u>
<u>Capital Assets not being Depreciated:</u>				
Land and Improvements	\$ 1,735,293	\$ -	\$ -	\$ 1,735,293
Historical Treasures	30,705	-	-	30,705
Construction in Progress	1,966,554	-	1,966,554	-
Total Capital Assets not being Depreciated	<u>\$ 3,732,552</u>	<u>\$ -</u>	<u>\$ 1,966,554</u>	<u>\$ 1,765,998</u>
<u>Other Capital Assets:</u>				
Buildings	\$ 6,228,957	\$ 15,733	\$ -	\$ 6,244,690
Machinery and Equipment	8,232,165	130,955	87,336	8,275,784
Infrastructure	31,614,526	3,532,269	-	35,146,795
Total Capital Assets being Depreciated	<u>\$ 46,075,648</u>	<u>\$ 3,678,957</u>	<u>\$ 87,336</u>	<u>\$ 49,667,269</u>
Total Capital Assets	<u>\$ 49,808,200</u>	<u>\$ 3,678,957</u>	<u>\$ 2,053,890</u>	<u>\$ 51,433,267</u>
<u>Less: Accumulated Depreciation for:</u>				
Buildings	\$ 2,596,688	\$ 158,707	\$ -	\$ 2,755,395
Machinery and Equipment	5,926,899	310,036	73,680	6,163,255
Infrastructure	21,153,701	891,927	-	22,045,628
Total Accumulated Depreciation	<u>\$ 29,677,288</u>	<u>\$ 1,360,670</u>	<u>\$ 73,680</u>	<u>\$ 30,964,278</u>
Governmental Capital Assets, Net	<u>\$ 20,130,912</u>	<u>\$ 2,318,287</u>	<u>\$ 1,980,210</u>	<u>\$ 20,468,989</u>

Depreciation expense was charged to functions as follows:

<u>Governmental Activities:</u>	
General Government	\$ 64,788
Public Safety	243,484
Public Works	916,031
Culture/Recreation	134,624
Community Development	1,743
Total Governmental Activities Depreciation Expense	<u>\$ 1,360,670</u>

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 3 - Capital Assets: (continued)

	Balance 5/1/2019	Additions	Deletions	Balance 4/30/2020
Business-Type Activities				
<u>Water</u>				
<u>Capital Assets not being Depreciated:</u>				
Land and Land Rights	\$ 41,830	\$ -	\$ -	\$ 41,830
 <u>Capital Assets being Depreciated:</u>				
Distribution and Collection	\$ 7,783,546	\$ 184,701	\$ -	\$ 7,968,247
Buildings	168,046	-	-	168,046
Equipment	1,112,115	64,180	-	1,176,295
Total Capital Assets being Depreciated	\$ 9,063,707	\$ 248,881	\$ -	\$ 9,312,588
Total Capital Assets	\$ 9,105,537	\$ 248,881	\$ -	\$ 9,354,418
Less: Accumulated Depreciation	7,126,776	245,964	-	7,372,740
Net Water Utility Plant	\$ 1,978,761	\$ 2,917	\$ -	\$ 1,981,678
 <u>Sewer</u>				
<u>Capital Assets not being Depreciated:</u>				
Land and Land Rights	\$ 95,000	\$ -	\$ -	\$ 95,000
 <u>Capital Assets being Depreciated:</u>				
Distribution and Collection	\$ 19,627,467	\$ 185,593	\$ -	\$ 19,813,060
Buildings	570,190	-	-	570,190
Equipment	648,194	31,317	-	679,511
Total Capital Assets being Depreciated	\$ 20,845,851	\$ 216,910	\$ -	\$ 21,062,761
Total Capital Assets	\$ 20,940,851	\$ 216,910	\$ -	\$ 21,157,761
Less: Accumulated Depreciation	15,659,412	865,393	-	16,524,805
Net Sewer Utility Plant	\$ 5,281,439	\$(648,483)	\$ -	\$ 4,632,956

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 3 - Capital Assets: (continued)

	Balance 5/1/2019	Additions	Deletions	Balance 4/30/2020
<u>Business-Type Activities</u> (continued)				
<u>Garbage & Refuse</u>				
<u>Capital Assets being Depreciated:</u>				
Equipment	\$ 6,550	\$ 569	\$ -	\$ 7,119
Less: Accumulated Depreciation	2,944	684	-	3,628
Net Garbage & Refuse Capital Assets	<u>\$ 3,606</u>	<u>\$ (115)</u>	<u>\$ -</u>	<u>\$ 3,491</u>
<u>Swimming Pool</u>				
<u>Capital Assets being Depreciated:</u>				
Buildings	\$ 1,335,431	\$ -	\$ -	\$ 1,335,431
Machinery and Equipment	80,310	1,054	-	81,364
	<u>\$ 1,415,741</u>	<u>\$ 1,054</u>	<u>\$ -</u>	<u>\$ 1,416,795</u>
Less: Accumulated Depreciation	1,295,006	8,497	-	1,303,503
Net Swimming Pool Capital Assets	<u>\$ 120,735</u>	<u>\$ (7,443)</u>	<u>\$ -</u>	<u>\$ 113,292</u>
<u>Turner Hall</u>				
<u>Capital Assets being Depreciated:</u>				
Buildings	\$ 1,167,027	\$ -	\$ -	\$ 1,167,027
Machinery and Equipment	12,361	-	-	12,361
	<u>\$ 1,179,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,179,388</u>
Less: Accumulated Depreciation	487,428	31,764	-	519,192
Net Turner Hall Capital Assets	<u>\$ 691,960</u>	<u>\$ (31,764)</u>	<u>\$ -</u>	<u>\$ 660,196</u>
<u>Shuttle Services</u>				
<u>Capital Assets being Depreciated:</u>				
Machinery and Equipment	\$ 72,791	\$ -	\$ -	\$ 72,791
Less: Accumulated Depreciation	47,595	3,559	-	51,154
Net Shuttle Services Capital Assets	<u>\$ 25,196</u>	<u>\$ (3,559)</u>	<u>\$ -</u>	<u>\$ 21,637</u>
<u>Capital Assets not being Depreciated:</u>				
<u>Business-Type Activities:</u>				
Land	\$ 136,830	\$ -	\$ -	\$ 136,830

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 3 - Capital Assets: (continued)

	Balance 5/1/2019	Additions	Deletions	Balance 4/30/2020
Business-Type Activities (continued)				
<u>Capital Assets being Depreciated:</u>				
<u>Business-Type Activities:</u>				
Buildings	\$ 3,240,693	\$ -	\$ -	\$ 3,240,693
Equipment	1,932,322	97,120	-	2,029,442
Infrastructure	27,411,013	370,294	-	27,781,307
Total Capital Assets Being Depreciated	<u>\$32,584,028</u>	<u>\$ 467,414</u>	<u>\$ -</u>	<u>\$33,051,442</u>
Total Capital Assets	\$32,720,858	\$ 467,414	\$ -	\$33,188,272
Less: Accumulated Depreciation	<u>24,619,161</u>	<u>1,155,861</u>	<u>-</u>	<u>25,775,022</u>
Business-Type Capital Assets, Net	<u>\$ 8,101,697</u>	<u>\$(688,447)</u>	<u>\$ -</u>	<u>\$ 7,413,250</u>

Summary of Business-Type Activities

Depreciation expenses were charged to functions as follows:

<u>Business-Type Activities:</u>	
Water	\$ 245,964
Sewer	865,393
Garbage & Refuge	684
Swimming Pool	8,497
Turner Hall	31,764
Shuttle Service	3,559
Total Business-Type Activities Depreciation Expense	<u>\$1,155,861</u>

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 4 - Long-Term Obligations:

Long-term obligations activity for the year ended April 30, 2020 was as follows:

	<u>Beginning</u>			<u>Ending</u>	<u>Amounts</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Due Within</u>
					<u>One Year</u>
<u>GOVERNMENTAL ACTIVITIES:</u>					
<u>Bonds and Notes Payable:</u>					
General Obligation Debt	\$ 1,325,765	\$ -	\$ 318,530	\$ 1,007,235	\$ 323,088
Promissory Notes - Bank	116,257	-	76,836	39,421	39,421
Net Pension Liability	816,300	-	768,121	48,179	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 2,258,322</u>	<u>\$ -</u>	<u>\$ 1,163,487</u>	<u>\$ 1,094,835</u>	<u>\$ 362,509</u>
<u>BUSINESS-TYPE ACTIVITIES:</u>					
<u>Bonds and Notes Payable:</u>					
General Obligation Debt	\$ 209,235	\$ -	\$ 51,470	\$ 157,765	\$ 51,912
Revenue Bonds	6,435,000	5,900,000	6,130,000	6,205,000	375,000
Revenue Note - IEPA	1,035,031	-	135,380	899,651	138,785
Net Pension Liability	156,496	-	146,945	9,551	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 7,835,762</u>	<u>\$ 5,900,000</u>	<u>\$ 6,463,795</u>	<u>\$ 7,271,967</u>	<u>\$ 565,697</u>
Total Long-Term Liabilities	<u>\$ 10,094,084</u>	<u>\$ 5,900,000</u>	<u>\$ 7,627,282</u>	<u>\$ 8,366,802</u>	<u>\$ 928,206</u>

General Obligation Debt

General Obligation (Alternative Revenue Sources) Bonds, Series 2012A

On June 27, 2012, General Obligation (Alternative Revenue Sources) Bonds, Series 2012A was issued.

Date of Issue: June 27, 2012
Maturity Date: December 30, 2022
Interest Rate: 2.00% to 3.00%
Principal Amount: \$2,620,000
Principal payments due December 30
Interest payments due June 30 and December 30

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 4 - Long-Term Obligations: (continued)

General Obligation Debt (continued)

General Obligation (Alternative Revenue Sources) Bonds, Series 2012B

The proceeds from the issuance of the General Obligation (Alternative Revenue Sources) Bonds, Series 2012A were used to retire the remaining balance due on the General Obligation Bonds, Series 2003. The principal amount of the bonds received was \$2,620,000 with an original issue premium of \$122,406, which provided the amount necessary to redeem all outstanding bonds of the Series 2003 as well as covering the issue cost of new bonds.

On June 27, 2012, General Obligation (Alternative Revenue Sources) Bonds, Series 2012B was issued.

Date of Issue: June 27, 2012
Maturity Date: December 30, 2022
Interest Rate: 1.20% to 2.60%
Principal Amount: \$945,000
Principal payments due December 30
Interest payments due June 30 and December 30

The proceeds from the issuance of the General Obligation (Alternative Revenue Sources) Bonds, Series 2012B were used to fund Capital Projects of Governmental Activities and Capital Outlay of Enterprise Fund-Sewer. The principal amount of the bonds received was \$945,000, which provided the amounts necessary to fund construction of the Meeker Street Bridge \$335,000, a new Flood System \$280,000 in the Governmental Activities, and the Solar Panel Project \$330,000 in the Enterprise Fund-Sewer, as well as covering the issue cost of new bonds.

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies, sales tax, and other unrestricted sources of revenue. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 4 - Long-Term Obligations: (continued)

General Obligation Debt (continued)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 4/30/2020</u>
<u>Governmental Activities:</u>					
<u>General Obligation Debt:</u>					
2012A Bonds	6/27/12	12/30/22	2.00-3.00%	\$ 2,445,000	\$ 812,235
2012B Bonds	6/27/12	12/30/22	1.20-2.60%	\$ 615,000	195,000
Total Governmental Activities - General Obligation Debt					<u>\$ 1,007,235</u>
<u>Business-Type Activities:</u>					
<u>General Obligation Debt:</u>					
2012A Bonds	6/27/12	12/30/22	2.00-3.00%	\$ 175,000	\$ 52,765
2012B Bonds	6/27/12	12/30/22	1.20-2.60%	\$ 330,000	105,000
Total Business-Type Activities General Obligation Debt					<u>\$ 157,765</u>
Total General Obligation Debt - All Activities					<u>\$ 1,165,000</u>

Debt service requirements to maturity are as follows:

Governmental Activities:

General Obligation (Alternative Revenue Sources) Bond, Series 2012A

<u>Fiscal Year Ending</u>	<u>Principal December 30</u>	<u>Interest June 30</u>	<u>Interest December 30</u>	<u>Total Payments</u>
2021	\$ 258,088	\$ 12,177	\$ 12,177	\$ 282,442
2022	272,165	8,306	8,306	288,777
2023	281,982	4,225	4,225	290,432
TOTAL	<u>\$ 812,235</u>	<u>\$ 24,708</u>	<u>\$ 24,708</u>	<u>\$ 861,651</u>

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 4 - Long-Term Obligations: (continued)

General Obligation Debt (continued)

General Obligation (Alternative Revenue Sources) Bond, Series 2012B

Fiscal Year Ending	Principal December 30	Interest June 30	Interest December 30	Total Payments
2021	\$ 65,000	\$ 2,425	\$ 2,425	\$ 69,850
2022	130,000	2,535	2,535	135,070
TOTAL	\$ 195,000	\$ 4,960	\$ 4,960	\$ 204,920

Business-Type Activities:

General Obligation (Alternative Revenue Sources) Bond, Series 2012A

Fiscal Year Ending	Principal December 30	Interest June 30	Interest December 30	Total Payments
2021	\$ 16,912	\$ 798	\$ 798	\$ 18,508
2022	17,835	544	544	18,923
2023	18,018	275	275	18,568
TOTAL	\$ 52,765	\$ 1,617	\$ 1,617	\$ 55,999

General Obligation (Alternative Revenue Sources) Bond, Series 2012B

Fiscal Year Ending	Principal December 30	Interest June 30	Interest December 30	Total Payments
2021	\$ 35,000	\$ 1,300	\$ 1,300	\$ 37,600
2022	70,000	1,365	1,365	72,730
TOTAL	\$ 105,000	\$ 2,665	\$ 2,665	\$ 110,330

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 4 - Long-Term Obligations: (continued)

Revenue Debt

Business-type activities revenue notes are payable only from revenues derived from the operation of the water and sewer utilities and a ½% sales tax passed by referendum.

Revenue debt payable at April 30, 2020 consists of the following:

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 4/30/20</u>
<u>Water Utility</u>					
2004 IEPA Loan	12/07/04	-	2.50%	\$ 2,487,404	\$ 899,651
<u>Sewer Utility</u>					
2010 Bonds (Callable 10/30/20)	01/26/10	10/30/30	2.00-4.35%	8,735,000	305,000
2020 Bonds (Callable 12/30/30)	04/08/20	12/30/34	3.00%	5,900,000	5,900,000
Total Business-Type Activities Revenue Debt					<u>\$7,104,651</u>

During the year, the City engaged in debt refinancing activity. The 2010 Revenue Bonds reported in the Sewer Fund was refinanced through the issuance of General Obligation Refunding Bonds (Sales Tax Alternative Revenue Source) Series 2020 in the amount of \$5,900,000. The proceeds were used to pay the existing General Obligation Bond (Alternative Revenue Source) Series 2010 in the amount of \$5,835,000 with a remaining balance of \$305,000, including bond issuance cost of \$102,558. The refunded debt reduced the annual principal and interest payable to the City. The economic gain realized by the City is represented by the reduction of annual principal and interest payments in the amount of \$705,913.

The 2004 IEPA Loan requires a reserve of \$60,000 be maintained. See Note 2 for more information.

<u>Fiscal Year Ending</u>	2004 IEPA Revenue Note - Water Utility				
	<u>Principal May 11</u>	<u>Interest May 11</u>	<u>Principal Nov 11</u>	<u>Interest Nov 11</u>	<u>Total Payments</u>
2021	\$ -	\$ 12,086	\$ 69,823	\$ 11,224	\$ 93,133
2022	70,697	10,351	71,580	9,468	162,096
2023	72,475	8,573	73,381	7,667	162,096
2024	74,298	6,750	75,227	5,821	162,096
2025	76,167	4,881	77,119	3,929	162,096
2026-2027	159,823	3,966	79,061	1,989	244,839
TOTAL	<u>\$ 453,460</u>	<u>\$ 46,607</u>	<u>\$ 446,191</u>	<u>\$ 40,098</u>	<u>\$ 986,356</u>

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 4 - Long-Term Obligations: (continued)

Debt service requirements to maturity are as follows:

<u>Alternative Revenue Source Bond, Series 2010</u>				
<u>Sewer Utility</u>				
<u>Fiscal</u> <u>Year Ending</u>	<u>Principal</u> <u>December 30</u>	<u>Interest</u> <u>June 30</u>	<u>Interest</u> <u>December 30</u>	<u>Total</u> <u>Payments</u>
2021	\$ 305,000	\$ 130,722	\$ 130,722	\$ 566,444
TOTAL	\$ 305,000	\$ 130,722	\$ 130,722	

<u>Alternative Revenue Source Bond, Series 2020</u>				
<u>Sewer Utility</u>				
<u>Fiscal</u> <u>Year Ending</u>	<u>Principal</u> <u>December 30</u>	<u>Interest</u> <u>June 30</u>	<u>Interest</u> <u>December 30</u>	<u>Total</u> <u>Payments</u>
2021	\$ 70,000	\$ 64,408	\$ 64,409	\$ 198,817
2022	340,000	87,450	87,450	514,900
2023	355,000	82,350	82,350	519,700
2024	360,000	77,025	77,025	514,050
2025	375,000	71,625	71,625	518,250
2026-2030	2,035,000	270,675	270,675	2,576,350
2031-2035	2,365,000	108,525	108,525	2,582,050
	<u>\$ 5,900,000</u>	<u>\$ 762,058</u>	<u>\$ 762,059</u>	<u>\$ 7,424,117</u>

Promissory Notes

These notes are payable out of the debt service fund and are related to City construction projects. Promissory notes at April 30, 2020 consist of the following:

	<u>Date of</u> <u>Issue</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rates</u>	<u>Original</u> <u>Indebtedness</u>	<u>Balance</u> <u>4/30/2020</u>
<u>Governmental Activities:</u>					
<u>Promissory Notes:</u>					
2010 Sales Tax Loan	09/02/2010	09/02/2020	4.58%	\$ 645,000	\$ 39,421
Total Governmental Activities-Promissory Notes					<u>\$ 39,421</u>

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 4 - Long-Term Obligations: (continued)

Debt service requirements to maturity are as follows:

<u>Fiscal Year Ending</u>	Governmental Activities Promissory Notes		<u>Total Payments</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 39,421	\$ 1,417	\$ 40,838
TOTAL	\$ 39,421	\$ 1,417	\$ 40,838

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The City believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations, except as described in the Revenue Debt section.

Note 5 - Lease Disclosures:

Lessor - Operating Leases

The City receives lease payments from a property rented to a local not-for-profit organization. The leased property includes buildings and land, including parking areas. The initial lease commenced on May 1, 2013. Annual lease payment is \$1.00. The lease may be extended upon agreement of both parties. The land under lease is valued at \$0 and the cost of buildings is \$109,012. At April 30, 2020, the building's accumulated depreciation was \$109,012.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 6 - Net Position Restricted:

- A. Net position restricted for other purposes as shown on the Statement of Net Position is as follows:

Governmental Activities	Restricted By	Amount
Audit	Law	\$ 25,884
Emergency Services Defense	Law	8,661
Unemployment Insurance	Law	83,003
Liability Insurance	Law	8,769
Workers Compensation Insurance	Law	65,829
Motor Fuel Tax (Public Street Projects)	Law	126,557
Illinois Municipal Retirement (Pension)	Law	185,155
Medicare/Social Security (Payroll Taxes)	Law	85,927
Flood Control	Law	43,228
Fire Protection	Law	931,073
Public Works	Law	86,659
Debt Service	Law	44,962
Total Net Position Restricted for Other Purposes		\$1,695,707

- B. Net position restricted for debt service as shown on the Statement of Net Position is as follows:

Business-Type Activities	Restricted By	Amount
Water - Debt Service	Note Agreement	\$ 60,000
Total Net Position Restricted for Debt Service		\$ 60,000

Note 7 - Deficit Fund Balance:

The following funds reflected a deficit fund balance at April 30, 2020:

Fund	Deficit
Parks & Recreation	\$ (270,686)
Sewer	\$ (682,586)

Note 8 - Pension Plan:

IMRF Plan Description

The City of Galena's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increase, and death benefits to plan members and beneficiaries. The City of Galena's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 8 - **Pension Plan:** (continued)

IMRF Plan Description (continued)

from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 2% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price index of the original pension amount

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries Currently Receiving Benefits	37
Inactive Plan Members Entitled to but not yet Receiving Benefits	6
Active Plan Members	28
TOTAL	<u>71</u>

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 8 - **Pension Plan:** (continued)

Contributions

As set by statute, the City of Galena's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member's contributions, to finance the retirement coverage of its own employees. The City of Galena's annual contribution rate for calendar year 2019 was 8.26%. For the fiscal year ended April 30, 2020, the City of Galena contributed \$131,601 to the plan. The City of Galena 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The City of Galena's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projects scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 8 - Pension Plan: (continued)

Actuarial Assumptions (continued)

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37.00%	5.75%
International Equity	18.00%	6.50%
Fixed Income	28.00%	3.25%
Real Estate	9.00%	5.20%
Alternative Investments	7.00%	3.60-7.60
Cash Equivalents	1.00%	1.85%
TOTAL	100.00%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that the City of Galena's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate 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. the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) 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 most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 8 - Pension Plan: (continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Position Liability (Asset) <u>(A) - (B)</u>
Balances at December 31, 2018	\$ 9,313,597	\$ 8,340,801	\$ 972,796
Changes for the year:			
Service Cost	163,311	-	163,311
Interest on the Total Pension Liability	670,187	-	670,187
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	(9,689)	-	(9,689)
Changes of Assumptions	-	-	-
Contributions - Employer	-	131,601	(131,601)
Contributions - Employees	-	71,695	(71,695)
Net Investment Income	-	1,520,521	(1,520,521)
Benefit Payments, including Refunds of Employee Contributions	(302,599)	(302,599)	-
Other (Net Transfer)	-	15,058	(15,058)
Net Changes	<u>\$ 521,210</u>	<u>\$ 1,436,276</u>	<u>\$ (915,066)</u>
Balances at December 31, 2019	<u>\$ 9,834,807</u>	<u>\$ 9,777,077</u>	<u>\$ 57,730</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower <u>(6.50%)</u>	Current Discount <u>(7.50%)</u>	1% Higher <u>(8.50%)</u>
Total Pension Liability	\$ 11,105,572	\$ 9,834,807	\$ 8,803,064
Plan Fiduciary Net Position	<u>9,777,077</u>	<u>9,777,077</u>	<u>9,777,077</u>
Net Pension Liability (Asset)	<u>\$ 1,328,495</u>	<u>\$ 57,730</u>	<u>\$ (974,013)</u>

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 8 - Pension Plan: (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2020, the City of Galena recognized pension expense of \$136,318. At April 30, 2020, the City of Galena's reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Deferred Amounts to be Recognized in Future Pension Expense			
Difference between expected and actual experience	\$ 85,285	\$ 123,513	\$ (38,228)
Changes of assumptions	141,841	89,345	52,496
Net difference between projected and actual earnings on pension plan investments	<u>654,207</u>	<u>1,036,361</u>	<u>(382,154)</u>
Total Deferred Amounts to be Recognized in Future Pension Expense	\$ 881,333	\$ 1,249,219	\$ (367,886)
Pension Contributions made Subsequent to the Measurement Date	<u>47,758</u>	<u>-</u>	<u>47,758</u>
Total Deferred Amounts Related to Pensions	<u>\$ 929,091</u>	<u>\$ 1,249,219</u>	<u>\$ (320,128)</u>

The amount of \$47,758 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2021.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
2020	\$ (114,201)	\$ -
2021	(100,039)	-
2022	30,226	-
2023	(183,872)	-
2024	<u>-</u>	<u>-</u>
TOTAL	<u>\$ (367,886)</u>	<u>\$ -</u>

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 9 - Interfund Transfers:

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund*	Public Works*	\$ 44,838	Cost Reimbursement
Debt Service*	General*	331,495	Debt Payments
Swimming Pool	General*	187,885	Provide Additional Funds
Turner Hall	General*	11,000	Provide Additional Funds
Parks & Recreation	General*	122,715	Provide Additional Funds
Motor Fuel Tax*	General*	251,100	Provide Additional Funds
Debt Service*	Public Works*	159,225	Provide Funds for Debt Payments
Debt Service*	Parks & Recreation*	53,815	Provide Funds for Debt Payments
Emergency Services Defense	Fire Protection*	3,000	Siren Maintenance
FICA	Water*	7,250	FICA Payments
FICA	Sewer*	9,000	FICA Payments
Audit	Water*	1,570	Cost Allocation
Audit	Sewer*	1,570	Cost Allocation
	Subtotal - Fund Financial Statements	\$ 1,184,463	
	Less: Fund Eliminations	<u>(1,004,968)</u>	
	Total Government-wide Statements of Activities	<u>\$ 179,495</u>	

**Denotes Major Fund*

Governmental Activities	Business-Type Activities	\$ 198,885
Business-Type Activities	Governmental Activities	<u>(19,390)</u>
Total		<u>\$ 179,495</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

Note 10 - Legal Debt Margin:

Based on the assessed valuation for 2019 of \$100,414,476, the legal debt margin is:

Statutory Debt Limitation	\$100,414,476 x 8.625%	\$ 8,660,749
Less: General Obligation Bonds Outstanding		(1,165,000)
Promissory Notes		(39,421)
LEGAL DEBT MARGIN		<u>\$ 7,456,328</u>

Note 11 - Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Note 12 - Contingencies:

Compensated Absences

Under terms of employment, certain employees are granted compensated absences in varying amounts. These benefits, whether or not fully vested, are considered contingent liabilities for disclosure purposes only. Payments for the varying compensated absences will be made at rates in effect when the benefits are used. The following accumulated compensated absences at April 30, 2020, are determined on the basis of current wage rates.

Accumulated Sick Leave - The City provides full-time employees paid time off for sick leave which accumulates from year to year if not used. A contingent liability for sick pay has been calculated in the amount of \$393,339 at April 30, 2020. The accumulated sick pay days are a partially vested benefit.

Accumulated Personal Leave - The City provides full-time employees paid time off for personal leave which accumulates from year to year if not used. A contingent liability for personal pay has been calculated in the amount of \$3,065 at April 30, 2020. The accumulated personal pay days are not a vested benefit.

Accumulated Vacation Leave - The City provides full-time employees vested vacation leave on an annual basis according to their years of continuous service. Vacation leave lapses on the day of their anniversary of employment. A contingent liability for vacation leave has been calculated in the amount of \$193,522 at April 30, 2020.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 12 - Contingencies: (continued)

Compensated Absences (continued)

Accumulated Compensatory Time Off and Overtime Pay - The City provides full-time employees compensatory time off for overtime hours worked, which may accumulate from year to year if not used. A contingent liability for compensatory pay has been calculated in the amount of \$19,273 at April 30, 2020. The accumulated compensatory time is a vested benefit for the City's non-exempt full-time employees.

Note 13 - Tax Abatements:

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

City Tax Abatements

The City provides tax abatements for Debt Service payment requirements for General Obligation Bonds (Alternate Revenue Source) Series 2010 Sewer Bond; General Obligation Bonds (Alternative Revenue Source) Series 2020 Sewer Utility Bond; 2012A and 2012B Bonds and the levy of a direct annual tax sufficient to pay the principal of and interest on the bonds. For the payment of principal and interest on these bonds, the City has pledged sales taxes that have been deposited in 2010, 2012A and 2012B Sales Tax Alternate Bond Fund. No other commitments were made by the City as part of these actions for purposes of bond funding.

For the year ended April 30, 2020, the City abated \$982,995 under the General Obligation (Alternate Revenue Service) Series 2010 Sewer Bond, 2012A and 2012B Bonds.

Tax Abatement of Other Entities

Property tax revenues of the City were reduced by the following amounts for the year ended April 30, 2019 under an annexation agreement entered into by the following entity:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
Palace Campgrounds	Annexation Agreement	\$2,000

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 14 - Contracts/Major Agreements:

The City has a contractual relationship with Greater Galena Marketing, Inc. DBA Galena Jo Daviess Office of Tourism to perform marketing services to encourage tourism in and overnight visitors to the City of Galena. During the year ended April 30, 2020, the City's expenditures were \$642,758 reported as Hotel Motel Tax Expense (See Schedule 3). Amounts received by the City from lodging facilities located within the city limits are forwarded to Greater Galena Marketing, Inc. when received in their entirety.

Note 15 - Pending Accounting Pronouncement:

GASB Statement No. 87, Leases, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Note 16 - Subsequent Events:

Subsequent to the year ended April 30, 2020, the City approved the following major expenditures and contract activity:

Planned Expenditures for FY 2020: May 1, 2020 to April 30, 2021

<u>FUND</u>	<u>DESCRIPTION</u>	<u>ESTIMATED COST</u>	<u>GRANT FUNDED</u>
General	Art & Recreation Center	\$ 10,000	\$ -
General	Public Works Garage Improvement	30,000	-
General	Tree Removal	20,000	-
General	Maintenance Projects	10,000	-
General	Public Works Dump Truck	16,430	-
Emergency Services	Siren redevelopment	18,000	-
Parks & Recreation	Riding Mower	12,000	-
Parks & Recreation	Canoe/Kayak Project	127,500	127,500
Parks & Recreation	Parking Expansion	37,500	37,500

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

Note 16 - Subsequent Events: (continued)

Planned Expenditures for FY 2020: May 1, 2020 to April 30, 2021 (continued)

<u>FUND</u>	<u>DESCRIPTION</u>	<u>ESTIMATED COST</u>	<u>GRANT FUNDED</u>
Fire Protection	Turn Out Gear	150,000	-
Fire Protection	Building Maintenance	10,000	-
Capital Projects	Street Improvements	53,000	-
Capital Projects	Gear Street	62,000	-
Water	Water Tower Inspections	15,000	-
Sewer	Dump Truck	10,000	-
Sewer	Hughlett Sewer Lining	50,000	-
Turner Hall	Building Maintenance	11,700	-
Turner Hall	Signage and Lighting	11,100	11,100
Swimming Pool	Maintenance and Improvements	82,100	-
	Total Capital Expenses	<u>\$ 736,330</u>	<u>\$ 176,100</u>
	Net Cost	<u>\$ 560,230</u>	

Planned Borrowings for FY 2020: May 1, 2020 to April 30, 2021

<u>FUND</u>	<u>DESCRIPTION</u>	<u>ESTIMATED COST</u>	<u>GRANT FUNDED</u>
Water	Low interest (partial forgiveness) for water system improvement	\$ 1,579,137	\$ -

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. As a result of COVID-19, there has been heightened market risk and volatility associated with the pandemic. This could materially affect the City's account balances and the amounts reported in the statement of net position and the statement of activities. Because of this uncertainty, the City's management is unable to estimate the total impact the pandemic will have.

The City's management has evaluated events and transactions for potential financial statement recognition or disclosure through August 25, 2020, the date the financial statements were available to be issued.

CITY OF GALENA
GALENA, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local Taxes	\$ 1,833,320	\$ 1,833,320	\$ 1,786,613	\$ (46,707)
Licenses	142,875	142,875	168,358	25,483
Permits	65,100	65,100	66,434	1,334
Intergovernmental	1,850,300	1,850,300	1,908,752	58,452
Fines and Forfeitures	43,050	43,050	28,981	(14,069)
Charge for Services	15,025	15,025	15,083	58
Investment Earnings	19,235	19,235	28,609	9,374
Miscellaneous	46,550	144,696	113,964	(30,732)
TOTAL REVENUES (Schedule 2)	<u>\$ 4,015,455</u>	<u>\$ 4,113,601</u>	<u>\$ 4,116,794</u>	<u>\$ 3,193</u>
<u>EXPENDITURES:</u>				
General Government	\$ 1,579,715	\$ 1,579,715	\$ 1,631,077	\$ (51,362)
Public Safety	948,350	948,350	937,600	10,750
Public Works	864,315	974,961	850,188	124,773
TOTAL EXPENDITURES (Schedule 3)	<u>\$ 3,392,380</u>	<u>\$ 3,503,026</u>	<u>\$ 3,418,865</u>	<u>\$ 84,161</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 623,075</u>	<u>\$ 610,575</u>	<u>\$ 697,929</u>	<u>\$ 87,354</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	\$ -	\$ -	\$ 44,838	\$ 44,838
Transfers Out	(608,250)	(1,189,355)	(904,195)	285,160
Proceeds from Sale of Surplus Equipment	-	-	24,250	24,250
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (608,250)</u>	<u>\$ (1,189,355)</u>	<u>\$ (835,107)</u>	<u>\$ 354,248</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>\$ 14,825</u>	<u>\$ (578,780)</u>	<u>\$ (137,178)</u>	<u>\$ 441,602</u>
FUND BALANCE - BEGINNING			<u>1,924,798</u>	
FUND BALANCE - ENDING			<u>\$ 1,787,620</u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<u>Local Taxes:</u>				
<u>Property Taxes:</u>				
Police Protection	\$ 6,250	\$ 6,250	\$ 6,247	\$ (3)
School Crossing Guard	10	10	10	-
General Corporate	439,750	439,750	439,124	(626)
Street Lighting	10	10	10	-
Road and Bridge	79,000	79,000	79,216	216
Total Property Taxes	<u>\$ 525,020</u>	<u>\$ 525,020</u>	<u>\$ 524,607</u>	<u>\$ (413)</u>
<u>Other Taxes:</u>				
Hotel Taxes	\$ 620,000	\$ 620,000	\$ 610,697	\$ (9,303)
Telecommunication Taxes	104,000	104,000	95,711	(8,289)
Utility Taxes	218,000	218,000	202,110	(15,890)
Food and Beverage Tax	290,000	290,000	283,429	(6,571)
Amusement Tax	76,300	76,300	70,059	(6,241)
Total Other Taxes	<u>\$ 1,308,300</u>	<u>\$ 1,308,300</u>	<u>\$ 1,262,006</u>	<u>\$ (46,294)</u>
Total Local Taxes	<u>\$ 1,833,320</u>	<u>\$ 1,833,320</u>	<u>\$ 1,786,613</u>	<u>\$ (46,707)</u>
<u>Licenses:</u>				
Liquor Licenses	\$ 62,125	\$ 62,125	\$ 88,601	\$ 26,476
Contractor Licenses	16,500	16,500	15,600	(900)
Miscellaneous Licenses	6,500	6,500	4,875	(1,625)
Guest House Licenses	3,000	3,000	5,890	2,890
Tour Business Licenses	750	750	750	-
Vacation Rental Licenses	4,000	4,000	450	(3,550)
Cable Franchise Licenses	50,000	50,000	52,192	2,192
Total Licenses	<u>\$ 142,875</u>	<u>\$ 142,875</u>	<u>\$ 168,358</u>	<u>\$ 25,483</u>
<u>Permits:</u>				
Building Permits	\$ 42,000	\$ 42,000	\$ 46,043	\$ 4,043
Electric Permits	3,000	3,000	3,318	318
HVAC Permits	3,600	3,600	3,263	(337)
Zoning Permits/Applications	6,500	6,500	5,870	(630)
Sign Permits	2,000	2,000	1,280	(720)
Miscellaneous Permits	7,500	7,500	6,585	(915)
Excavation Permits	500	500	75	(425)
Total Permits	<u>\$ 65,100</u>	<u>\$ 65,100</u>	<u>\$ 66,434</u>	<u>\$ 1,334</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES: (continued)				
<u>Intergovernmental Revenues:</u>				
State Income Taxes	\$ 345,000	\$ 345,000	\$ 371,650	\$ 26,650
Sales Taxes	1,321,000	1,321,000	1,338,615	17,615
Local Use Taxes	108,000	108,000	118,320	10,320
Video Gaming Taxes	72,000	72,000	71,306	(694)
Cannabis Excise Tax	-	-	561	561
State Grants - Public Safety	4,300	4,300	300	(4,000)
CLG Grant	-	-	8,000	8,000
Total Intergovernmental Revenues	<u>\$ 1,850,300</u>	<u>\$ 1,850,300</u>	<u>\$ 1,908,752</u>	<u>\$ 58,452</u>
<u>Fines and Forfeitures:</u>				
Court Fines	\$ 20,000	\$ 20,000	\$ 13,737	\$ (6,263)
Parking Fines	17,500	17,500	12,028	(5,472)
DUI Fine Income	3,500	3,500	832	(2,668)
Miscellaneous	2,050	2,050	2,384	334
Total Fines and Forfeitures	<u>\$ 43,050</u>	<u>\$ 43,050</u>	<u>\$ 28,981</u>	<u>\$ (14,069)</u>
<u>Inspections:</u>				
Backflow Inspections	\$ 11,825	\$ 11,825	\$ 12,033	\$ 208
Rental Housing Inspections	3,200	3,200	3,050	(150)
Total Inspections	<u>\$ 15,025</u>	<u>\$ 15,025</u>	<u>\$ 15,083</u>	<u>\$ 58</u>
<u>Investment Income:</u>				
Interest Income	\$ 19,235	\$ 19,235	\$ 28,609	\$ 9,374
Total Investment Income	<u>\$ 19,235</u>	<u>\$ 19,235</u>	<u>\$ 28,609</u>	<u>\$ 9,374</u>
<u>Miscellaneous:</u>				
Country Fair Grant	\$ 1,000	\$ 1,000	\$ 1,500	\$ 500
Donations	700	700	1,190	490
Miscellaneous	44,850	142,996	111,274	(31,722)
Total Miscellaneous	<u>\$ 46,550</u>	<u>\$ 144,696</u>	<u>\$ 113,964</u>	<u>\$ (30,732)</u>
TOTAL REVENUES (SCHEDULE 1)	<u><u>\$ 4,015,455</u></u>	<u><u>\$ 4,113,601</u></u>	<u><u>\$ 4,116,794</u></u>	<u><u>\$ 3,193</u></u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>GENERAL GOVERNMENT:</u>				
<u>Administration:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 144,815	\$ 144,815	\$ 145,495	\$ (680)
Salaries - Elected	17,500	17,500	16,600	900
Total Personnel	<u>\$ 162,315</u>	<u>\$ 162,315</u>	<u>\$ 162,095</u>	<u>\$ 220</u>
<u>Contractual Services:</u>				
Professional Services	\$ 1,500	\$ 1,500	\$ 1,485	\$ 15
Communications	1,500	1,500	1,001	499
Professional Development	2,850	2,850	2,716	134
Hotel Motel Tax Expense	620,000	620,000	642,758	(22,758)
Deer Management	2,500	2,500	474	2,026
Total Contractual Services	<u>\$ 628,350</u>	<u>\$ 628,350</u>	<u>\$ 648,434</u>	<u>\$ (20,084)</u>
<u>Other Expenditures:</u>				
Refunds	\$ 1,000	\$ 1,000	\$ 1,093	\$ (93)
Mayor's Discretionary Fund	5,000	5,000	3,228	1,772
Grants to Not-for-Profit Organizations	32,000	32,000	32,064	(64)
Miscellaneous	250	250	316	(66)
Total Other Expenditures	<u>\$ 38,250</u>	<u>\$ 38,250</u>	<u>\$ 36,701</u>	<u>\$ 1,549</u>
Total Administration	<u>\$ 828,915</u>	<u>\$ 828,915</u>	<u>\$ 847,230</u>	<u>\$ (18,315)</u>
<u>Finance:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 96,325	\$ 96,325	\$ 95,933	\$ 392
Insurance Benefits	458,460	458,460	506,433	(47,973)
Total Personnel	<u>\$ 554,785</u>	<u>\$ 554,785</u>	<u>\$ 602,366</u>	<u>\$ (47,581)</u>
<u>Contractual Services:</u>				
Maintenance Services	\$ 35,500	\$ 35,500	\$ 33,568	\$ 1,932
Professional Services	11,460	11,460	11,439	21
Communications	10,700	10,700	8,963	1,737
Professional Development	2,075	2,075	578	1,497
Services Charges	4,000	4,000	3,703	297
Equipment Lease	6,000	6,000	6,385	(385)
Total Contractual Services	<u>\$ 69,735</u>	<u>\$ 69,735</u>	<u>\$ 64,636</u>	<u>\$ 5,099</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

GENERAL FUND

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>GENERAL GOVERNMENT:</u> (continued)				
<u>Finance:</u> (continued)				
<u>Commodities:</u>				
General Supplies	\$ 11,300	\$ 11,300	\$ 11,364	\$ (64)
Total Commodities	\$ 11,300	\$ 11,300	\$ 11,364	\$ (64)
<u>Other Expenditures:</u>				
Bank Charges	\$ 500	\$ 500	\$ 5,169	\$ (4,669)
Miscellaneous	19,850	19,850	6,026	13,824
Penalties and Interest	-	-	120	(120)
Total Other Expenditures	\$ 20,350	\$ 20,350	\$ 11,315	\$ 9,035
<u>Capital Outlay:</u>				
Buildings	\$ -	\$ -	\$ -	\$ -
Equipment	-	-	12,366	(12,366)
Total Capital Outlay	\$ -	\$ -	\$ 12,366	\$ (12,366)
Total Finance	\$ 656,170	\$ 656,170	\$ 702,047	\$ (45,877)
<u>Clerk:</u>				
<u>Personnel:</u>				
Salaries - Elected	\$ 9,100	\$ 9,100	\$ 9,100	\$ -
Total Personnel	\$ 9,100	\$ 9,100	\$ 9,100	\$ -
<u>Contractual Services:</u>				
Professional Services	\$ 7,810	\$ 7,810	\$ 698	\$ 7,112
Communications	1,700	1,700	1,259	441
Professional Development	3,000	3,000	1,987	1,013
Total Contractual Services	\$ 12,510	\$ 12,510	\$ 3,944	\$ 8,566
<u>Commodities:</u>				
Paperless Meeting - Hardware	\$ 800	\$ 800	\$ -	\$ 800
Total Commodities	\$ 800	\$ 800	\$ -	\$ 800
Total Clerk	\$ 22,410	\$ 22,410	\$ 13,044	\$ 9,366
<u>Zoning:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 66,220	\$ 66,220	\$ 65,255	\$ 965
Total Personnel	\$ 66,220	\$ 66,220	\$ 65,255	\$ 965

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>GENERAL GOVERNMENT:</u> (continued)				
<u>Zoning:</u> (continued)				
<u>Contractual Services:</u>				
Professional Services	\$ 2,650	\$ 2,650	\$ 800	\$ 1,850
Communications	1,250	1,250	1,140	110
Professional Development	1,600	1,600	1,295	305
Total Contractual Services	<u>\$ 5,500</u>	<u>\$ 5,500</u>	<u>\$ 3,235</u>	<u>\$ 2,265</u>
<u>Commodities:</u>				
Supplies	\$ 500	\$ 500	\$ 266	\$ 234
Total Commodities	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 266</u>	<u>\$ 234</u>
<u>Capital Outlay:</u>				
Equipment	\$ -	\$ -	\$ -	
Total Capital Outlay	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Zoning	<u>\$ 72,220</u>	<u>\$ 72,220</u>	<u>\$ 68,756</u>	<u>\$ 3,464</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 1,579,715</u>	<u>\$ 1,579,715</u>	<u>\$ 1,631,077</u>	<u>\$ (51,362)</u>
 <u>PUBLIC SAFETY:</u>				
<u>Police Protection:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 713,365	\$ 713,365	\$ 729,585	\$ (16,220)
Uniforms	7,500	7,500	6,536	964
Total Personnel	<u>\$ 720,865</u>	<u>\$ 720,865</u>	<u>\$ 736,121</u>	<u>\$ (15,256)</u>
<u>Contractual Services:</u>				
Maintenance Services	\$ 13,500	\$ 13,500	\$ 10,438	\$ 3,062
Professional Services	20,400	20,400	22,040	(1,640)
Communications	6,400	6,400	5,993	407
Professional Development	8,200	8,200	1,803	6,397
Service Charges	9,500	9,500	8,771	729
Equipment Lease	2,000	2,000	1,068	932
Total Contractual Services	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 50,113</u>	<u>\$ 9,887</u>
<u>Commodities:</u>				
General Supplies	\$ 47,700	\$ 47,700	\$ 52,510	\$ (4,810)
Total Commodities	<u>\$ 47,700</u>	<u>\$ 47,700</u>	<u>\$ 52,510</u>	<u>\$ (4,810)</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>PUBLIC SAFETY:</u> (continued)				
<u>Police Protection:</u> (continued)				
<u>Other Expenditures:</u>				
Miscellaneous	\$ 17,000	\$ 17,000	\$ 7,094	\$ 9,906
Total Other Expenditures	\$ 17,000	\$ 17,000	\$ 7,094	\$ 9,906
<u>Capital Outlay:</u>				
Equipment	\$ 26,000	\$ 26,000	\$ 22,512	\$ 3,488
Total Capital Outlay	\$ 26,000	\$ 26,000	\$ 22,512	\$ 3,488
Total Police Protection	\$ 871,565	\$ 871,565	\$ 868,350	\$ 3,215
<u>Building Inspection:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 69,085	\$ 69,085	\$ 67,321	\$ 1,764
Total Personnel	\$ 69,085	\$ 69,085	\$ 67,321	\$ 1,764
<u>Contractual Services:</u>				
Professional Services	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Communications	400	400	111	289
Professional Development	4,800	4,800	909	3,891
Total Contractual Services	\$ 6,200	\$ 6,200	\$ 1,020	\$ 5,180
<u>Commodities:</u>				
General Supplies	\$ 1,500	\$ 1,500	\$ 909	\$ 591
Total Commodities	\$ 1,500	\$ 1,500	\$ 909	\$ 591
<u>Capital Outlay:</u>				
Equipment	\$ -	\$ -	\$ -	\$ -
Total Capital Outlay	\$ -	\$ -	\$ -	\$ -
Total Building Inspection	\$ 76,785	\$ 76,785	\$ 69,250	\$ 7,535
TOTAL PUBLIC SAFETY	\$ 948,350	\$ 948,350	\$ 937,600	\$ 10,750
<u>PUBLIC WORKS:</u>				
<u>Transportation:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 396,640	\$ 396,640	\$ 384,917	\$ 11,723
Uniforms	600	600	-	600
Total Personnel	\$ 397,240	\$ 397,240	\$ 384,917	\$ 12,323

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

GENERAL FUND

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>PUBLIC WORKS:</u> (continued)				
<u>Transportation:</u> (continued)				
<u>Contractual Services:</u>				
Maintenance Services	\$ 145,100	\$ 145,100	\$ 121,106	\$ 23,994
Other Professional	800	800	935	(135)
Communications	1,050	1,050	1,161	(111)
Professional Development	500	500	206	294
Service Charges	14,900	14,900	13,353	1,547
Equipment Rental	1,500	1,500	1,950	(450)
Total Contractual Services	<u>\$ 163,850</u>	<u>\$ 163,850</u>	<u>\$ 138,711</u>	<u>\$ 25,139</u>
<u>Commodities:</u>				
Maintenance Supplies	\$ 91,000	\$ 103,500	\$ 127,228	\$ (23,728)
General Supplies	41,350	41,350	45,225	(3,875)
Total Commodities	<u>\$ 132,350</u>	<u>\$ 144,850</u>	<u>\$ 172,453</u>	<u>\$ (27,603)</u>
<u>Capital Outlay:</u>				
Buildings	\$ 1,000	\$ 1,000	\$ 1,048	\$ (48)
Equipment	99,500	99,500	67,565	31,935
Infrastructure	42,500	140,646	61,428	79,218
Total Capital Outlay	<u>\$ 143,000</u>	<u>\$ 241,146</u>	<u>\$ 130,041</u>	<u>\$ 111,105</u>
Total Transportation	<u>\$ 836,440</u>	<u>\$ 947,086</u>	<u>\$ 826,122</u>	<u>\$ 120,964</u>
<u>Engineering:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 8,425	\$ 8,425	\$ 8,420	\$ 5
Total Personnel	<u>\$ 8,425</u>	<u>\$ 8,425</u>	<u>\$ 8,420</u>	<u>\$ 5</u>
<u>Contractual Services:</u>				
Professional Services	\$ 8,000	\$ 8,000	\$ 5,225	\$ 2,775
Professional Development	1,950	1,950	1,334	616
Total Contractual Services	<u>\$ 9,950</u>	<u>\$ 9,950</u>	<u>\$ 6,559</u>	<u>\$ 3,391</u>
<u>Commodities:</u>				
General Supplies	\$ 9,000	\$ 9,000	\$ 8,870	\$ 130
Total Commodities	<u>\$ 9,000</u>	<u>\$ 9,000</u>	<u>\$ 8,870</u>	<u>\$ 130</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>PUBLIC WORKS:</u> (continued)				
<u>Engineering:</u> (continued)				
<u>Capital Outlay:</u>				
Equipment	\$ 500	\$ 500	\$ 217	\$ 283
Total Capital Outlay	\$ 500	\$ 500	\$ 217	\$ 283
Total Engineering	\$ 27,875	\$ 27,875	\$ 24,066	\$ 3,809
TOTAL PUBLIC WORKS	\$ 864,315	\$ 974,961	\$ 850,188	\$ 124,773
TOTAL EXPENDITURES (SCHEDULE 1)	\$ 3,392,380	\$ 3,503,026	\$ 3,418,865	\$ 84,161

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

FIRE PROTECTION FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
<u>Local Sources:</u>				
Property Taxes	\$ 365,185	\$ 365,185	\$ 364,660	\$ (525)
<u>Intergovernmental:</u>				
Rural District	27,050	27,050	27,350	300
Foreign Fire Tax	16,000	16,000	-	(16,000)
<u>Other Local Sources:</u>				
Investment Earnings	8,000	8,000	9,675	1,675
TOTAL REVENUES	<u>\$ 416,235</u>	<u>\$ 416,235</u>	<u>\$ 401,685</u>	<u>\$ (14,550)</u>
<u>EXPENDITURES:</u>				
<u>Current:</u>				
<u>Public Safety:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 28,120	\$ 28,120	\$ 28,752	\$ (632)
Death Benefits	2,500	2,500	1,770	730
	<u>\$ 30,620</u>	<u>\$ 30,620</u>	<u>\$ 30,522</u>	<u>\$ 98</u>
<u>Contractual Services:</u>				
Maintenance Services	\$ 2,500	\$ 2,500	\$ 1,853	\$ 647
Professional Services	5,000	5,000	2,970	2,030
Communication	1,600	1,600	593	1,007
Professional Development	10,500	10,500	1,880	8,620
Service Charges	13,000	13,000	7,710	5,290
Liability Insurance	4,000	4,000	3,858	142
	<u>\$ 36,600</u>	<u>\$ 36,600</u>	<u>\$ 18,864</u>	<u>\$ 17,736</u>
<u>Commodities:</u>				
Maintenance Supplies	\$ 12,000	\$ 12,000	\$ 7,518	\$ 4,482
General Supplies	16,500	16,500	9,913	6,587
	<u>\$ 28,500</u>	<u>\$ 28,500</u>	<u>\$ 17,431</u>	<u>\$ 11,069</u>
<u>Other Expenditures:</u>				
Miscellaneous Expenses	\$ 5,000	\$ 5,000	\$ 6,511	\$ (1,511)
	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 6,511</u>	<u>\$ (1,511)</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

FIRE PROTECTION FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>EXPENDITURES:</u> (continued)				
<u>Capital Outlay:</u>				
Equipment	\$ 18,000	\$ 18,000	\$ 9,571	\$ 8,429
Building & Improvements	66,000	66,000	4,685	61,315
	<u>\$ 84,000</u>	<u>\$ 84,000</u>	<u>\$ 14,256</u>	<u>\$ 69,744</u>
TOTAL EXPENDITURES	<u>\$ 184,720</u>	<u>\$ 184,720</u>	<u>\$ 87,584</u>	<u>\$ 97,136</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 231,515</u>	<u>\$ 231,515</u>	<u>\$ 314,101</u>	<u>\$ 82,586</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfer In	\$ -	\$ -	\$ -	\$ -
Transfers Out	(3,000)	(3,000)	(3,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ 228,515</u>	<u>\$ 228,515</u>	<u>\$ 311,101</u>	<u>\$ 82,586</u>
FUND BALANCE - BEGINNING			<u>619,972</u>	
FUND BALANCE - ENDING			<u><u>\$ 931,073</u></u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

MOTOR FUEL TAX FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
<u>Intergovernmental Revenues:</u>				
State Motor Fuel Tax Allotments	\$ 87,600	\$ 87,600	\$ 123,955	\$ 36,355
State Grant - Traffic Signal Maintenance	5,000	5,000	13,664	8,664
State Grants	-	-	-	-
<u>Other Local Sources:</u>				
Investment Earnings	2,000	2,000	3,168	1,168
TOTAL REVENUES	\$ 94,600	\$ 94,600	\$ 140,787	\$ 46,187
EXPENDITURES:				
<u>Current:</u>				
<u>Public Works:</u>				
<u>Contractual Services:</u>				
Maintenance Services	\$ 10,500	\$ 13,670	\$ 13,366	\$ 304
Street Lighting	68,000	68,000	72,412	(4,412)
	<u>\$ 78,500</u>	<u>\$ 81,670</u>	<u>\$ 85,778</u>	<u>\$ (4,108)</u>
<u>Commodities:</u>				
Maintenance Supplies	\$ 16,100	\$ 16,100	\$ 11,469	\$ 4,631
	<u>\$ 16,100</u>	<u>\$ 16,100</u>	<u>\$ 11,469</u>	<u>\$ 4,631</u>
<u>Capital Outlay:</u>				
Infrastructure	\$ 76,000	\$ 938,030	\$ 938,030	\$ -
	<u>\$ 76,000</u>	<u>\$ 938,030</u>	<u>\$ 938,030</u>	<u>\$ -</u>
TOTAL EXPENDITURES	\$ 170,600	\$ 1,035,800	\$ 1,035,277	\$ 523
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (76,000)</u>	<u>\$ (941,200)</u>	<u>\$ (894,490)</u>	<u>\$ 46,710</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

MOTOR FUEL TAX FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfer In	\$ -	\$ 251,100	\$ 251,100	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ 251,100	\$ 251,100	\$ -
Net Change in Fund Balance	<u>\$ (76,000)</u>	<u>\$ (690,100)</u>	\$ (643,390)	<u>\$ 46,710</u>
FUND BALANCE - BEGINNING			<u>769,947</u>	
FUND BALANCE - ENDING			<u>\$ 126,557</u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

PARKS AND RECREATION FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<u>Local Sources:</u>				
Property Taxes	\$ 82,750	\$ 82,750	\$ 82,660	\$ (90)
<u>Other Local Sources:</u>				
Investment Earnings	50	50	156	106
Rent	5,000	5,000	5,025	25
Donations	25,500	25,500	27,776	2,276
Grant	110,000	160,000	43,317	(116,683)
Miscellaneous	10,000	10,000	9,273	(727)
TOTAL REVENUES	\$ 233,300	\$ 283,300	\$ 168,207	\$ (115,093)
EXPENDITURES:				
<u>Current:</u>				
<u>Culture/Recreation:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 86,000	\$ 86,000	\$ 76,965	\$ 9,035
	<u>\$ 86,000</u>	<u>\$ 86,000</u>	<u>\$ 76,965</u>	<u>\$ 9,035</u>
<u>Contractual Services:</u>				
Maintenance Services	\$ 25,700	\$ 25,700	\$ 24,646	\$ 1,054
Utilities	3,500	3,500	3,135	365
Rentals	4,250	4,250	4,890	(640)
Miscellaneous Expenses	500	500	-	500
	<u>\$ 33,950</u>	<u>\$ 33,950</u>	<u>\$ 32,671</u>	<u>\$ 1,279</u>
<u>Commodities:</u>				
Maintenance Supplies	\$ 12,750	\$ 12,750	\$ 13,299	\$ (549)
	<u>\$ 12,750</u>	<u>\$ 12,750</u>	<u>\$ 13,299</u>	<u>\$ (549)</u>
<u>Other Expenditures:</u>				
Park Rental Refunds	\$ 1,000	\$ 1,000	\$ 950	\$ 50
	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 950</u>	<u>\$ 50</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

PARKS AND RECREATION FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES: (continued)				
Capital Outlay:				
Infrastructure	\$ 152,000	\$ 214,900	\$ 80,406	\$ 134,494
Equipment	16,500	16,500	10,723	5,777
	<u>\$ 168,500</u>	<u>\$ 231,400</u>	<u>\$ 91,129</u>	<u>\$ 140,271</u>
TOTAL EXPENDITURES	<u>\$ 302,200</u>	<u>\$ 365,100</u>	<u>\$ 215,014</u>	<u>\$ 150,086</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (68,900)</u>	<u>\$ (81,800)</u>	<u>\$ (46,807)</u>	<u>\$ 34,993</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 122,715	\$ 391,325	\$ 122,715	\$ (268,610)
Transfers Out	(53,815)	(53,815)	(53,815)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 68,900</u>	<u>\$ 337,510</u>	<u>\$ 68,900</u>	<u>\$ (268,610)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 255,710</u>	<u>\$ 22,093</u>	<u>\$ (233,617)</u>
FUND BALANCE (DEFICIT) - BEGINNING			<u>(292,779)</u>	
FUND BALANCE (DEFICIT) - ENDING			<u>\$ (270,686)</u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

PUBLIC WORKS FUND - CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental Revenues:				
Sales Taxes	\$ 440,000	\$ 440,000	\$ 442,727	\$ 2,727
Grant	10,000	10,000	-	(10,000)
Other Local Sources:				
RFL Project	373,400	373,400	275,809	(97,591)
Interest Earned	730	730	1,467	737
TOTAL REVENUES	<u>\$ 824,130</u>	<u>\$ 824,130</u>	<u>\$ 720,003</u>	<u>\$ (104,127)</u>
EXPENDITURES:				
Capital Outlay:				
Infrastructure	\$ 681,500	\$ 681,500	\$ 507,245	\$ 174,255
TOTAL EXPENDITURES	<u>\$ 681,500</u>	<u>\$ 681,500</u>	<u>\$ 507,245</u>	<u>\$ 174,255</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 142,630</u>	<u>\$ 142,630</u>	<u>\$ 212,758</u>	<u>\$ 70,128</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	\$ (159,225)	\$ (159,225)	\$ (204,063)	\$ (44,838)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (159,225)</u>	<u>\$ (159,225)</u>	<u>\$ (204,063)</u>	<u>\$ (44,838)</u>
Net Change in Fund Balance	<u>\$ (16,595)</u>	<u>\$ (16,595)</u>	<u>\$ 8,695</u>	<u>\$ 25,290</u>
FUND BALANCE - BEGINNING			<u>77,964</u>	
FUND BALANCE - ENDING			<u>\$ 86,659</u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
<u>Other Local Sources:</u>				
Interest Refund	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
<u>Debt Service:</u>				
<u>Principal:</u>				
2012A GO Bonds - TIF Projects	\$ 162,480	\$ 162,480	\$ 162,486	\$ (6)
2012A GO Bonds - Garage	43,275	43,275	43,254	21
2012A Rec Park Bond	37,700	37,700	37,692	8
2012A Bike Trail Bond	10,090	10,090	10,098	(8)
2012B Meeker Street Bridge	35,000	35,000	35,000	-
2012B Flood Bond	30,000	30,000	30,000	-
2009 Sales Tax Capital Projects	43,930	43,930	-	43,930
2010 Sales Tax Capital Projects	76,810	76,810	76,809	1
	<u>\$ 439,285</u>	<u>\$ 439,285</u>	<u>\$ 395,339</u>	<u>\$ 43,946</u>
<u>Interest:</u>				
2012A GO Bond - TIF Projects	\$ 20,490	\$ 20,490	\$ 20,491	\$ (1)
2012A GO Bonds - Garage	5,460	5,460	5,455	5
2012A Rec Park Bond	4,755	4,755	4,754	1
2012A Bike Trail Bond	1,270	1,270	1,273	(3)
2012B Meeker Street Bridge	3,395	3,395	3,395	-
2012B Flood Bond	2,910	2,910	2,910	-
2009 Sales Tax Capital Projects	1,010	1,010	-	1,010
2010 Sales Tax Interest	4,565	4,565	4,561	4
	<u>\$ 43,855</u>	<u>\$ 43,855</u>	<u>\$ 42,839</u>	<u>\$ 1,016</u>
TOTAL EXPENDITURES	\$ 483,140	\$ 483,140	\$ 438,178	\$ 44,962

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (483,140)</u>	<u>\$ (483,140)</u>	<u>\$ (438,178)</u>	<u>\$ 44,962</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	<u>\$ 483,140</u>	<u>\$ 544,535</u>	<u>\$ 544,535</u>	<u>\$ -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 483,140</u>	<u>\$ 544,535</u>	<u>\$ 544,535</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 61,395</u>	<u>\$ 106,357</u>	<u>\$ 44,962</u>
FUND BALANCE (DEFICIT) - BEGINNING			<u>(61,395)</u>	
FUND BALANCE - ENDING			<u>\$ 44,962</u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2020

	SPECIAL REVENUE FUNDS						Total Nonmajor Govern- mental Funds
	Annual Audit Fund	Emergency Services Defense Fund	Insurance Fund	Illinois Municipal Retirement Fund	Medicare/ Social Security Fund	Flood Control Fund	
ASSETS:							
Cash, Deposits, and Investments	\$ 25,884	\$ 8,661	\$ 157,601	\$ 185,155	\$ 85,927	\$ 43,228	\$ 506,456
TOTAL ASSETS	<u>\$ 25,884</u>	<u>\$ 8,661</u>	<u>\$ 157,601</u>	<u>\$ 185,155</u>	<u>\$ 85,927</u>	<u>\$ 43,228</u>	<u>\$ 506,456</u>
LIABILITIES AND FUND BALANCES:							
Fund Balances:							
Restricted	\$ 25,884	\$ 8,661	\$ 157,601	\$ 185,155	\$ 85,927	\$ 43,228	\$ 506,456
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,884</u>	<u>\$ 8,661</u>	<u>\$ 157,601</u>	<u>\$ 185,155</u>	<u>\$ 85,927</u>	<u>\$ 43,228</u>	<u>\$ 506,456</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	SPECIAL REVENUE FUNDS						Total Nonmajor Govern- mental Funds
	Annual Audit Fund	Emergency Services Defense Fund	Insurance Fund	Illinois Municipal Retirement Fund	Medicare/ Social Security Fund	Flood Control Fund	
REVENUES:							
<u>Local Sources:</u>							
Property Taxes	\$ 19,471	\$ 861	\$ 176,257	\$ 112,839	\$ 136,806	\$ 79,891	\$ 526,125
<u>Intergovernmental Revenues:</u>							
Personal Property Replacement Taxes	-	-	-	71,999	-	-	71,999
<u>Other Local Sources:</u>							
Investment Earnings	139	43	1,196	2,013	587	338	4,316
TOTAL REVENUES	<u>\$ 19,610</u>	<u>\$ 904</u>	<u>\$ 177,453</u>	<u>\$ 186,851</u>	<u>\$ 137,393</u>	<u>\$ 80,229</u>	<u>\$ 602,440</u>
EXPENDITURES:							
<u>Current:</u>							
General Government	\$ 22,700	\$ -	\$ 219,755	\$ 136,318	\$ 144,352	\$ -	\$ 523,125
Public Safety	-	3,445	-	-	-	66,014	69,459
Culture/Recreation	-	-	-	9,954	-	-	9,954
Capital Outlay	-	-	-	-	-	8,000	8,000
TOTAL EXPENDITURES	<u>\$ 22,700</u>	<u>\$ 3,445</u>	<u>\$ 219,755</u>	<u>\$ 146,272</u>	<u>\$ 144,352</u>	<u>\$ 74,014</u>	<u>\$ 610,538</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,090)</u>	<u>\$ (2,541)</u>	<u>\$ (42,302)</u>	<u>\$ 40,579</u>	<u>\$ (6,959)</u>	<u>\$ 6,215</u>	<u>\$ (8,098)</u>
OTHER FINANCING SOURCES (USES):							
Transfers In	\$ 3,140	\$ 3,000	\$ -	\$ -	\$ 16,250	\$ -	\$ 22,390
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 3,140</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,250</u>	<u>\$ -</u>	<u>\$ 22,390</u>
Net Change in Fund Balance	\$ 50	\$ 459	\$ (42,302)	\$ 40,579	\$ 9,291	\$ 6,215	\$ 14,292
FUND BALANCE - BEGINNING	25,834	8,202	199,903	144,576	76,636	37,013	492,164
FUND BALANCE - ENDING	<u>\$ 25,884</u>	<u>\$ 8,661</u>	<u>\$ 157,601</u>	<u>\$ 185,155</u>	<u>\$ 85,927</u>	<u>\$ 43,228</u>	<u>\$ 506,456</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

ANNUAL AUDIT FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
<u>Local Sources:</u>				
Property Taxes	\$ 19,500	\$ 19,500	\$ 19,471	\$ (29)
<u>Other Local Sources:</u>				
Investment Earnings	260	260	139	(121)
TOTAL REVENUES	<u>\$ 19,760</u>	<u>\$ 19,760</u>	<u>\$ 19,610</u>	<u>\$ (150)</u>
<u>EXPENDITURES:</u>				
<u>Current:</u>				
<u>General Government:</u>				
<u>Contractual Services:</u>				
Audit Fees	\$ 22,900	\$ 22,900	\$ 22,700	\$ 200
TOTAL EXPENDITURES	<u>\$ 22,900</u>	<u>\$ 22,900</u>	<u>\$ 22,700</u>	<u>\$ 200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,140)</u>	<u>\$ (3,140)</u>	<u>\$ (3,090)</u>	<u>\$ 50</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	\$ 3,140	\$ 3,140	\$ 3,140	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 3,140</u>	<u>\$ 3,140</u>	<u>\$ 3,140</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 50</u>
FUND BALANCE - BEGINNING			25,834	
FUND BALANCE - ENDING			<u>\$ 25,884</u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

EMERGENCY SERVICES DEFENSE FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local Sources:				
Property Taxes	\$ 850	\$ 850	\$ 861	\$ 11
Other Local Sources:				
Investment Earnings	70	70	43	(27)
TOTAL REVENUES	<u>\$ 920</u>	<u>\$ 920</u>	<u>\$ 904</u>	<u>\$ (16)</u>
<u>EXPENDITURES:</u>				
Current:				
Public Safety:				
Contractual Services:				
Siren Maintenance	\$ 1,000	\$ 1,850	\$ 1,847	\$ 3
Telephone Service	550	550	-	550
Electric Service	1,700	1,700	1,598	102
TOTAL EXPENDITURES	<u>\$ 3,250</u>	<u>\$ 4,100</u>	<u>\$ 3,445</u>	<u>\$ 655</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,330)</u>	<u>\$ (3,180)</u>	<u>\$ (2,541)</u>	<u>\$ 639</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ 670</u>	<u>\$ (180)</u>	<u>\$ 459</u>	<u>\$ 639</u>
FUND BALANCE - BEGINNING			8,202	
FUND BALANCE - ENDING			<u>\$ 8,661</u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

INSURANCE FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
<u>Local Sources:</u>				
Property Taxes - Unemployment	\$ 2,500	\$ 2,500	\$ 2,501	\$ 1
Property Taxes - Workers Compensation	156,500	156,500	156,278	(222)
Property Taxes - Liability and Tort	17,500	17,500	17,478	(22)
<u>Other Local Sources:</u>				
Investment Earnings	1,950	1,950	1,196	(754)
TOTAL REVENUES	\$ 178,450	\$ 178,450	\$ 177,453	\$ (997)
EXPENDITURES:				
<u>Current:</u>				
<u>General Government:</u>				
Unemployment	\$ 7,000	\$ 7,000	\$ 3,582	\$ 3,418
Workers Compensation	91,515	91,515	85,760	5,755
Liability and Tort	143,450	143,450	130,413	13,037
TOTAL EXPENDITURES	\$ 241,965	\$ 241,965	\$ 219,755	\$ 22,210
Excess (Deficiency) of Revenues Over Expenditures	\$ (63,515)	\$ (63,515)	\$ (42,302)	\$ 21,213
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ (63,515)	\$ (63,515)	\$ (42,302)	\$ 21,213
FUND BALANCE - BEGINNING			199,903	
FUND BALANCE - ENDING			\$ 157,601	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local Sources:				
Property Taxes	\$ 113,000	\$ 113,000	\$ 112,839	\$ (161)
Intergovernmental Revenues:				
Personal Property Replacement Taxes	54,000	54,000	71,999	17,999
Other Local Sources:				
Investment Earnings	520	520	2,013	1,493
TOTAL REVENUES	<u>\$ 167,520</u>	<u>\$ 167,520</u>	<u>\$ 186,851</u>	<u>\$ 19,331</u>
<u>EXPENDITURES:</u>				
Current:				
General Government:				
Personnel	\$ 146,400	\$ 146,400	\$ 136,318	\$ 10,082
Culture/Recreation:				
Personnel	8,300	8,300	9,954	(1,654)
TOTAL EXPENDITURES	<u>\$ 154,700</u>	<u>\$ 154,700</u>	<u>\$ 146,272</u>	<u>\$ 8,428</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 12,820</u>	<u>\$ 12,820</u>	<u>\$ 40,579</u>	<u>\$ 27,759</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfer In	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ 12,820</u>	<u>\$ 12,820</u>	<u>\$ 40,579</u>	<u>\$ 27,759</u>
FUND BALANCE - BEGINNING			144,576	
FUND BALANCE - ENDING			<u>\$ 185,155</u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

MEDICARE/SOCIAL SECURITY FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local Sources:				
Property Taxes	\$ 137,000	\$ 137,000	\$ 136,806	\$ (194)
Other Local Sources:				
Investment Earnings	750	750	587	(163)
TOTAL REVENUES	<u>\$ 137,750</u>	<u>\$ 137,750</u>	<u>\$ 137,393</u>	<u>\$ (357)</u>
<u>EXPENDITURES:</u>				
Current:				
General Government:				
Medicare/Social Security Contribution	\$ 154,000	\$ 154,000	\$ 144,352	\$ 9,648
TOTAL EXPENDITURES	<u>\$ 154,000</u>	<u>\$ 154,000</u>	<u>\$ 144,352</u>	<u>\$ 9,648</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (16,250)</u>	<u>\$ (16,250)</u>	<u>\$ (6,959)</u>	<u>\$ 9,291</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfer In	\$ 16,250	\$ 16,250	\$ 16,250	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 16,250</u>	<u>\$ 16,250</u>	<u>\$ 16,250</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,291</u>	<u>\$ 9,291</u>
FUND BALANCE - BEGINNING			<u>76,636</u>	
FUND BALANCE - ENDING			<u>\$ 85,927</u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

FLOOD CONTROL FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
<u>Local Sources:</u>				
Property Taxes	\$ 80,000	\$ 80,000	\$ 79,891	\$ (109)
<u>Other Local Sources:</u>				
Investment Earnings	200	200	338	138
TOTAL REVENUES	<u>\$ 80,200</u>	<u>\$ 80,200</u>	<u>\$ 80,229</u>	<u>\$ 29</u>
<u>EXPENDITURES:</u>				
<u>Current:</u>				
<u>Public Safety:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 45,650	\$ 45,650	\$ 45,766	\$ (116)
	<u>\$ 45,650</u>	<u>\$ 45,650</u>	<u>\$ 45,766</u>	<u>\$ (116)</u>
<u>Contractual Services:</u>				
Maintenance Services	\$ 9,500	\$ 9,500	\$ 11,756	\$ (2,256)
Service Charges	3,000	3,000	7,262	\$ (4,262)
	<u>\$ 12,500</u>	<u>\$ 12,500</u>	<u>\$ 19,018</u>	<u>\$ (6,518)</u>
<u>Commodities:</u>				
General Supplies	\$ 4,500	\$ 4,500	\$ 1,230	\$ 3,270
	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 1,230</u>	<u>\$ 3,270</u>
<u>Capital Outlay:</u>				
Equipment	\$ 4,000	\$ 4,000	\$ 8,000	\$ (4,000)
	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 8,000</u>	<u>\$ (4,000)</u>
TOTAL EXPENDITURES	<u>\$ 66,650</u>	<u>\$ 66,650</u>	<u>\$ 74,014</u>	<u>\$ (7,364)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 13,550</u>	<u>\$ 13,550</u>	<u>\$ 6,215</u>	<u>\$ (7,335)</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

FLOOD CONTROL FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ 13,550</u>	<u>\$ 13,550</u>	\$ 6,215	<u>\$ (7,335)</u>
FUND BALANCE - BEGINNING			<u>37,013</u>	
FUND BALANCE - ENDING			<u>\$ 43,228</u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS
NONMAJOR PROPRIETARY FUNDS
APRIL 30, 2020

	Shuttle Service Fund	Turner Hall Fund	Swimming Pool Fund	Total Nonmajor Proprietary Funds
ASSETS:				
<u>Current Assets:</u>				
Cash, Deposits, and Investments	\$ 183,665	\$ 34,849	\$ 26,772	\$ 245,286
Total Current Assets	<u>\$ 183,665</u>	<u>\$ 34,849</u>	<u>\$ 26,772</u>	<u>\$ 245,286</u>
<u>Noncurrent Assets:</u>				
Cash, Deposits and Investments	\$ 54,384	\$ -	\$ -	\$ 54,384
Bond Discount Fees	-	-	2,646	2,646
Less: Amortization	-	-	(1,862)	(1,862)
<u>Capital Assets:</u>				
Building and Equipment	72,791	1,179,388	1,416,795	2,668,974
Less: Accumulated Depreciation	51,154	519,192	1,303,503	1,873,849
Net Capital Assets	<u>\$ 21,637</u>	<u>\$ 660,196</u>	<u>\$ 113,292</u>	<u>\$ 795,125</u>
Total Noncurrent Assets	<u>\$ 76,021</u>	<u>\$ 660,196</u>	<u>\$ 114,076</u>	<u>\$ 850,293</u>
TOTAL ASSETS	<u>\$ 259,686</u>	<u>\$ 695,045</u>	<u>\$ 140,848</u>	<u>\$ 1,095,579</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,807</u>	<u>\$ 43,807</u>
LIABILITIES:				
<u>Current Liabilities:</u>				
Bond Premium	\$ -	\$ -	\$ 7,726	\$ 7,726
Less: Amortization	-	-	(5,678)	(5,678)
Current Portion of Bonds Payable	-	-	16,912	16,912
Total Current Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,960</u>	<u>\$ 18,960</u>
<u>Long-Term Liabilities:</u>				
Bonds Payable	\$ -	\$ -	\$ 35,853	\$ 35,853
Net Pension Liability	-	-	2,722	2,722
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,575</u>	<u>\$ 38,575</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,535</u>	<u>\$ 57,535</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,901</u>	<u>\$ 58,901</u>
NET POSITION:				
Invested in Capital Assets, Net of Related Debt	\$ 21,636	\$ 660,196	\$ 60,528	\$ 742,360
Unrestricted	238,050	34,849	7,691	280,590
TOTAL NET POSITION	<u>\$ 259,686</u>	<u>\$ 695,045</u>	<u>\$ 68,219</u>	<u>\$ 1,022,950</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - MODIFIED CASH BASIS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2020**

	Shuttle Service Fund	Turner Hall Fund	Swimming Pool Fund	Total Nonmajor Proprietary Funds
<u>OPERATING REVENUES:</u>				
Charges for Services	\$ 33,259	\$ -	\$ 60,949	\$ 94,208
Concessions	-	-	24,739	24,739
Rent	-	28,655	2,248	30,903
Pension Earnings	-	-	44,562	44,562
Other - Miscellaneous	-	-	1,376	1,376
TOTAL OPERATING REVENUES	\$ 33,259	\$ 28,655	\$ 133,874	\$ 195,788
<u>OPERATING EXPENSES:</u>				
Personnel	\$ -	\$ -	\$ 76,351	\$ 76,351
Pension Expense	-	-	41,663	41,663
Maintenance Services	-	22,978	109,041	132,019
Communications	-	2,435	2,219	4,654
Services and Charges	6,378	13,571	13,916	33,865
General Supplies	295	2,605	55,850	58,750
Other Expenditures	-	7,225	7,129	14,354
Depreciation and Amortization	3,559	31,764	8,791	44,114
TOTAL OPERATING EXPENSES	\$ 10,232	\$ 80,578	\$ 314,960	\$ 405,770
Operating Income (Loss)	\$ 23,027	\$ (51,923)	\$ (181,086)	\$ (209,982)
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Interest Earnings	\$ 1,690	\$ 41	\$ 144	\$ 1,875
Grants	-	36,293	-	36,293
Bond Premium Amortization	-	-	768	768
Bond Interest Expense	-	-	(2,077)	(2,077)
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 1,690	\$ 36,334	\$ (1,165)	\$ 36,859
Income (Loss) Before Transfers	\$ 24,717	\$ (15,589)	\$ (182,251)	\$ (173,123)
Transfers In	-	11,000	187,885	198,885
Change in Net Position	\$ 24,717	\$ (4,589)	\$ 5,634	\$ 25,762
TOTAL NET POSITION - BEGINNING	234,969	699,634	62,585	997,188
TOTAL NET POSITION - ENDING	\$ 259,686	\$ 695,045	\$ 68,219	\$ 1,022,950

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	Shuttle Service Fund	Turner Hall Fund	Swimming Pool Fund	Total Nonmajor Proprietary Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash Received from Customers	\$ 33,259	\$ 28,655	\$ 87,936	\$ 149,850
Cash Payments to Suppliers for Goods and Services	(6,673)	(48,814)	(188,155)	(243,642)
Cash Payments to Employees for Services	-	-	(76,351)	(76,351)
Other Receipts/Payments	-	-	1,376	1,376
Net Cash Provided (Used) by Operating Activities	<u>\$ 26,586</u>	<u>\$ (20,159)</u>	<u>\$ (175,194)</u>	<u>\$ (168,767)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Transfers In/Out	\$ -	\$ 11,000	\$ 187,885	\$ 198,885
Net Cash Provided (Used) by Noncapital Financing Activities	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ 187,885</u>	<u>\$ 198,885</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Principal Paid on Capital Debt	\$ -	\$ -	\$ (16,470)	\$ (16,470)
Interest Paid on Capital Debt	-	-	(2,077)	(2,077)
Purchase of Capital Assets	-	-	(1,054)	(1,054)
Grants	-	36,293	-	36,293
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ 36,293</u>	<u>\$ (19,601)</u>	<u>\$ 16,692</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest Earned on Deposits	\$ 1,690	\$ 41	\$ 144	\$ 1,875
Net Cash Provided by Investing Activities	<u>\$ 1,690</u>	<u>\$ 41</u>	<u>\$ 144</u>	<u>\$ 1,875</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 28,276	\$ 27,175	\$ (6,766)	\$ 48,685
BALANCE - BEGINNING OF YEAR	<u>209,773</u>	<u>7,674</u>	<u>33,538</u>	<u>250,985</u>
BALANCE - END OF YEAR	<u>\$238,049</u>	<u>\$ 34,849</u>	<u>\$ 26,772</u>	<u>\$ 299,670</u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2020

	Shuttle Service Fund	Turner Hall Fund	Swimming Pool Fund	Total Nonmajor Proprietary Funds
<u>RECONCILIATION OF OPERATING INCOME</u>				
<u>(LOSS) TO NET CASH PROVIDED (USED) BY</u>				
<u>OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ 23,027	\$ (51,923)	\$ (181,086)	\$ (209,982)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Amortization of Costs	-	-	294	294
Depreciation Expense	3,559	31,764	8,497	43,820
Pension Expense	-	-	41,663	41,663
Deferred Miscellaneous Revenue	-	-	(44,562)	(44,562)
Net Cash Provided (Used) by Operating Activities	<u>\$ 26,586</u>	<u>\$ (20,159)</u>	<u>\$ (175,194)</u>	<u>\$ (168,767)</u>
<u>RECONCILIATION OF TOTAL CASH AND</u>				
<u>CASH EQUIVALENTS:</u>				
Current Assets:				
Cash, Deposits and Investments	\$ 183,665	\$ 34,849	\$ 26,772	\$ 245,286
Noncurrent Assets:				
Cash, Deposits, and Investments	54,384	-	-	54,384
Current Liabilities:				
Cash Overdraft	-	-	-	-
TOTAL CASH AND CASH EQUIVALENTS AT				
THE END OF YEAR	<u>\$238,049</u>	<u>\$ 34,849</u>	<u>\$ 26,772</u>	<u>\$ 299,670</u>

See Accompanying Independent Auditor's Report.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO SUPPLEMENTARY INFORMATION
APRIL 30, 2020**

Note 1 - Budgets and Budgetary Accounting

The City of Galena follows these procedures in establishing the General, Special Revenue, Capital Projects, and Debt Service Funds budgetary data reflected in the financial statements.

1. Prior to May, the mayor and budget officer submit to the city council a proposed operating budget for the fiscal year commencing the proceeding May 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at city hall to obtain taxpayer comments prior to April 30.
3. Prior to May 1, the budget is legally adopted.
4. The city clerk is authorized to expend the unexpended balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
5. The budget is the controlling financial instrument and unless the item is budgeted, special provisions must be met as required by law for the item to be budgeted and funds expended.
6. Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis method of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
7. All appropriations lapse at year-end. All carry over funds become part of the new budget.
8. Expenditures cannot legally exceed appropriations at the fund level.

Note 2 - Budgetary Compliance and Accountability:

A. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1C of the Notes to Financial Statements.

A budget has been adopted for the general fund, special revenue funds, debt service fund, and capital projects funds.

The budgeted amounts presented include any amendments made. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO SUPPLEMENTARY INFORMATION (continued)
APRIL 30, 2020

Note 2 - Budgetary Compliance and Accountability: (continued)

Budgetary Information (continued)

Supplemental appropriations during the year for major and nonmajor funds were as follows:

<u>Major Fund</u>	<u>Original Appropriation</u>	<u>Final Appropriation</u>	<u>Variance Amount</u>
General Fund	\$ 3,392,380	\$ 3,503,026	\$ 110,646
Motor Fuel Tax	\$ 170,600	\$ 1,035,800	\$ 865,200
Parks & Recreation Fund	\$ 302,200	\$ 365,100	\$ 62,900

B. Excess Expenditures Over Appropriations

Total expenditures exceeded the budget for the following funds:

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Appropriations</u>
Flood Control Fund	\$ 66,650	\$ 74,014	\$ 7,364

CITY OF GALENA
GALENA, ILLINOIS

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)
APRIL 30, 2020

Calendar Year Ended December 31,	2019	2018	2017	2016
Total Pension Liability				
Service Cost	\$ 163,311	\$ 154,844	\$ 161,663	\$ 155,259
Interest on the Total Pension Liability	670,187	649,261	614,459	600,958
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(9,689)	(193,149)	283,747	(291,121)
Changes of Assumptions	-	281,331	(294,917)	(10,842)
Benefit Payments, including Refunds of Employee Contributions	(302,599)	(316,161)	(278,862)	(297,417)
Net Change in Total Pension Liability	\$ 521,210	\$ 576,126	\$ 486,090	\$ 156,837
Total Pension Liability - Beginning	9,313,597	8,737,471	8,251,381	8,094,544
Total Pension Liability - Ending (A)	\$ 9,834,807	\$ 9,313,597	\$ 8,737,471	\$ 8,251,381
Plan Fiduciary Net Position				
Contributions - Employer	\$ 131,601	\$ 147,088	\$ 155,726	\$ 156,389
Contributions - Employees	71,695	70,042	70,007	67,538
Net Investment Income	1,520,521	(421,656)	1,316,191	504,323
Benefit Payments, including Refunds of Employee Contributions	(302,599)	(316,161)	(278,862)	(297,417)
Other (Net Transfer)	15,059	113,691	(97,580)	(183,304)
Net Change in Plan Fiduciary Net Position	\$ 1,436,277	\$ (406,996)	\$ 1,165,482	\$ 247,529
Plan Fiduciary Net Position - Beginning	8,340,801	8,747,797	7,582,315	7,334,786
Plan Fiduciary Net Position - Ending (B)	\$ 9,777,078	\$ 8,340,801	\$ 8,747,797	\$ 7,582,315
Net Pension Liability (Asset) - Ending (A) - (B)	\$ 57,729	\$ 972,796	\$ (10,326)	\$ 669,066
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.41%	89.56%	100.12%	91.89%
Covered Valuation Payroll	\$ 1,593,225	\$ 1,556,484	\$ 1,555,711	\$ 1,500,854
Net Pension Liability as a Percentage of Covered Valuation Payroll	3.62%	62.50%	(0.66)%	44.58%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
APRIL 30, 2020

<u>Calendar Year Ended 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 Percentage of Covered Valuation Payroll</u>
2015	\$ 152,464	\$ 152,463	\$ 1	\$ 1,386,032	11.00%
2016	\$ 156,389	\$ 156,389	\$ -	\$ 1,500,854	10.42%
2017	\$ 155,727	\$ 155,726	\$ 1	\$ 1,555,711	10.01%
2018	\$ 147,088	\$ 147,088	\$ -	\$ 1,556,484	9.45%
2019	\$ 131,600	\$ 131,601	\$ (1)	\$ 1,593,225	8.26%

Additional years will be added to this schedule until 10 years of dates is presented.

*Estimated based on contribution rate of 8.26% and covered payroll of \$1,593,225.

CITY OF GALENA
GALENA, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, EXTENSIONS, AND COLLECTIONS
UNAUDITED
APRIL 30, 2020

	Maximum	Assessed	Limited	Actual	Estimated
2019 Levy:	Rates	Valuation	Rate	Extension	Collections
General Corporate	.43750	\$ 100,414,476	.43750	.43750	\$ 439,313
Fire Protection	.60000		.37060	.37060	372,136
Police Protection	.60000		.08939	.08939	89,761
Workmen's Compensation	NONE		.10258	.10258	103,005
Garbage	.20000		.00001	.00001	10
Street Lighting	.05000		.00001	.00001	10
Parks	.08590		.08465	.08465	85,001
Levee	.16660		.09959	.09959	100,003
Social Security	NONE		.14341	.14341	144,004
School Crossing Guard	.02000		.00001	.00001	10
Audit	NONE		.01196	.01196	12,010
Liability Insurance	NONE		.02988	.02988	30,004
Emergency Services Defense	.05000		.00086	.00086	864
Unemployment Insurance	NONE		.00249	.00249	2,500
IMRF	NONE		.05976	.05976	60,008
Waterworks	.07000		.00002	.00002	20
			<u>1.43272</u>	<u>1.43272</u>	<u>\$ 1,438,659</u>
Share of Township Road & Bridge					81,051
TOTAL					<u><u>\$ 1,519,710</u></u>

	Maximum	Assessed	Limited	Actual	Actual
2018 Levy:	Rates	Valuation	Rate	Extension	Collections
General Corporate	.43750	\$ 101,404,287	.43368	.43368	\$ 439,124
Fire Protection	.60000		.36014	.36014	364,661
Police Protection	.60000		.00617	.00617	6,247
Workmen's Compensation	NONE		.15434	.15434	156,278
Garbage	.20000		.00001	.00001	10
Street Lighting	.05000		.00001	.00001	10
Parks	.08590		.08161	.08161	82,660
Levee	.16660		.07890	.07890	79,891
Social Security	NONE		.13511	.13511	136,806
School Crossing Guard	.02000		.00001	.00001	10
Audit	NONE		.01923	.01923	19,471
Liability Insurance	NONE		.01726	.01726	17,478
Emergency Services Defense	.05000		.00085	.00085	861
Unemployment Insurance	NONE		.00247	.00247	2,501
IMRF	NONE		.11144	.11144	112,839
Waterworks	.07000		.00001	.00001	10
			<u>1.40124</u>	<u>1.40124</u>	<u>\$ 1,418,857</u>
Share of Township Road & Bridge					79,216
TOTAL					<u><u>\$ 1,498,073</u></u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, EXTENSIONS, AND COLLECTIONS
UNAUDITED
APRIL 30, 2020

<u>2017 Levy:</u>	<u>Maximum Rates</u>	<u>Assessed Valuation</u>	<u>Limited Rate</u>	<u>Actual Extension</u>	<u>Actual Collections</u>
General Corporate	.43750	<u>\$ 100,187,172</u>	.43750	.43750	\$ 435,406
Fire Protection	.60000		.35701	.35701	355,301
Police Protection	.6000		.02404	.02404	23,925
Workmen's Compensation	NONE		.07586	.07586	75,498
Garbage	.20000		.00001	.00001	10
Street Lighting	.05000		.00001	.00001	10
Parks	.08590		.04492	.04492	44,705
Levee	.16660		.07686	.07686	76,492
Social Security	NONE		.15771	.15771	156,955
School Crossing Guard	.02000		.00001	.00001	10
Audit	NONE		.01747	.01747	17,387
Liability Insurance	NONE		.09982	.09982	99,342
Emergency Services Defense	.05000		.00086	.00086	857
Unemployment Insurance	NONE		.00250	.00250	2,487
IMRF	NONE		.10481	.10481	104,308
Waterworks	.05000		.00002	.00002	10
			<u>1.39941</u>	<u>1.39941</u>	<u>\$ 1,392,703</u>
Share of Township Road & Bridge					79,039
TOTAL					<u><u>\$ 1,471,742</u></u>

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO OTHER INFORMATION (PART II)
UNAUDITED
APRIL 30, 2020

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the
2019 Contribution Rate***

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2019 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
Asset Valuation Method	5 years smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO OTHER INFORMATION (PART II) (continued)
UNAUDITED
APRIL 30, 2020

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the
2019 Contribution Rate*** (continued)

Mortality

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Tables applying the same adjustments that were applied for no-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefic changes during the year.

**Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.*

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO OTHER INFORMATION (PART II) (continued)
UNAUDITED
APRIL 30, 2020**

Development of Market Value of Assets

Market Value of Assets as of December 31, 2019

1. Employee Contribution Reserve (MDF Assets from IMRF)	\$	2,186,391
2. Employer Contribution Reserve (EAF Assets from IMRF)		4,256,206
3. Annuitant Reserve		3,328,062
4. Miscellaneous Adjustment*		6,418
5. Net Market Value	\$	<u>9,777,077</u>

** Includes an adjustment factor of 0.0027705476 on Items 1 through 3 to ensure that Market Value of Assets for all employers balances to the total Market Value of IMRF. Miscellaneous adjustments are due to various items such as suspended annuity reserve, death benefit reserve, supplemental benefit reserve, employers with no assets, etc.*

Schedule of Contributions

Total Contributions

1. Employer		
a. Wage Reporting	\$	131,601
b. Accelerated payments and Reserve Payments		-
	\$	<u>131,601</u>
2. Member		
a. Wage Reporting	\$	71,695
b. Member Payments (i.e. ERI, Pension Payments)		-
Sub-total (Amount used for valuation on Schedule of Changes Page 10)	\$	<u>71,695</u>
c. Voluntary Additional Plan	\$	56,060
Total Member Contributions (a+b+c)	\$	<u>127,755</u>
Total Employer and Member Contributions (1+2)	\$	259,356

