

**CITY OF GALENA
GALENA, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
APRIL 30, 2019**

**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

Report on the Financial Statements

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, 2019, 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, 2019 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, 2019 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, 2019

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**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, 2019 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, 2019. 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 2019-001 through Finding 2019-004) in internal control that we consider to be material weaknesses. Finding 2019-001 through Finding 2019-004 were also noted in the prior year's audit.

Internal Control Over Financial Reporting (continued)

Finding 2019-001: 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 2019-002: 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 2019-002: 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 2019-003: 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 continue to 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 2019-004: 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 2019-004: 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 51 adjustments to 13 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.

General Fund

- Adjust accounts payable - payroll related.
- Reclassify revenues and expenses to correct amounts.
- Record interfund loan activity.
- Adjust combined cash to other funds.
- Adjust beginning fund balance.

Insurance Fund

- Adjust cash balances.
- Adjust beginning fund balance
- Reclassify expenses to proper accounts.

Motor Fuel Tax Fund

- Adjust cash balances.
- Adjust revenues.

Parks & Recreation Fund

- Adjust cash balances.
- Record grant revenues and expenditures.

Fire Protection Fund

- Adjust cash balances.
- Record interfund loan activity.

IMRF Fund

- Adjust combined cash.

Debt Service Fund

- Reclassify principal and interest paid.

Turner Hall Fund

- Reclassify asset acquired.
- Record depreciation expense.

Internal Control Over Financial Reporting (continued)

Finding 2019-004: Financial Reporting and Accounting Procedures - Oversight (continued)

Water Fund

- Adjust combined cash.
- Capitalize assets acquired.
- Record depreciation expense.
- Adjust loan balance.
- Reclassify revenue and expenditures to proper account.
- Record pension expense and liability.
- Adjust accounts payable.

Sewer Fund

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

Garbage and Refuse Fund

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

Swimming Pool Fund

- Adjust loan balances.
- Record depreciation and amortization expenses.
- Record pension expense and liability.
- Reclassify expenditures to proper account.
- Adjust accounts payable.

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 finance software systems and our accounting system has advanced through actual experience. The city administrator has taken a more active role 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, 2019.

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, 2019

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019**

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, 2019.

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, 2019. 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, 2019. 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, 2019**

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 27-32. 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 33 and 34.

- *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 35-71 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 72-104 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 105-112 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, 2018 and 2019.

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019**

Government-wide summary and analysis (continued)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2018	2019	2018	2019	2018	2019	2018-2019
ASSETS:							
Current Assets	\$ 642,274	\$ 1,271,058	\$ 1,750,101	\$ 1,006,130	\$ 2,392,375	\$ 2,277,188	-4.81%
Noncurrent Assets	1,783,041	2,281,179	1,247,874	1,602,912	3,030,915	3,884,091	28.15%
Capital Assets, Net of Depreciation	18,302,694	20,130,912	8,928,614	8,101,697	27,231,308	28,232,609	3.68%
TOTAL ASSETS	\$ 20,728,009	\$ 23,683,149	\$ 11,926,589	\$ 10,710,739	\$ 32,654,598	\$ 34,393,888	5.33%
DEFERRED OUTFLOWS OF RESOURCES:							
Pension Related Deferred Outflow	\$ 438,012	\$ 1,167,451	\$ 66,843	\$ 223,862	\$ 504,855	\$ 1,391,313	175.59%
LIABILITIES:							
Current Liabilities	\$ 70,180	\$ 47,048	\$ 3,584	\$ 2,816	\$ 73,764	\$ 49,864	-32.40%
Noncurrent Liabilities	1,897,329	2,258,322	8,144,150	7,835,762	10,041,479	10,094,084	0.52%
TOTAL LIABILITIES	\$ 1,967,509	\$ 2,305,370	\$ 8,147,734	\$ 7,838,578	\$ 10,115,243	\$ 10,143,948	0.28%
DEFERRED INFLOWS OF RESOURCES:							
Pension Related Deferred Inflows	\$ 858,444	\$ 708,800	\$ 131,003	\$ 135,915	\$ 989,447	\$ 844,715	-14.63%
NET POSITION:							
Investment in Capital Assets, Net of Related Debt	\$ 16,405,365	\$ 18,688,890	\$ 784,464	\$ 824,935	\$ 17,189,829	\$ 19,513,825	13.52%
Restricted	972,946	1,960,048	60,000	60,000	1,032,946	2,020,048	95.56%
Unrestricted	961,757	1,187,492	2,870,230	2,075,172	3,831,987	3,262,664	-14.86%
TOTAL NET POSITION	\$ 18,340,068	\$ 21,836,430	\$ 3,714,694	\$ 2,960,107	\$ 22,054,762	\$ 24,796,537	12.43%

The amount by which the City's assets exceed its liabilities is called net position. At year-end, the City's net position was \$24,796,537. Of that amount, approximately \$19,513,825 was invested in capital assets, net of debt, and depreciation related to those assets. There was \$2,020,048 of net position restricted for purposes specified by special tax levies, other state statutes, and a loan agreement. The remaining \$3,262,664 was unrestricted and available for future use as directed by the city council. Overall, the net position increased 12.4 percent from the prior year.

The governmental activities have total net position of \$21,836,430 for the year ended April 30, 2019, which is an increase of \$3,496,362 from the year ended April 30, 2018. This increase is attributable to an increase in capital assets, net related debt.

The total net position of the business-type activities totaled \$2,960,107 for the year ended April 30, 2019, which is a decrease of \$754,587 from the year ended April 30, 2018. This decrease from the prior year is mostly attributable to the increase in capital assets.

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019**

Government-wide summary and analysis (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total Percentage Change</u> 2018-2019
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	
<u>PROGRAM REVENUES:</u>							
Charges for Services	\$ 292,366	\$ 255,693	\$ 1,823,443	\$ 1,874,285	\$ 2,115,809	\$ 2,129,978	0.67%
Operating Grant & Contributions	57,667	101,216	32,385	31,846	90,052	133,062	47.76%
Capital Grant and Contributions	525,588	2,821,118	-	-	525,588	2,821,118	436.75%
<u>GENERAL REVENUES:</u>							
Property Taxes & Local Taxes	2,708,724	1,471,722	60	30	2,708,784	1,471,752	-45.67%
Other Taxes	2,363,947	3,706,756	421,986	434,493	2,785,933	4,141,249	48.65%
Bond Premium	5,876	6,615	430	768	6,306	7,383	17.08%
Interest Earnings	35,754	64,233	14,050	16,879	49,804	81,112	62.86%
Miscellaneous	163,074	323,776	25,223	6,692	188,297	330,468	75.50%
Net Change in Pension Related Activity	22,576	879,083	1,229	-	23,805	879,083	3592.85%
Proceeds from Sale of Assets	-	212,797	-	-	-	212,797	100.00%
Gain on Traded Assets	-	25,701	-	-	-	25,701	100.00%
Total Revenues Before Transfers	\$ 6,175,572	\$ 9,868,710	\$ 2,318,806	\$ 2,364,993	\$ 8,494,378	\$ 12,233,703	44.02%
Transfers	(86,380)	62,838	86,380	(62,838)	-	-	100.00%
TOTAL REVENUES AND TRANSFERS	\$ 6,089,192	\$ 9,931,548	\$ 2,405,186	\$ 2,302,155	\$ 8,494,378	\$ 12,233,703	44.02%
<u>PROGRAM EXPENDITURES:</u>							
General Government	\$ 2,531,826	\$ 3,156,057	\$ -	\$ -	\$ 2,531,826	\$ 3,156,057	24.66%
Public Safety	1,320,956	1,309,948	-	-	1,320,956	1,309,948	-0.83%
Public Works/Transportation	1,645,527	1,664,953	-	-	1,645,527	1,664,953	1.18%
Culture & Recreation	236,234	245,986	-	-	236,234	245,986	4.13%
Community Development	1,743	1,743	-	-	1,743	1,743	0.00%
Interest on Long-Term Debt	76,978	56,499	-	-	76,978	56,499	-26.60%
Garbage Collection & Disposal	-	-	244,450	249,665	244,450	249,665	2.13%
Water	-	-	762,320	820,903	762,320	820,903	7.68%
Sewer	-	-	1,623,863	1,688,926	1,623,863	1,688,926	4.01%
Shuttle Services	-	-	7,064	7,603	7,064	7,603	7.63%
Turner Hall	-	-	70,174	76,290	70,174	76,290	8.72%
Swimming Pool	-	-	223,956	213,355	223,956	213,355	-4.73%
TOTAL PROGRAM EXPENDITURES	\$ 5,813,264	\$ 6,435,186	\$ 2,931,827	\$ 3,056,742	\$ 8,745,091	\$ 9,491,928	8.54%
Increase (Decrease) in Net Position	\$ 275,928	\$ 3,496,362	\$ (526,641)	\$ (754,587)	\$ (250,713)	\$ 2,741,775	-1193.59%
NET POSITION - BEGINNING	18,064,140	18,340,068	4,241,336	3,714,694	22,305,475	22,054,762	-1.12%
NET POSITION - ENDING	<u>\$ 18,340,068</u>	<u>\$ 21,836,430</u>	<u>\$ 3,714,695</u>	<u>\$ 2,960,107</u>	<u>\$ 22,054,762</u>	<u>\$ 24,796,537</u>	12.43%

Total revenues for governmental and business-type activities increased by \$3,739,325 for the year. The increase is due to higher grant revenues in the governmental funds.

Total expenses for governmental and business-type activities increased \$746,837 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, 2019**

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, 2019 was \$1,924,798. This represented an increase of \$244,576 during the year. This increase is due mainly to increased revenue from local sources.

The fund balance of the Fire Protection Fund at April 30, 2019 was \$619,972. This represented an increase of \$507,704 during the year. This increase is due mainly to increased revenue from the sale of surplus property.

The fund balance of the Motor Fuel Tax Fund at April 30, 2019 was \$769,947. This represented an increase of \$456,264 during the year. This increase is due mainly to increased grant revenues.

The fund deficit of the Park and Recreation Fund at April 30, 2019 was \$292,779. This represented an increase of \$97,870 during the year. The increase is due mainly to increased capital outlay expenditures.

The fund balance of the Public Works Fund at April 30, 2019 was \$77,964. This represented an increase of \$12,609. This increase is due to reduced capital outlay expenditures.

The fund deficit of the Debt Service Fund at April 30, 2019 was \$61,395. This represented a decrease of \$24,439 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. These transfers may be insufficient to pay amounts due and can result in negative cash balances in the fund at year-end.

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, 2019 was \$1,589,141. This represented a decrease of \$330,294 from the prior year. This decrease is due mainly to expenditures exceeding revenues.

The net position balance of the Sewer Fund at April 30, 2019 was \$127,087. This represented a decrease of \$538,712 from the prior year. This decrease is due mainly to depreciation expense.

The net position balance of the Garbage and Refuse Fund at April 30, 2019 was \$246,691. This represented an increase of \$8,332. The increase is due mainly to revenues exceeding expenditures.

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019**

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 \$3,510,380 or .8 percent lower than the final budgeted expenditures of \$3,541,970. 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 \$155,500 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:

\$	502	for garage equipment
\$	63,158	for water distribution and collection
\$	28,224	for water meter upgrades
\$	18,067	for fire hydrant replacement and painting
\$	1,638	for water tower painting
\$	95,396	for sewer distribution and collection
\$	21,584	for sewer equipment
\$	80,420	for improvements to Turner Hall
\$	40,839	for park equipment
\$	1,198,874	for Galena River Bike Trail
\$	130,919	for park infrastructure
\$	119,545	for public safety equipment
\$	1,865	for public safety infrastructure
\$	88,978	for public works building and equipment
\$	1,966,554	for Gear Street regarding construction
\$	258,005	for public works infrastructure

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:

\$159,470	and	\$25,275,	respectively,	for 2012A GO Bonds (Alt Rev) - TIF Projects
\$42,453	and	\$6,728,	respectively,	for 2012A GO Bonds (Alt Rev) - Garage
\$36,994	and	\$5,864,	respectively,	for 2012A GO Bonds (Alt Rev) - Rec Park
\$9,901	and	\$1,570,	respectively,	for 2012A GO Bonds (Alt Rev) - Bike Trail
\$35,000	and	\$4,010,	respectively,	for 2012B GO Bonds (Alt Rev) - Meeker Street Bridge
\$30,000	and	\$3,450,	respectively,	for 2012B GO Bonds (Alt Rev) - Flood Control
\$31,230	and	\$774,	respectively,	for 2008 sales tax capital projects
\$84,955	and	\$1,008,	respectively,	for 2009 sales tax capital projects
\$73,372	and	\$7,998,	respectively,	for 2010 sales tax capital projects

**CITY OF GALENA
GALENA, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019**

Analysis of long-term debt (continued)

At year-end, the City had \$1,651,257 in outstanding long-term debt relating to the Governmental Activities. They are as follows:

<u>Governmental Activities:</u>	<u>Amount</u>	<u>Principal Due Next Year</u>
Revenue Bonds, Series, 2012A and 2012B (Alt Rev)	\$ 1,325,765	\$ 253,395
2010 Sales Tax Loan	116,257	76,900
Total	\$ 1,442,022	\$ 330,295

Business-Type Activities:

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

- \$16,605 and \$2,540 respectively, relating to 2012A GO Bonds (Alt Rev)
- \$35,000 and \$4,010 respectively, relating to 2012B GO Bonds (Alt Rev)
- \$280,000 and \$287,755 respectively, relating to 2010 GO Bonds (Alt Rev)
- \$133,709 and \$28,388 respectively, relating to Illinois EPA Water Loan

<u>Business-Type Activities</u>	<u>Amount</u>	<u>Principal Due Next Year</u>
General Obligation Bond (Alternative Revenue Source) Series 2010	\$ 6,435,000	\$ 295,000
2004 IEPA Loan - Water Utility	1,035,031	67,200
General Obligation Bond (Alternative Revenue Sources) Series 2012A and 2012B	209,235	51,605
TOTAL	\$ 7,679,266	\$ 413,805

As of April 30, 2019, the City's general obligation debt limitation was \$8,746,120. This was an increase of \$104,976 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, 2019**

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

Subsequent to the year ended April 30, 2019, the City approved the following expenditures:

<u>FUND</u>	<u>DESCRIPTION</u>	<u>ESTIMATED COST</u>	<u>GRANT FUNDED</u>
General	City Hall ADA Door Openers/ADA Drinking Fountain	\$ 10,000	\$ -
General	New Computers for City Hall (8)	12,500	-
General	New Computers for Police Department (12)	15,000	-
General	New Police Vehicle	20,000	-
General	Tree Removal (Emerald Ash Borer)	105,000	-
General	New Public Works Dump Truck (\$11,000 minus trade)	90,000	-
General	Outdoor Painting (Riverside Drive Street and Traffic Lights)	10,000	-
General	Storm Sewer Project (Gear and Dodge, Hill and Bench)	17,000	-
General	Kohlstadt Bridge Repairs	12,500	-
Parks	Riding Mower Replacement	10,500	-
Parks	Canoe/Kayak Project	110,000	110,000
Parks	Grant Park Improvement Projects-City Funded	17,500	-
Parks	Grant Park Improvement Projects-Galena Foundation Funded	14,500	14,500
Fire	Miscellaneous New Equipment for Fire Department	15,000	-
Fire	Window Replacement at Fire Department	55,000	-
Capital Projects	Street Improvement Program	298,100	-
Capital Projects	Spring Street Project Utility Design	10,000	10,000
Capital Projects	Downtown Sidewalk Replacement	373,400	373,400
Water	Meter Upgrades	10,000	-
Water	New Vehicle (Other 50% in Sewer Fund)	20,000	-
Water	East Side Water System Improvement Project (US 20 Section)	125,000	93,750
Water	Replacement of Old Hydrants	12,500	-
Water	Hydrant Painting	10,000	-
Water	Water Valve Replacement	10,000	-
Sewer	SCADA Computer System Upgrades	20,000	-
Sewer	New Truck (other 50% in Water Fund)	20,000	-
Sewer	Purchase TV Camera for Sewers	10,000	-
Sewer	Repairs to Water Crossing to East Side	12,000	-
Shuttle	Design Engineering for Commerce Street Parking Lot	10,000	-
Turner Hall	New Stage Curtains	45,000	-
Pool	Chemical Shed, Slide Surfacing, Showers Maintenance, Other	14,500	-
Pool	Pump Room/Chemical Feed Improvements	22,500	-
Pool	Sandblast, Repair, and Paint Entire Pool	65,000	-
TOTAL CAPITAL EXPENSE		\$ 1,602,500	\$ 601,650
		NET COST	\$ 1,000,850

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, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
<u>Current Assets:</u>			
Cash, Deposits and Investments	\$ 1,259,024	\$ 816,127	\$ 2,075,151
Accounts Receivable	-	190,003	190,003
Prepaid Items	12,034	-	12,034
Total Current Assets	<u>\$ 1,271,058</u>	<u>\$ 1,006,130</u>	<u>\$ 2,277,188</u>
<u>Noncurrent Assets:</u>			
Cash, Deposits and Investments	\$ 2,259,740	\$ 1,516,733	\$ 3,776,473
Restricted Cash, Deposits and Investments	-	60,000	60,000
Bond Discount	58,472	45,352	103,824
Less: Amortization	(37,033)	(19,173)	(56,206)
<u>Capital Assets:</u>			
Land and Improvements	1,735,293	136,830	1,872,123
Historical Treasures	30,705	-	30,705
Construction in Progress	1,966,554	-	1,966,554
Buildings and Equipment, Net of Accumulated Depreciation	5,937,535	1,289,780	7,227,315
Infrastructure, Net of Accumulated Depreciation	10,460,825	6,675,087	17,135,912
Net Capital Assets	<u>\$ 20,130,912</u>	<u>\$ 8,101,697</u>	<u>\$ 28,232,609</u>
Total Noncurrent Assets	<u>\$ 22,412,091</u>	<u>\$ 9,704,609</u>	<u>\$ 32,116,700</u>
TOTAL ASSETS	<u>\$ 23,683,149</u>	<u>\$ 10,710,739</u>	<u>\$ 34,393,888</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related Deferred Outflows	\$ 1,167,451	\$ 223,862	\$ 1,391,313
LIABILITIES:			
<u>Current Liabilities:</u>			
Bond Premium	\$ 114,680	\$ 7,726	\$ 122,406
Less: Amortization	(67,759)	(4,910)	(72,669)
Payroll Related	127	-	127
Total Current Liabilities	<u>\$ 47,048</u>	<u>\$ 2,816</u>	<u>\$ 49,864</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, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>LIABILITIES:</u> (continued)			
<u>Noncurrent Liabilities:</u>			
Due Within One Year	\$ 330,295	\$ 465,460	\$ 795,755
Due Within More Than One Year	1,111,727	7,213,806	8,325,533
Net Pension Liability	816,300	156,496	972,796
Total Noncurrent Liabilities	<u>\$ 2,258,322</u>	<u>\$ 7,835,762</u>	<u>\$ 10,094,084</u>
TOTAL LIABILITIES	<u>\$ 2,305,370</u>	<u>\$ 7,838,578</u>	<u>\$ 10,143,948</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pension Related Deferred Inflows	<u>\$ 708,800</u>	<u>\$ 135,915</u>	<u>\$ 844,715</u>
<u>NET POSITION:</u>			
Invested in Capital Assets, Net of Related Debt	\$ 18,688,890	\$ 824,935	\$ 19,513,825
<u>Restricted for:</u>			
Debt Service	-	60,000	60,000
Other Purposes	1,960,047	-	1,960,047
Unrestricted	1,187,493	2,075,172	3,262,665
TOTAL NET POSITION	<u>\$ 21,836,430</u>	<u>\$ 2,960,107</u>	<u>\$ 24,796,537</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, 2019

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	\$ 3,156,057	\$ 255,693	\$ -	\$ -	\$ (2,900,364)	\$ -	\$ (2,900,364)
Public Safety	1,309,948	-	-	-	(1,309,948)	-	(1,309,948)
Public Works	1,664,953	-	-	2,239,043	574,090	-	574,090
Culture/Recreation	245,986	-	101,216	582,075	437,305	-	437,305
Community Development	1,743	-	-	-	(1,743)	-	(1,743)
Interest on Long-Term Debt	56,499	-	-	-	(56,499)	-	(56,499)
Total Governmental Activities	\$ 6,435,186	\$ 255,693	\$ 101,216	\$ 2,821,118	\$ (3,257,159)	\$ -	\$ (3,257,159)
Business-Type Activities:							
Garbage and Refuse Collection	\$ 249,665	\$ 255,956	\$ -	\$ -	\$ -	\$ 6,291	\$ 6,291
Water	820,903	697,604	-	-	-	(123,299)	(123,299)
Sewer	1,688,926	711,635	-	-	-	(977,291)	(977,291)
Shuttle Service	7,603	57,764	-	-	-	50,161	50,161
Turner Hall	76,290	44,355	31,846	-	-	(89)	(89)
Swimming Pool	213,355	106,971	-	-	-	(106,384)	(106,384)
Total Business-Type Activities	\$ 3,056,742	\$ 1,874,285	\$ 31,846	\$ -	\$ -	\$ (1,150,611)	\$ (1,150,611)
Total Government	\$ 9,491,928	\$ 2,129,978	\$ 133,062	\$ 2,821,118	\$ (3,257,159)	\$ (1,150,611)	\$ (4,407,770)
GENERAL REVENUES:							
Taxes:							
Property Taxes					\$ 1,471,722	\$ 30	\$ 1,471,752
Other Local Taxes					1,711,938	-	1,711,938
Intergovernmental Taxes					1,994,818	434,493	2,429,311
Bond Premium					6,615	768	7,383
Investment Earnings					64,233	16,879	81,112
Miscellaneous					323,776	6,692	330,468
Net Pension Related Activity					879,083	-	879,083
Proceeds from Sale of Assets					212,797	-	212,797
Gain on Traded Assets					25,701	-	25,701
Total General Revenues					\$ 6,690,683	\$ 458,862	\$ 7,149,545
Transfers					62,838	(62,838)	-
TOTAL REVENUES AND TRANSFERS					\$ 6,753,521	\$ 396,024	\$ 7,149,545
Change in Net Position					\$ 3,496,362	\$ (754,587)	\$ 2,741,775
NET POSITION - BEGINNING					18,340,068	3,714,694	22,054,762
NET POSITION - ENDING					\$ 21,836,430	\$ 2,960,107	\$ 24,796,537

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, 2019

	General Fund	Fire Protection Fund	Motor Fuel Tax Fund	Parks & Recreation Fund	Public Works - Capital Projects Fund	Deb Service Fund	Nonmajor Govern- mental Funds	Total Govern- mental Funds
ASSETS:								
Cash, Deposits & Investments	\$ 1,912,891	\$ 619,972	\$ 769,947	\$ 23,526	\$ 77,964	\$ -	\$ 492,164	\$ 3,896,464
Prepaid Items	12,034	-	-	-	-	-	-	12,034
TOTAL ASSETS	\$ 1,924,925	\$ 619,972	\$ 769,947	\$ 23,526	\$ 77,964	\$ -	\$ 492,164	\$ 3,908,498
LIABILITIES AND FUND BALANCES:								
Current Liabilities:								
Cash Overdraft	\$ -	\$ -	\$ -	\$ 316,305	\$ -	\$ 61,395	\$ -	\$ 377,700
Payroll Related	127	-	-	-	-	-	-	127
Total Current Liabilities	\$ 127	\$ -	\$ -	\$ 316,305	\$ -	\$ 61,395	\$ -	\$ 377,827
Fund Balances:								
Restricted	\$ -	\$ 619,972	\$ 769,947	\$ -	\$ 77,964	\$ -	\$ 492,164	\$ 1,960,047
Unassigned	1,924,798	-	-	(292,779)	-	(61,395)	-	1,570,624
Total Fund Balances (Deficits)	\$ 1,924,798	\$ 619,972	\$ 769,947	\$ (292,779)	\$ 77,964	\$ (61,395)	\$ 492,164	\$ 3,530,671
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,924,925	\$ 619,972	\$ 769,947	\$ 23,526	\$ 77,964	\$ -	\$ 492,164	

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, 2019**

Total Fund Balances	\$ 3,530,671
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 \$67,759, are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	(46,921)
Amounts paid for bond issuance costs of \$58,472, net of amortization of \$37,033, are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	21,439
Capital assets of \$49,808,201, net of depreciation of \$29,677,289, are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	20,130,912
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(2,258,322)
Deferred Inflows of Resources are not current financial excess and, therefore, are not reported in the governmental funds.	(708,800)
Deferred Outflows of Resources are not current financial resources and, therefore, are not reported in the governmental funds.	1,167,451
Net Position of Governmental Activities	<u>\$ 21,836,430</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, 2019**

	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	\$ 1,816,098	\$ 355,301	\$ -	\$ 44,705	\$ 434,230	\$ -	\$ 533,326	\$ 3,183,660
Licenses and Permits	197,510	-	-	-	-	-	-	197,510
Intergovernmental	1,809,247	43,534	87,303	-	-	-	54,734	1,994,818
Fines and Forfeitures	43,101	-	-	-	-	-	-	43,101
Charges for Services	15,082	-	-	-	-	-	-	15,082
Investment Earnings	34,740	5,628	17,033	728	4,378	-	1,726	64,233
Donations	-	-	-	101,216	-	-	-	101,216
Grants	-	-	2,239,043	582,075	-	-	-	2,821,118
Miscellaneous	299,712	-	5,875	18,189	-	-	-	323,776
TOTAL REVENUES	\$ 4,215,490	\$ 404,463	\$ 2,349,254	\$ 746,913	\$ 438,608	\$ -	\$ 589,786	\$ 8,744,514
EXPENDITURES:								
Current:								
General Government	\$ 1,723,545	\$ -	\$ -	\$ -	\$ -	-	\$ 537,734	\$ 2,261,279
Public Safety	902,998	81,336	-	-	-	-	64,048	1,048,382
Public Works	671,741	-	120,767	-	-	-	-	792,508
Culture/Recreation	-	-	-	130,767	-	-	-	130,767

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, 2019**

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Park and Recreation Fund</u>	<u>Public Works - Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
<u>EXPENDITURES:</u> (continued)								
<u>Debt Service:</u>								
Principal	-	-	-	-	-	455,126	-	455,126
Interest & Other Charges	-	-	-	-	-	56,680	-	56,680
Capital Outlay	212,096	20,431	1,966,554	714,716	189,364	-	14,000	3,117,161
TOTAL EXPENDITURES	<u>\$ 3,510,380</u>	<u>\$ 101,767</u>	<u>\$ 2,087,321</u>	<u>\$ 845,483</u>	<u>\$ 189,364</u>	<u>\$ 511,806</u>	<u>\$ 615,782</u>	<u>\$ 7,861,903</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 705,110</u>	<u>\$ 302,696</u>	<u>\$ 261,933</u>	<u>\$ (98,570)</u>	<u>\$ 249,244</u>	<u>\$ (511,806)</u>	<u>\$ (25,996)</u>	<u>\$ 882,611</u>
<u>OTHER FINANCING SOURCES</u>								
<u>(USES):</u>								
Transfers In	\$ 589	\$ -	\$ 194,331	\$ 55,045	\$ -	\$ 536,245	\$ 36,520	\$ 822,730
Transfers Out	(461,123)	(7,789)	-	(54,345)	(236,635)	-	-	(759,892)
Proceeds from Sale of Fire Equipment	-	212,797	-	-	-	-	-	212,797
TOTAL OTHER FINANCING SOURCE	<u>\$ (460,534)</u>	<u>\$ 205,008</u>	<u>\$ 194,331</u>	<u>\$ 700</u>	<u>\$ (236,635)</u>	<u>\$ 536,245</u>	<u>\$ 36,520</u>	<u>\$ 275,635</u>
<u>(USES)</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, 2019**

	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	\$ 244,576	\$ 507,704	\$ 456,264	\$ (97,870)	\$ 12,609	\$ 24,439	\$ 10,524	\$ 1,158,246
FUND BALANCE - BEGINNING	<u>1,680,222</u>	<u>112,268</u>	<u>313,683</u>	<u>(194,909)</u>	<u>65,355</u>	<u>(85,834)</u>	<u>481,640</u>	<u>2,372,425</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ 1,924,798</u></u>	<u><u>\$ 619,972</u></u>	<u><u>\$ 769,947</u></u>	<u><u>\$(292,779)</u></u>	<u><u>\$ 77,964</u></u>	<u><u>\$ (61,395)</u></u>	<u><u>\$ 492,164</u></u>	<u><u>\$ 3,530,671</u></u>
Net Change in Fund Balances - Total Governmental Funds								\$ 1,158,246

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	3,117,161
Depreciation reported in the government-wide statements.	(1,314,644)
Gain on trade	25,701

Principal payments reported as expenditures in the fund statements.	455,307
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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, 2019**

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.	6,615
Amortized Bond Discount reported in government-wide statements.	(5,848)
Net change in pension liability and asset is not a current activity and, therefore, is not reported in the fund financial statements.	(825,259)
Net change in pension related deferred outflows/inflows and pension assets.	<u>879,083</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 3,496,362</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, 2019

	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	\$ 11,690	\$ 564,414	\$ 42,390	\$ 197,633	\$ 816,127
Accounts Receivable	75,931	82,811	31,261	-	190,003
Total Current Assets	<u>\$ 87,621</u>	<u>\$ 647,225</u>	<u>\$ 73,651</u>	<u>\$ 197,633</u>	<u>\$ 1,006,130</u>
<u>Noncurrent Assets:</u>					
Cash, Deposit, and Investments	\$ 522,332	\$ 769,490	\$ 171,559	\$ 53,352	\$ 1,516,733
Restricted Cash, Deposits, and Investments	60,000	-	-	-	60,000
Bond Discount Fees	-	42,706	-	2,646	45,352
Less: Amortization	-	(17,605)	-	(1,568)	(19,173)
<u>Capital Assets:</u>					
Land and Improvements	41,830	95,000	-	-	136,830
Distribution & Collection Systems	7,783,547	19,627,467	-	-	27,411,014
Buildings & Equipment	1,280,160	1,218,384	6,551	2,667,920	5,173,015
Less: Accumulated Depreciation	(7,126,776)	(15,659,412)	(2,945)	(1,830,029)	(24,619,162)
Net Capital Assets	<u>\$ 1,978,761</u>	<u>\$ 5,281,439</u>	<u>\$ 3,606</u>	<u>\$ 837,891</u>	<u>\$ 8,101,697</u>
Total Noncurrent Assets	<u>\$ 2,561,093</u>	<u>\$ 6,076,030</u>	<u>\$ 175,165</u>	<u>\$ 892,321</u>	<u>\$ 9,704,609</u>
TOTAL ASSETS	<u>\$ 2,648,714</u>	<u>\$ 6,723,255</u>	<u>\$ 248,816</u>	<u>\$ 1,089,954</u>	<u>\$ 10,710,739</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, 2019

	Business-Type Activities - Enterprise Funds				Total
	Water Fund	Sewer Fund	Garbage and Refuse Fund	Nonmajor Enterprise Funds	
DEFERRED OUTFLOW OF RESOURCES	\$ 80,165	\$ 69,151	\$ 6,917	\$ 67,629	\$ 223,862
LIABILITIES:					
<u>Current Liabilities:</u>					
Bond Premium	\$ -	\$ -	\$ -	\$ 7,726	\$ 7,726
Less: Amortization	-	-	-	(4,910)	(4,910)
Current Portion of Bonds & Notes Payable	67,200	381,605	-	16,655	465,460
Total Current Liabilities	<u>\$ 67,200</u>	<u>\$ 381,605</u>	<u>\$ -</u>	<u>\$ 19,471</u>	<u>\$ 468,276</u>
<u>Noncurrent Liabilities:</u>					
Bonds & Notes Payable	\$ 967,831	\$ 6,193,395	\$ -	\$ 52,580	\$ 7,213,806
Net Pension Liability	56,035	48,335	4,842	47,284	156,496
Total Noncurrent Liabilities	<u>\$ 1,023,866</u>	<u>\$ 6,241,730</u>	<u>\$ 4,842</u>	<u>\$ 99,864</u>	<u>\$ 7,370,302</u>
TOTAL LIABILITIES	<u>\$ 1,091,066</u>	<u>\$ 6,623,335</u>	<u>\$ 4,842</u>	<u>\$ 119,335</u>	<u>\$ 7,838,578</u>
DEFERRED INFLOW OF RESOURCES	<u>\$ 48,671</u>	<u>\$ 41,984</u>	<u>\$ 4,200</u>	<u>\$ 41,060</u>	<u>\$ 135,915</u>
NET POSITION:					
Invested in Capital Assets, Net of Related Debt	\$ 943,729	\$ (960,291)	\$ 3,606	\$ 837,891	\$ 824,935
Restricted for Debt Service	60,000	-	-	-	60,000
Unrestricted	585,412	1,087,378	243,085	159,297	2,075,172
TOTAL NET POSITION	<u>\$ 1,589,141</u>	<u>\$ 127,087</u>	<u>\$ 246,691</u>	<u>\$ 997,188</u>	<u>\$ 2,960,107</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, 2019**

	Business-Type Activities - Enterprise Funds				
	Water Fund	Sewer Fund	Garbage and Refuse Fund	Nonmajor Enterprise Funds	Total
<u>OPERATING REVENUES:</u>					
Charges for Services	\$ 585,826	\$ 696,892	\$ 247,339	\$ 127,411	\$ 1,657,468
Penalties	8,631	14,743	6,867	-	30,241
Concessions	-	-	-	23,252	23,252
Rent	85,217	-	-	46,674	131,891
Other - Miscellaneous	17,930	-	1,750	11,753	31,433
TOTAL OPERATING REVENUES	\$ 697,604	\$ 711,635	\$ 255,956	\$ 209,090	\$ 1,874,285
<u>OPERATING EXPENSES:</u>					
Personnel	\$ 115,553	\$ 99,675	\$ 9,986	\$ 97,508	\$ 322,722
Pension Expense	11,900	4,069	731	8,756	25,456
Maintenance Services	340,226	342,642	169,836	65,627	918,331
Professional Services	11,644	31,865	-	-	43,509
Communications	2,000	1,000	3,225	3,106	9,331
Services and Charges	15,096	18,000	58,400	32,341	123,837
General Supplies	-	16,987	2,139	35,481	54,607
Other Expenditures	58,544	19,640	4,680	12,732	95,596
Bad Debt	210	6,125	42	-	6,377
Depreciation and Amortization	237,342	859,076	626	39,157	1,136,201
TOTAL OPERATING EXPENSES	\$ 792,515	\$ 1,399,079	\$ 249,665	\$ 294,708	\$ 2,735,967
Operating Income (Loss)	\$ (94,911)	\$ (687,444)	\$ 6,291	\$ (85,618)	\$ (861,682)
<u>NONOPERATING REVENUES (EXPENSES):</u>					
Bond Premium Amortization	\$ -	\$ (2,092)	\$ -	\$ 768	\$ (1,324)
Interest Earnings	4,086	9,944	2,031	818	16,879
Interest Expense	(28,388)	(287,755)	-	(2,540)	(318,683)
Property Taxes Revenue	10	10	10	-	30
Sales Taxes Revenue	-	434,493	-	-	434,493
Grants	-	-	-	31,846	31,846
Solar Electric Sales	-	6,692	-	-	6,692
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (24,292)	\$ 161,292	\$ 2,041	\$ 30,892	\$ 169,933

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, 2019**

	Business-Type Activities - Enterprise Funds				Total
	Water Fund	Sewer Fund	Garbage and Refuse Fund	Nonmajor Enterprise Funds	
Income (Loss) Before Transfers	\$ (119,203)	\$ (526,152)	\$ 8,332	\$ (54,726)	\$ (691,749)
Transfers In	-	4,200	-	160,813	165,013
Transfers Out	(211,091)	(16,760)	-	-	(227,851)
Change in Net Position	\$ (330,294)	\$ (538,712)	\$ 8,332	\$ 106,087	\$ (754,587)
TOTAL NET POSITION - BEGINNING	<u>1,919,435</u>	<u>665,799</u>	<u>238,359</u>	<u>891,101</u>	<u>3,714,694</u>
TOTAL NET POSITION - ENDING	<u><u>\$ 1,589,141</u></u>	<u><u>\$ 127,087</u></u>	<u><u>\$ 246,691</u></u>	<u><u>\$ 997,188</u></u>	<u><u>\$ 2,960,107</u></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, 2019**

	<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>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Receipts from Customers	\$ 679,674	\$ 697,585	\$ 249,825	\$ 197,337	\$ 1,824,421
Payments to Suppliers for Goods & Services	(427,510)	(430,234)	(238,280)	(149,287)	(1,245,311)
Payments to Employees for Services	(115,553)	(99,675)	(9,986)	(97,508)	(322,722)
Other Receipts/(Payments)	2,425	-	1,750	1,770	5,945
Net Cash Provided (Used) by Operating Activities	<u>\$ 139,036</u>	<u>\$ 167,676</u>	<u>\$ 3,309</u>	<u>\$ (47,688)</u>	<u>\$ 262,333</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Transfers In/(Out)	\$ (211,091)	\$ (12,560)	\$ -	\$ 160,813	\$ (62,838)
Property Taxes Received	10	10	10	-	30
Sales Taxes Received	-	434,493	-	-	434,493
Net Cash Provided (Used) by Noncapital Financing Activities	<u>\$ (211,081)</u>	<u>\$ 421,943</u>	<u>\$ 10</u>	<u>\$ 160,813</u>	<u>\$ 371,685</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Purchases of Capital Assets	\$ (111,086)	\$ (116,980)	\$ (502)	\$ (80,420)	\$ (308,988)
Principal Paid on Capital Debt	(133,709)	(315,000)	-	(16,175)	(464,884)
Interest Paid on Capital Debt	(28,388)	(287,755)	-	(2,540)	(318,683)
Grants	-	-	-	31,846	31,846
Interfund Loan Repayment	-	420,000	-	-	420,000
Net Cash (Used) in Capital and Related Financing Activities	<u>\$ (273,183)</u>	<u>\$ (299,735)</u>	<u>\$ (502)</u>	<u>\$ (67,289)</u>	<u>\$ (640,709)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Interest Earned on Deposits	\$ 4,086	\$ 9,944	\$ 2,031	\$ 818	\$ 16,879
Solar Electric Sales	-	6,692	-	-	6,692
Net Cash Provided by Investing Activities	<u>\$ 4,086</u>	<u>\$ 16,636</u>	<u>\$ 2,031</u>	<u>\$ 818</u>	<u>\$ 23,571</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, 2019**

	<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>	
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (341,142)	\$ 306,520	\$ 4,848	\$ 46,654	\$ 16,880
BALANCE - BEGINNING OF YEAR	935,164	1,027,384	209,101	204,331	2,375,980
BALANCE - END OF YEAR	<u>\$ 594,022</u>	<u>\$ 1,333,904</u>	<u>\$ 213,949</u>	<u>\$ 250,985</u>	<u>\$ 2,392,860</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Operating Income (Loss)	\$ (94,911)	\$ (687,444)	\$ 6,291	\$ (85,618)	\$ (861,682)
<u>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</u>					
Bad Debt	210	6,125	42	-	6,377
Depreciation and Amortization	237,342	859,076	626	39,157	1,136,201
Pension Expense	11,900	4,069	731	8,756	25,456
Deferred Miscellaneous Revenue	(8,778)	-	(1,147)	(9,983)	(19,908)
<u>Changes in Assets and Liabilities:</u>					
Accounts Receivable	(6,727)	(14,150)	(3,234)	-	(24,111)
Net Cash Provided (Used) by Operating Activities	<u>\$ 139,036</u>	<u>\$ 167,676</u>	<u>\$ 3,309</u>	<u>\$ (47,688)</u>	<u>\$ 262,333</u>
<u>RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:</u>					
<u>Current Assets:</u>					
Cash, Deposits, and Investments	\$ 11,690	\$ 564,414	\$ 42,390	\$ 197,633	\$ 816,127
<u>Noncurrent Assets:</u>					
Cash, Deposits, and Investments	522,332	769,490	171,559	53,352	1,516,733
Restricted Cash	60,000	-	-	-	60,000
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>\$ 594,022</u>	<u>\$ 1,333,904</u>	<u>\$ 213,949</u>	<u>\$ 250,985</u>	<u>\$ 2,392,860</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, 2019**

	Employee Benefit Trust Fund	Agency Fund
<u>ASSETS:</u>		
Cash, Deposits, and Investments	\$ 176,278	\$ 7,384
TOTAL ASSETS	\$ 176,278	\$ 7,384
<u>LIABILITIES:</u>		
Cash Overdraft	\$ 6,743	\$ 2,243
Due to Cable Franchise Grantee	-	5,011
TOTAL LIABILITIES	\$ 6,743	\$ 7,254
<u>NET POSITION:</u>		
Held in Trust for Employee Benefits	\$ 169,535	\$ 130

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, 2019

	Employee Accrued Benefit Trust Fund	Agency Fund
<u>ADDITIONS:</u>		
<u>Employer Contributions:</u>		
Received from General Fund	\$ 40,400	\$ -
<u>Net Investment Income:</u>		
Interest Earned	126	15
TOTAL ADDITIONS	<u>\$ 40,526</u>	<u>\$ 15</u>
<u>DEDUCTIONS:</u>		
Distribution	\$ 6,476	\$ -
TOTAL DEDUCTIONS	<u>\$ 6,476</u>	<u>\$ -</u>
Increase (Decrease) in Net Position	\$ 34,050	\$ 15
NET POSITION - BEGINNING	<u>135,485</u>	<u>115</u>
NET POSITION - ENDING	<u>\$ 169,535</u>	<u>\$ 130</u>

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

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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 2.30%. 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, 2019**

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, capitals 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, 2019

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, 2019

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, 2019

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 2017 property tax levy proceeds were reflected as revenue in the financial statements for the year ended April 30, 2019. The 2018 levy was passed by the City Council on December 10, 2018. The 2018 property tax levy proceeds will be reflected as revenue in the financial statements for the year ended April 30, 2020. 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, 2019

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, 2019

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, 2019, the cash deposits and investments balance per bank was \$6,272,569. The carrying amount of the bank balance was \$6,089,302. 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, 2019, the City's bank deposits of \$6,272,569 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, 2019, the City's bank balance of \$6,272,569 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, 2019**

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%	\$1,399,648
Motor Fuel Tax Fund	-	1.891%-2.451%	221,584
TOTAL			<u>\$1,621,232</u>

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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, 2019:

Restricted Cash, Deposits and Investments	
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:

Fund	Type of Cash Account	Maturity Date	Interest Rate	Carrying Amount
Primary Government				
General Fund	Petty Cash	-	-	\$ 325
Various Funds	Checking	-	-	228,317
Motor Fuel Tax Fund	Checking	-	1.15%	364,907
Employee Benefit Trust Fund	Savings	-	0.20%	6,750
Cable Fund	Savings	-	0.20%	7,384
Various Funds	Illinois Funds	-	-	1,399,610
Motor Fuel Tax Fund	Illinois Funds	-	-	221,584
General Fund	Certificate of Deposit	01/08/21	2.30%	144,883
General Fund	Certificate of Deposit	01/08/21	2.30%	145,646
General Fund	Certificate of Deposit	02/18/20	0.40%	407,735
General Fund	Certificate of Deposit	02/10/21	1.00%	597,777
General Fund	Certificate of Deposit	02/10/21	1.00%	83,689
General Fund	Certificate of Deposit	02/10/21	1.00%	71,733
General Fund	Certificate of Deposit	08/12/19	0.50%	58,687

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

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

Restricted Cash, Deposits and Investments (continued)

<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	02/20/20	0.40%	52,729
Garbage Fund	Certificate of Deposit	01/08/21	2.30%	144,883
Garbage Fund	Certificate of Deposit	08/12/19	0.50%	26,676
Fire Protection Fund	Certificate of Deposit	07/10/21	2.25%	241,490
Flood Control Fund	Certificate of Deposit	02/20/20	0.40%	26,364
Accrued Benefits Fund	Certificate of Deposit	02/20/20	0.40%	35,856
Capital Projects Fund	Certificate of Deposit	03/18/21	0.25%	257,448
Water Fund	Certificate of Deposit	06/10/19	0.50%	216,617
Water Fund	Certificate of Deposit	03/18/21	0.25%	205,958
Water Fund	Certificate of Deposit	02/20/20	0.40%	316,374
Sewer Fund	Certificate of Deposit	02/10/21	1.00%	239,111
Sewer Fund	Certificate of Deposit	08/10/18	0.40%	424,474
Sewer Fund	Certificate of Deposit	02/18/20	0.40%	105,905
Shuttle Fund	Certificate of Deposit	08/12/19	0.50%	53,352
TOTAL CASH, DEPOSITS & INVESTMENTS AT APRIL 30, 2019				<u><u>\$6,086,264</u></u>

Reconciliation to the Financial Statements:

Statement of Net Position (Statement 1):

Current Assets:

Cash, Deposits and Investments \$ 2,075,151

Noncurrent Assets:

Cash, Deposits and Investments 3,776,473

Restricted Cash, Deposits and Investments 60,000

\$ 5,911,624

Statement of Fiduciary Net Position (Statement 8):

Cash, Deposits and Investments:

Employee Benefit Trust \$ 176,278

Agency 7,348

Cash Overdraft (8,986)

\$ 174,640

TOTAL CASH, DEPOSITS AND INVESTMENTS

\$ 6,086,264

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

Note 3 - Capital Assets:

Capital asset activity for the year ended April 30, 2019 was as follows:

	<u>Balance</u> <u>5/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>4/30/2019</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	<u>643,918</u>	<u>2,521,510</u>	<u>1,198,874</u>	<u>1,966,554</u>
Total Capital Assets not being Depreciated	<u>\$ 2,409,916</u>	<u>\$ 2,521,510</u>	<u>\$ 1,198,874</u>	<u>\$ 3,732,552</u>
<u>Other Capital Assets:</u>				
Buildings	\$ 6,228,154	\$ 803	\$ -	\$ 6,228,957
Machinery and Equipment	8,608,229	248,558	624,622	8,232,165
Infrastructure	<u>30,024,863</u>	<u>1,589,663</u>	<u>-</u>	<u>31,614,526</u>
Total Capital Assets being Depreciated	<u>\$44,861,246</u>	<u>\$ 1,839,024</u>	<u>\$ 624,622</u>	<u>\$46,075,648</u>
Total Capital Assets	<u>\$47,271,162</u>	<u>\$ 4,360,534</u>	<u>\$ 1,823,496</u>	<u>\$49,808,200</u>
<u>Less: Accumulated Depreciation for:</u>				
Buildings	\$ 2,432,892	\$ 163,796	\$ -	\$ 2,596,688
Machinery and Equipment	6,206,764	325,959	605,824	5,926,899
Infrastructure	<u>20,328,812</u>	<u>824,889</u>	<u>-</u>	<u>21,153,701</u>
Total Accumulated Depreciation	<u>\$28,968,468</u>	<u>\$ 1,314,644</u>	<u>\$ 605,824</u>	<u>\$29,677,288</u>
Governmental Capital Assets, Net	<u>\$18,302,694</u>	<u>\$ 3,045,890</u>	<u>\$ 1,217,672</u>	<u>\$20,130,912</u>

Depreciation expense was charged to functions as follows:

<u>Governmental Activities:</u>	
General Government	\$ 63,671
Public Safety	261,566
Public Works	872,445
Culture/Recreation	1,743
Community Development	<u>115,219</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,314,644</u>

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

Note 3 - Capital Assets: (continued)

	Balance 5/1/2018	Additions	Deletions	Balance 4/30/2019
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	\$ 7,720,388	\$ 63,158	\$ -	\$ 7,783,546
Buildings	168,046	-	-	168,046
Equipment	1,064,186	47,929	-	1,112,115
Total Capital Assets being Depreciated	\$ 8,952,620	\$ 111,087	\$ -	\$ 9,063,707
Total Capital Assets	\$ 8,994,450	\$ 111,087	\$ -	9,105,537
Less: Accumulated Depreciation	6,889,434	237,342	-	7,126,776
Net Water Utility Plant	\$ 2,105,016	\$(126,255)	\$ -	\$ 1,978,761
<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	\$ 19,532,071	\$ 95,396	\$ -	\$ 19,627,467
Buildings	570,190	-	-	570,190
Equipment	626,610	21,584	-	648,194
Total Capital Assets being Depreciated	\$ 20,728,871	\$ 116,980	\$ -	\$ 20,845,851
Total Capital Assets	\$ 20,823,871	\$ 116,980	\$ -	\$ 20,940,851
Less: Accumulated Depreciation	14,800,337	859,075	-	15,659,412
Net Sewer Utility Plant	\$ 6,023,534	\$(742,095)	\$ -	\$ 5,281,439

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

Note 3 - Capital Assets: (continued)

	Balance 5/1/2018	Additions	Deletions	Balance 4/30/2019
Business-Type Activities (continued)				
<u>Garbage & Refuse</u>				
<u>Capital Assets being Depreciated:</u>				
Equipment	\$ 6,049	\$ 501	\$ -	\$ 6,550
Less: Accumulated Depreciation	2,319	625	-	2,944
Net Garbage & Refuse Capital Asset	\$ 3,730	\$ (124)	\$ -	\$ 3,606
<u>Swimming Pool</u>				
<u>Capital Assets being Depreciated:</u>				
Buildings	\$ 1,335,431	\$ -	\$ -	\$ 1,335,431
Machinery and Equipment	80,310	-	-	80,310
	\$ 1,415,741	\$ -	\$ -	\$ 1,415,741
Less: Accumulated Depreciation	1,285,464	9,542	-	1,295,006
Net Swimming Pool Capital Assets	\$ 130,277	\$ (9,542)	\$ -	\$ 120,735
<u>Turner Hall</u>				
<u>Capital Assets being Depreciated:</u>				
Buildings	\$ 1,086,607	\$ 80,420	\$ -	\$ 1,167,027
Machinery and Equipment	12,361	-	-	12,361
	\$ 1,098,968	\$ 80,420	\$ -	\$ 1,179,388
Less: Accumulated Depreciation	463,036	24,392	-	487,428
Net Turner Hall Capital Assets	\$ 635,932	\$ 56,028	\$ -	\$ 691,960
<u>Shuttle Services</u>				
<u>Capital Assets being Depreciated:</u>				
Machinery and Equipment	\$ 72,791	\$ -	\$ -	\$ 72,791
Less: Accumulated Depreciation	42,665	4,930	-	47,595
Net Shuttle Services Capital Assets	\$ 30,126	\$ (4,930)	\$ -	\$ 25,196
<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, 2019**

Note 3 - Capital Assets: (continued)

	Balance 5/1/2018	Additions	Deletions	Balance 4/30/2019
Business-Type Activities (continued)				
<u>Capital Assets being Depreciated:</u>				
<u>Business Type Activities:</u>				
Buildings	\$ 3,160,273	\$ 80,420	\$ -	\$ 3,240,693
Equipment	1,862,308	70,014	-	1,932,322
Infrastructure	27,252,459	158,554	-	27,411,013
Total Capital Assets Being Depreciated	\$32,275,040	\$ 308,988	\$ -	\$32,584,028
Total Capital Assets	\$32,411,870	\$ 308,988	\$ -	\$32,720,858
Less: Accumulated Depreciation	23,483,255	1,135,906	-	24,619,161
Business-Type Capital Assets, Net	\$ 8,928,615	\$ (826,918)	\$ -	\$ 8,101,697

Summary of Business-Type Activities

Depreciation expenses were charged to functions as follows:

<u>Business-Type Activities:</u>	
Water	\$ 237,342
Sewer	859,075
Garbage & Refuge	625
Swimming Pool	9,542
Turner Hall	24,392
Shuttle Service	4,930
Total Business-Type Activities Depreciation Expense	\$1,135,906

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

Note 4 - Long-Term Obligations:

Long-term obligations activity for the year ended April 30, 2019 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</u>					
<u>ACTIVITIES:</u>					
<u>Bonds and Notes Payable:</u>					
General Obligation Debt	\$ 1,639,590	\$ -	\$ 313,825	\$ 1,325,765	\$ 253,395
Promissory Notes-Bank	257,739	-	141,482	116,257	76,900
Net Pension Liability	-	816,300	-	816,300	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 1,897,329</u>	<u>\$ 816,300</u>	<u>\$ 455,307</u>	<u>\$ 2,258,322</u>	<u>\$ 330,295</u>
<u>BUSINESS-TYPE</u>					
<u>ACTIVITIES:</u>					
<u>Bonds and Notes Payable:</u>					
General Obligation Debt	\$ 260,410	\$ -	\$ 51,175	\$ 209,235	51,605
Revenue Bonds	6,715,000	-	280,000	6,435,000	295,000
Revenue Note - IEPA	1,168,740	-	133,709	1,035,031	68,110
Net Pension Liability	-	156,496	-	156,496	-
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 8,144,150</u>	<u>\$ 156,496</u>	<u>\$ 464,884</u>	<u>\$ 7,835,762</u>	<u>\$ 414,715</u>
Total Long-Term Liabilities	<u>\$10,041,479</u>	<u>\$ 972,796</u>	<u>\$ 920,191</u>	<u>\$10,094,084</u>	<u>\$ 745,010</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, 2019**

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, 2019**

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 4/30/2019</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	\$ 1,065,765
2012B Bonds	6/27/12	12/30/22	1.20-2.60%	\$ 615,000	<u>260,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 1,325,765</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	\$ 69,235
2012B Bonds	6/27/12	12/30/22	1.20-2.60%	\$ 330,000	<u>140,000</u>
Total Business-Type Activities General Obligation Debt					<u>\$ 209,235</u>
Total General Obligation Debt - All Activities					<u>\$ 1,535,000</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>
2020	\$ 253,395	\$ 15,978	\$ 15,978	\$ 285,351
2021	258,088	12,177	12,177	282,442
2022	272,165	8,306	8,306	288,777
2023	282,117	4,225	4,225	290,567
TOTAL	<u>\$ 1,065,765</u>	<u>\$ 40,686</u>	<u>\$ 40,686</u>	<u>\$ 1,147,137</u>

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

Note 4 - Long-Term Obligations: (continued)

General Obligation Debt (continued)

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

<u>Fiscal Year Ending</u>	<u>Principal December 30</u>	<u>Interest June 30</u>	<u>Interest December 30</u>	<u>Total Payments</u>
2020	\$ 65,000	\$ 3,492	\$ 3,492	\$ 71,984
2021	65,000	2,425	2,425	69,850
2022	130,000	2,535	2,535	135,070
TOTAL	\$ 260,000	\$ 8,452	\$ 8,452	\$ 276,904

Business-Type 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>
2020	\$ 16,655	\$ 1,047	\$ 1,047	\$ 18,749
2021	16,912	798	798	18,508
2022	17,835	544	544	18,923
2023	17,833	275	275	18,383
TOTAL	\$ 69,235	\$ 2,664	\$ 2,664	\$ 74,563

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

<u>Fiscal Year Ending</u>	<u>Principal December 30</u>	<u>Interest June 30</u>	<u>Interest December 30</u>	<u>Total Payments</u>
2020	\$ 35,000	\$ 1,358	\$ 1,358	\$ 37,716
2021	35,000	1,300	1,300	37,600
2022	70,000	1,365	1,365	72,730
TOTAL	\$ 140,000	\$ 4,023	\$ 4,023	\$ 148,046

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

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, 2019 consists of the following:

Business-Type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 4/30/19
<u>Water Utility</u>					
2004 IEPA Loan	12/07/04	-	2.50%	\$ 2,487,404	\$1,035,031
<u>Sewer Utility</u>					
2010 Bonds (Callable 10/30/20)	01/26/10	10/30/30	2.00-4.35%	8,735,000	6,435,000
Total Business-Type Activities Revenue Debt					\$7,470,031

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

Fiscal Year Ending	2004 IEPA Revenue Note - Water Utility				
	Principal May 11	Interest May 11	Principal Nov 11	Interest Nov 11	Total Payments
2020	\$ -	\$ -	\$ 68,110	\$ 12,938	\$ 81,048
2021	68,962	12,086	69,823	11,224	162,095
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
2025-2027	234,298	8,847	156,177	5,918	405,240
TOTAL	\$ 520,730	\$ 46,607	\$ 514,298	\$ 53,036	\$ 1,134,671

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

Note 4 - Long-Term Obligations: (continued)

Debt service requirements to maturity are as follows:

Alternative Revenue Source Bond, Series 2010				
Sewer Utility				
Fiscal Year Ending	Principal December 30	Interest June 30	Interest December 30	Total Payments
2020	\$ 295,000	\$ 136,622	\$ 136,622	\$ 568,244
2021	305,000	130,722	130,722	566,444
2022	315,000	124,622	124,622	564,244
2023	330,000	118,323	118,323	566,646
2024	340,000	111,722	111,722	563,444
2025-2029	1,930,000	449,080	449,080	2,828,160
2030-2034	2,380,000	201,396	201,396	2,782,792
2035	540,000	12,150	12,150	564,300
TOTAL	\$ 6,435,000	\$ 1,284,637	\$ 1,284,637	

Promissory Notes

These notes are payable out of the debt service fund and are related to City construction projects.

Promissory notes at April 30, 2019 consist of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 4/30/2019
<u>Governmental Activities:</u>					
<u>Promissory Notes:</u>					
2010 Sales Tax Loan	09/02/2010	09/02/2020	4.58%	\$ 645,000	<u>\$ 116,257</u>
Total Governmental Activities-Promissory Notes					<u>\$ 116,257</u>

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

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>	
2020	\$ 76,900	\$ 4,470	\$ 81,370
2021	39,357	1,417	40,774
TOTAL	\$ 116,257	\$ 5,887	\$ 122,144

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, 2019, the building's accumulated depreciation was \$109,012.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

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	\$ 25,834
Emergency Services Defense	Law	8,202
Unemployment Insurance	Law	83,479
Liability Insurance	Law	121,315
Workers Compensation Insurance	Law	(4,891)
Motor Fuel Tax (Public Street Projects)	Law	769,947
Illinois Municipal Retirement (Pension)	Law	144,576
Medicare/Social Security (Payroll Taxes)	Law	76,636
Flood Control	Law	37,013
Fire Protection	Law	619,972
Public Works	Law	77,964
Total Net Position Restricted for Other Purposes		\$1,960,047

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, 2019:

Fund	Deficit
Parks & Recreation	\$ 292,779
Debt Service	\$ 61,395

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, 2019

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, 2018, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries Currently Receiving Benefits	36
Inactive Plan Members Entitled to but not yet Receiving Benefits	7
Active Plan Members	<u>28</u>
TOTAL	<u><u>71</u></u>

CITY OF GALENA
GALENA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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 2018 was 4.5%. For the fiscal year ended April 30, 2019, the City of Galena contributed \$141,829 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, 2018. 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, 2018:

- 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 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **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-2014 (base year 2012). 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-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

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 weighting 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%	6.85%
International Equity	18.00%	6.75%
Fixed Income	28.00%	3.00%
Real Estate	9.00%	5.75%
Alternative Investments	7.00%	2.65-7.35%
Cash Equivalents	1.00%	0.00%
TOTAL	100.00%	

Single Discount Rate

A Single Discount Rate of 7.50% 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 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

Note 8 - Pension Plan: (continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Position Liability (Asset) (A) - (B)
Balances at December 31, 2017	\$ 8,737,471	\$ 8,747,797	\$ (10,326)
Changes for the year:			
Service Cost	154,844	-	154,844
Interest on the Total Pension Liability	649,261	-	649,261
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	(193,149)	-	(193,149)
Changes of Assumptions	281,331	-	281,331
Contributions - Employer	-	147,088	(147,088)
Contributions - Employees	-	70,042	(70,042)
Net Investment Income	-	(421,656)	421,656
Benefit Payments, including Refunds of Employee Contributions	(316,161)	(316,161)	-
Other (Net Transfer)	-	113,691	(113,691)
Net Changes	<u>\$ 576,126</u>	<u>\$ (406,996)</u>	<u>\$ 983,122</u>
Balances at December 31, 2018	<u>\$ 9,313,597</u>	<u>\$ 8,340,801</u>	<u>\$ 972,796</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 7.50%, 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 (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
Total Pension Liability	<u>\$ 10,581,736</u>	<u>\$ 9,313,597</u>	<u>\$ 8,307,044</u>
Plan Fiduciary Net Position	<u>8,340,801</u>	<u>8,340,801</u>	<u>8,340,801</u>
Net Pension Liability (Asset)	<u>\$ 2,240,935</u>	<u>\$ 972,796</u>	<u>\$ (33,757)</u>

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

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, 2019, the City of Galena recognized pension expense of \$156,924. At April 30, 2018, 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	\$ 152,444	\$ 232,176	\$ (79,732)
Changes of assumptions	212,213	160,638	51,575
Net difference between projected and actual earnings on pension plan investments	<u>980,246</u>	<u>451,901</u>	<u>528,345</u>
Total Deferred Amounts to be Recognized in Future Pension Expense	\$1,344,903	\$ 844,715	\$ 500,188
Pension Contributions made Subsequent to the Measurement Date	<u>46,410</u>	<u>-</u>	<u>46,410</u>
Total Deferred Amounts Related to Pensions	<u>\$1,391,313</u>	<u>\$ 844,715</u>	<u>\$ 546,598</u>

The amount of \$46,410 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, 2019.

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>
2019	\$ 125,689	-
2020	71,970	-
2021	86,132	-
2022	216,397	-
Thereafter	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 500,188</u>	<u>\$ -</u>

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

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*	Fire Protection*	\$ 589	Cost Reimbursement
Debt Service*	General*	245,265	Debt Payments
Swimming Pool	General*	97,203	Provide Additional Funds
Turner Hall	General*	63,610	Provide Additional Funds
Parks & Recreation	General*	55,045	Provide Additional Funds
Debt Service*	Public Works*	236,635	Provide Funds for Debt Payments
Debt Service*	Parks & Recreation*	54,345	Provide Funds for Debt Payments
Emergency Services Defense	Fire Protection*	3,000	Siren Maintenance
Sewer*	Fire Protection*	4,200	Cost Reimbursement
Insurance	Water*	7,560	Liability Insurance Payments
Insurance	Sewer*	7,560	Liability Insurance Payments
IMRF	Water*	4,150	Pension Payments
IMRF	Sewer*	4,150	Pension Payments
Motor Fuel Tax*	Water*	194,331	Capital Outlay Payments
Audit	Sewer*	5,050	Cost Allocation
Audit	Sewer*	5,050	Cost Allocation
Subtotal - Fund Financial Statements		<u>\$ 987,743</u>	
Less: Fund Eliminations		<u>(924,905)</u>	
Total Government-wide Statements of Activities		<u>\$ 62,838</u>	

**Denotes Major Fund*

Governmental Activities	Business-Type Activities	\$ 227,851
Business-Type Activities	Governmental Activities	<u>165,013</u>
Total		<u>\$ 62,838</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, 2019

Note 10 - Legal Debt Margin:

Based on the assessed valuation for 2018 of \$101,404,287, the legal debt margin is:

Statutory Debt Limitation	\$101,404,287 x 8.625%	\$ 8,746,120
Less: General Obligation Bonds Outstanding		(1,535,000)
Promissory Notes		(116,257)
LEGAL DEBT MARGIN		<u>\$ 7,094,863</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, 2019, 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 \$372,011 at April 30, 2019. 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 \$3,243 at April 30, 2019. 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 elapses on the day of their anniversary of employment. A contingent liability for vacation leave has been calculated in the amount of \$183,407 at April 30, 2019.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

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 \$21,229 at April 30, 2019. 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; 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, 2019, the City abated \$982,195 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, 2018 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, 2019**

Note 14 - Construction-in-Progress – Gear Street Project:

In 2018, the City was awarded a grant from the Illinois Department of Transportation (IDOT) in the amount of \$2,239,043 for the reconstruction of Gear Street.

The City expects total construction costs to be \$3,000,000. Estimated completion cost is \$478,489.

Note 15 - 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, 2019, the City's expenditures were \$608,211 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.

Greater Galena Marketing, Inc. (GGMI) was reported as a component unit of the City of Galena in prior years. The City has determined that Greater Galena Marketing, Inc. is no longer considered a component unit due to the expanded services provided by GGMI to other government entities and the reduction of financial dependency from the City.

Note 16 - Subsequent Events:

Subsequent to the year ended April 30, 2019, the City approved the following major expenditures and contract activity:

Planned Expenditures and Borrowings for FY 2020: May 1, 2019 to April 30, 2020

FUND	DESCRIPTION	ESTIMATED COST	GRANT FUNDED
General	City Hall ADA Door Openers/ADA Drinking Fountain	\$ 10,000	\$ -
General	New Computers for City Hall (8)	12,500	-
General	New Computers for Police Department (12)	15,000	-
General	New Police Vehicle	20,000	-
General	Tree Removal (Emerald Ash Borer)	105,000	-
General	New Public Works Dump Truck (\$11,000 minus trade)	90,000	-
General	Outdoor Painting (Riverside Drive Street and Traffic Lights)	10,000	-
General	Storm Sewer Project (Gear and Dodge, Hill and Bench)	17,000	-
General	Kohlstadt Bridge Repairs	12,500	-
Parks	Riding Mower Replacement	10,500	-
Parks	Canoe/Kayak Project	110,000	110,000
Parks	Grant Park Improvement Projects-City Funded	17,500	-
Parks	Grant Park Improvement Projects-Galena Foundation Funded	14,500	14,500
Fire	Miscellaneous New Equipment for Fire Department	15,000	-
Fire	Window Replacement at Fire Department	55,000	-
Capital Projects	Street Improvement Program	298,100	-
Capital Projects	Spring Street Project Utility Design	10,000	10,000
Capital Projects	Downtown Sidewalk Replacement	373,400	373,400

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019**

Note 16 - Subsequent Events: (continued)

<u>FUND</u>	<u>DESCRIPTION</u>	<u>ESTIMATED COST</u>	<u>GRANT FUNDED</u>
Water	Meter Upgrades	10,000	-
Water	New Vehicle (Other 50% in Sewer Fund)	20,000	-
Water	East Side Water System Improvement Project (US 20 Section)	125,000	93,750
Water	Replacement of Old Hydrants	12,500	-
Water	Hydrant Painting	10,000	-
Water	Water Valve Replacement	10,000	-
Sewer	SCADA Computer System Upgrades	20,000	-
Sewer	New Truck (other 50% in Water Fund)	20,000	-
Sewer	Purchase TV Camera for Sewers	10,000	-
Sewer	Repairs to Water Crossing to East Side	12,000	-
Shuttle	Design Engineering for Commerce Street Parking Lot	10,000	-
Turner Hall	New Stage Curtains	45,000	-
Pool	Chemical Shed, Slide Surfacing, Showers Maintenance, Other	14,500	-
Pool	Pump Room/Chemical Feed Improvements	22,500	-
Pool	Sandblast, Repair, and Paint Entire Pool	65,000	-
TOTAL CAPITAL EXPENSE		<u>\$ 1,602,500</u>	<u>\$ 601,650</u>
NET COST		<u>\$ 1,000,850</u>	

Planned Expenditures and Borrowings for FY 2020: May 1, 2019 to April 30, 2020

<u>FUND</u>	<u>DESCRIPTION</u>	<u>ESTIMATED COST</u>	<u>GRANT FUNDED</u>
Water	Low Interest Loan from the IL EPA for Water System Improvements	\$ 210,000	\$ -

Note: This loan is expected to have 50-75% of the principal forgiven by the lender.

Lease Agreement: The City entered into a lease agreement with a not-for-profit organization on May 1, 2018 for the premises known as the Old Railroad Depot. The terms of the lease is seven years with annual lease payments of \$1.00.

The City's management has evaluated events and transactions for potential financial statement recognition or disclosure through August 25, 2019, 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, 2019**

	<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	\$ 1,780,670	\$ 1,780,670	\$ 1,816,098	\$ 35,428
Licenses	140,825	140,825	123,873	(16,952)
Permits	64,400	64,400	73,637	9,237
Intergovernmental	1,969,250	1,969,250	1,809,247	(160,003)
Fines and Forfeitures	40,200	40,200	43,101	2,901
Charge for Services	14,300	14,300	15,082	782
Investment Earnings	9,200	9,200	34,740	25,540
Miscellaneous	72,350	108,350	299,712	191,362
TOTAL REVENUES (Schedule 2)	\$ 4,091,195	\$ 4,127,195	\$ 4,215,490	\$ 88,295
<u>EXPENDITURES:</u>				
General Government	\$ 1,522,141	\$ 1,605,641	\$ 1,723,545	\$ (117,904)
Public Safety	932,660	1,004,660	989,783	14,877
Public Works	931,669	931,669	797,052	134,617
TOTAL EXPENDITURES (Schedule 3)	\$ 3,386,470	\$ 3,541,970	\$ 3,510,380	\$ 31,590
Excess (Deficiency) of Revenues Over Expenditures	\$ 704,725	\$ 585,225	\$ 705,110	\$ 119,885
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	\$ -	\$ -	\$ 589	\$ 589
Transfers Out	(675,623)	(852,723)	(461,123)	391,600
TOTAL OTHER FINANCING SOURCES (USES)	\$ (675,623)	\$ (852,723)	\$ (460,534)	\$ 392,189
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 29,102	\$ (267,498)	\$ 244,576	\$ 512,074
FUND BALANCE - BEGINNING			1,680,222	
FUND BALANCE - ENDING			<u>\$ 1,924,798</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, 2019**

	<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 Taxes:</u>				
<u>Property Taxes:</u>				
Police Protection	\$ 24,050	\$ 24,050	\$ 23,925	\$ (125)
School Crossing Guard	10	10	10	-
General Corporate	441,600	441,600	435,406	(6,194)
Street Lighting	10	10	10	-
Road and Bridge	79,000	79,000	79,039	39
Total Property Taxes	<u>\$ 544,670</u>	<u>\$ 544,670</u>	<u>\$ 538,390</u>	<u>\$ (6,280)</u>
<u>Other Taxes:</u>				
Hotel Taxes	\$ 590,000	\$ 590,000	\$ 601,020	\$ 11,020
Telecommunication Taxes	106,000	106,000	104,392	(1,608)
Utility Taxes	195,000	195,000	214,825	19,825
Food and Beverage Tax	270,000	270,000	284,321	14,321
Amusement Tax	75,000	75,000	73,150	(1,850)
Total Other Taxes	<u>\$ 1,236,000</u>	<u>\$ 1,236,000</u>	<u>\$ 1,277,708</u>	<u>\$ 41,708</u>
Total Local Taxes	<u>\$ 1,780,670</u>	<u>\$ 1,780,670</u>	<u>\$ 1,816,098</u>	<u>\$ 35,428</u>
<u>Licenses:</u>				
Liquor Licenses	\$ 61,775	\$ 61,775	\$ 53,550	\$ (8,225)
Contractor Licenses	16,500	16,500	17,900	1,400
Miscellaneous Licenses	6,500	6,500	5,550	(950)
Guest House Licenses	3,250	3,250	8,545	5,295
Tour Business Licenses	750	750	750	-
Vacation Rental Licenses	4,550	4,550	-	(4,550)
Cable Franchise Licenses	47,500	47,500	37,578	(9,922)
Total Licenses	<u>\$ 140,825</u>	<u>\$ 140,825</u>	<u>\$ 123,873</u>	<u>\$ (16,952)</u>
<u>Permits:</u>				
Building Permits	\$ 40,000	\$ 40,000	\$ 43,755	\$ 3,755
Electric Permits	4,300	4,300	4,359	59
Plumbing Permits	-	-	30	30
HVAC Permits	3,600	3,600	7,728	4,128
Zoning Permits/Applications	6,500	6,500	8,525	2,025
Sign Permits	2,000	2,000	1,930	(70)
Miscellaneous Permits	7,500	7,500	6,810	(690)
Excavation Permits	500	500	500	-
Total Permits	<u>\$ 64,400</u>	<u>\$ 64,400</u>	<u>\$ 73,637</u>	<u>\$ 9,237</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, 2019

	<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	\$ 328,000	\$ 328,000	\$ 332,918	\$ 4,918
Sales Taxes	1,284,000	1,284,000	1,300,803	16,803
Local Use Taxes	90,000	90,000	101,385	11,385
Video Gaming Taxes	75,000	75,000	69,346	(5,654)
State Grants - Public Safety	4,750	4,750	4,795	45
RLF Grant	187,500	187,500	-	(187,500)
Total Intergovernmental Revenues	<u>\$ 1,969,250</u>	<u>\$ 1,969,250</u>	<u>\$ 1,809,247</u>	<u>\$ (160,003)</u>
<u>Fines and Forfeitures:</u>				
Court Fines	\$ 20,000	\$ 20,000	\$ 15,882	\$ (4,118)
Parking Fines	15,500	15,500	21,311	5,811
DUI Fine Income	2,000	2,000	3,258	1,258
Miscellaneous	2,700	2,700	2,650	(50)
Total Fines and Forfeitures	<u>\$ 40,200</u>	<u>\$ 40,200</u>	<u>\$ 43,101</u>	<u>\$ 2,901</u>
<u>Inspections:</u>				
Backflow Inspections	\$ 10,800	\$ 10,800	\$ 11,882	\$ 1,082
Rental Housing Inspections	3,500	3,500	3,200	(300)
Total Inspections	<u>\$ 14,300</u>	<u>\$ 14,300</u>	<u>\$ 15,082</u>	<u>\$ 782</u>
<u>Investment Income:</u>				
Interest Income	\$ 9,200	\$ 9,200	\$ 34,740	\$ 25,540
Total Investment Income	<u>\$ 9,200</u>	<u>\$ 9,200</u>	<u>\$ 34,740</u>	<u>\$ 25,540</u>
<u>Miscellaneous:</u>				
Country Fair Grant	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Donations	1,000	37,000	76,538	39,538
Insurance Refunds	-	-	17,025	17,025
Miscellaneous	70,350	70,350	206,149	135,799
Total Miscellaneous	<u>\$ 72,350</u>	<u>\$ 108,350</u>	<u>\$ 299,712</u>	<u>\$ 191,362</u>
TOTAL REVENUES (SCHEDULE 1)	<u><u>\$ 4,091,195</u></u>	<u><u>\$ 4,127,195</u></u>	<u><u>\$ 4,215,490</u></u>	<u><u>\$ 88,295</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, 2019**

	<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	\$ 141,882	\$ 141,882	\$ 173,216	\$ (31,334)
Salaries - Elected	17,500	17,500	17,100	400
Total Personnel	<u>\$ 159,382</u>	<u>\$ 159,382</u>	<u>\$ 190,316</u>	<u>\$ (30,934)</u>
<u>Contractual Services:</u>				
Professional Services	\$ 2,500	\$ 2,500	\$ 2,164	\$ 336
Communications	1,750	1,750	825	925
Professional Development	2,800	2,800	2,952	(152)
Hotel Motel Tax Expense	590,000	590,000	608,211	(18,211)
Deer Management	2,700	2,700	3,348	(648)
Total Contractual Services	<u>\$ 599,750</u>	<u>\$ 599,750</u>	<u>\$ 617,500</u>	<u>\$ (17,750)</u>
<u>Other Expenditures:</u>				
Refunds	\$ 1,000	\$ 1,000	\$ 832	\$ 168
Mayor's Discretionary Fund	5,000	5,000	2,024	2,976
Grants to Not-for-Profit Organizations	29,000	29,000	29,220	(220)
Miscellaneous	250	250	-	250
Total Other Expenditures	<u>\$ 35,250</u>	<u>\$ 35,250</u>	<u>\$ 32,076</u>	<u>\$ 3,174</u>
Total Administration	<u>\$ 794,382</u>	<u>\$ 794,382</u>	<u>\$ 839,892</u>	<u>\$ (45,510)</u>
<u>Finance:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 95,055	\$ 95,055	\$ 95,806	\$ (751)
Insurance Benefits	455,425	455,425	501,477	(46,052)
Total Personnel	<u>\$ 550,480</u>	<u>\$ 550,480</u>	<u>\$ 597,283</u>	<u>\$ (46,803)</u>
<u>Contractual Services:</u>				
Maintenance Services	\$ 37,840	\$ 121,340	\$ 137,358	\$ (16,018)
Professional Services	11,460	11,460	11,274	186
Communications	9,700	9,700	10,830	(1,130)
Professional Development	2,575	2,575	1,094	1,481
Services Charges	2,800	2,800	3,700	(900)
Equipment Lease	4,500	4,500	7,370	(2,870)
Total Contractual Services	<u>\$ 68,875</u>	<u>\$ 152,375</u>	<u>\$ 171,626</u>	<u>\$ (19,251)</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, 2019**

	<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	\$ 8,000	\$ 8,000	\$ 9,064	\$ (1,064)
Total Commodities	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 9,064</u>	<u>\$ (1,064)</u>
<u>Other Expenditures:</u>				
Bank Charges	\$ 1,000	\$ 1,000	\$ 228	\$ 772
Miscellaneous	7,650	7,650	8,841	(1,191)
Penalties and Interest	-	-	8,714	(8,714)
Total Other Expenditures	<u>\$ 8,650</u>	<u>\$ 8,650</u>	<u>\$ 17,783</u>	<u>\$ (9,133)</u>
<u>Capital Outlay:</u>				
Buildings	\$ -	\$ -	\$ -	\$ -
Equipment	-	-	-	-
Total Capital Outlay	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Finance	<u>\$ 636,005</u>	<u>\$ 719,505</u>	<u>\$ 795,756</u>	<u>\$ (76,251)</u>
<u>Clerk:</u>				
<u>Personnel:</u>				
Salaries - Elected	\$ 9,100	\$ 9,100	\$ 9,100	\$ -
Total Personnel	<u>\$ 9,100</u>	<u>\$ 9,100</u>	<u>\$ 9,100</u>	<u>\$ -</u>
<u>Contractual Services:</u>				
Professional Services	\$ 5,000	\$ 5,000	\$ 3,021	\$ 1,979
Communications	1,700	1,700	499	1,201
Professional Development	3,000	3,000	2,237	763
Total Contractual Services	<u>\$ 9,700</u>	<u>\$ 9,700</u>	<u>\$ 5,757</u>	<u>\$ 3,943</u>
Total Clerk	<u>\$ 18,800</u>	<u>\$ 18,800</u>	<u>\$ 14,857</u>	<u>\$ 3,943</u>
<u>Zoning:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 64,954	\$ 64,954	\$ 64,023	\$ 931
Total Personnel	<u>\$ 64,954</u>	<u>\$ 64,954</u>	<u>\$ 64,023</u>	<u>\$ 931</u>
<u>Contractual Services:</u>				
Professional Services	\$ 3,150	\$ 3,150	\$ 6,025	\$ (2,875)
Communications	1,250	1,250	1,419	(169)
Professional Development	1,600	1,600	1,261	339
Total Contractual Services	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 8,705</u>	<u>\$ (2,705)</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, 2019**

	<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>Commodities:</u>				
Supplies	\$ 1,000	\$ 1,000	\$ 312	\$ 688
Total Commodities	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 312</u>	<u>\$ 688</u>
<u>Capital Outlay:</u>				
Equipment	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Total Capital Outlay	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>
Total Zoning	<u>\$ 72,954</u>	<u>\$ 72,954</u>	<u>\$ 73,040</u>	<u>\$ (86)</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 1,522,141</u>	<u>\$ 1,605,641</u>	<u>\$ 1,723,545</u>	<u>\$ (117,904)</u>
 <u>PUBLIC SAFETY:</u>				
<u>Police Protection:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 693,032	\$ 693,032	\$ 716,166	\$ (23,134)
Uniforms	7,500	7,500	6,634	866
Total Personnel	<u>\$ 700,532</u>	<u>\$ 700,532</u>	<u>\$ 722,800</u>	<u>\$ (22,268)</u>
<u>Contractual Services:</u>				
Maintenance Services	\$ 18,000	\$ 18,000	\$ 15,193	\$ 2,807
Professional Services	18,270	18,270	26,081	(7,811)
Communications	6,500	6,500	4,630	1,870
Professional Development	8,200	8,200	6,984	1,216
Service Charges	8,700	8,700	9,527	(827)
Equipment Lease	3,000	3,000	-	3,000
Total Contractual Services	<u>\$ 62,670</u>	<u>\$ 62,670</u>	<u>\$ 62,415</u>	<u>\$ 255</u>
<u>Commodities:</u>				
General Supplies	\$ 35,265	\$ 35,265	\$ 41,474	\$ (6,209)
Total Commodities	<u>\$ 35,265</u>	<u>\$ 35,265</u>	<u>\$ 41,474</u>	<u>\$ (6,209)</u>
<u>Other Expenditures:</u>				
Miscellaneous	\$ 15,500	\$ 51,500	\$ 5,151	\$ 46,349
Total Other Expenditures	<u>\$ 15,500</u>	<u>\$ 51,500</u>	<u>\$ 5,151</u>	<u>\$ 46,349</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, 2019**

	<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>Capital Outlay:</u>				
Equipment	\$ 41,350	\$ 77,350	\$ 86,613	\$ (9,263)
Total Capital Outlay	\$ 41,350	\$ 77,350	\$ 86,613	\$ (9,263)
Total Police Protection	\$ 855,317	\$ 927,317	\$ 918,453	\$ 8,864
<u>Building Inspection:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 67,643	\$ 67,643	\$ 67,425	\$ 218
Total Personnel	\$ 67,643	\$ 67,643	\$ 67,425	\$ 218
<u>Contractual Services:</u>				
Professional Services	\$ 1,000	\$ 1,000	\$ 1,425	\$ (425)
Communications	400	400	238	162
Professional Development	4,800	4,800	1,303	3,497
Total Contractual Services	\$ 6,200	\$ 6,200	\$ 2,966	\$ 3,234
<u>Commodities:</u>				
General Supplies	\$ 1,500	\$ 1,500	\$ 767	\$ 733
Total Commodities	\$ 1,500	\$ 1,500	\$ 767	\$ 733
<u>Capital Outlay:</u>				
Equipment	\$ 2,000	\$ 2,000	\$ 172	\$ 1,828
Total Capital Outlay	\$ 2,000	\$ 2,000	\$ 172	\$ 1,828
Total Building Inspection	\$ 77,343	\$ 77,343	\$ 71,330	\$ 6,013
TOTAL PUBLIC SAFETY	\$ 932,660	\$ 1,004,660	\$ 989,783	\$ 14,877
<u>PUBLIC WORKS:</u>				
<u>Transportation:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 387,611	\$ 387,611	\$ 371,259	\$ 16,352
Uniforms	600	600	175	425
Total Personnel	\$ 388,211	\$ 388,211	\$ 371,434	\$ 16,777

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, 2019**

	<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	\$ 63,100	\$ 63,100	\$ 82,810	\$ (19,710)
Other Professional	800	800	3,082	(2,282)
Communications	1,050	1,050	1,398	(348)
Professional Development	500	500	380	120
Service Charges	14,700	14,700	14,085	615
Equipment Rental	2,000	2,000	-	2,000
Total Contractual Services	<u>\$ 82,150</u>	<u>\$ 82,150</u>	<u>\$ 101,755</u>	<u>\$ (19,605)</u>
<u>Commodities:</u>				
Maintenance Supplies	\$ 99,400	\$ 99,400	\$ 128,592	\$ (29,192)
General Supplies	39,350	39,350	49,244	(9,894)
Miscellaneous	-	-	-	-
Total Commodities	<u>\$ 138,750</u>	<u>\$ 138,750</u>	<u>\$ 177,836</u>	<u>\$ (39,086)</u>
<u>Capital Outlay:</u>				
Buildings	\$ 1,000	\$ 1,000	\$ 803	\$ 197
Equipment	89,300	89,300	52,426	36,874
Infrastructure	214,500	214,500	70,506	143,994
Total Capital Outlay	<u>\$ 304,800</u>	<u>\$ 304,800</u>	<u>\$ 123,735</u>	<u>\$ 181,065</u>
Total Transportation	<u>\$ 913,911</u>	<u>\$ 913,911</u>	<u>\$ 774,760</u>	<u>\$ 139,151</u>
<u>Engineering:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 8,258	\$ 8,258	\$ 8,257	\$ 1
Total Personnel	<u>\$ 8,258</u>	<u>\$ 8,258</u>	<u>\$ 8,257</u>	<u>\$ 1</u>
<u>Contractual Services:</u>				
Professional Services	\$ 6,500	\$ 6,500	\$ 11,167	\$ (4,667)
Professional Development	1,900	1,900	1,109	791
Total Contractual Services	<u>\$ 8,400</u>	<u>\$ 8,400</u>	<u>\$ 12,276</u>	<u>\$ (3,876)</u>
<u>Commodities:</u>				
General Supplies	\$ 600	\$ 600	\$ 183	\$ 417
Total Commodities	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 183</u>	<u>\$ 417</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, 2019**

	<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	\$ 1,576	\$ (1,076)
Total Capital Outlay	\$ 500	\$ 500	\$ 1,576	\$ (1,076)
Total Engineering	\$ 17,758	\$ 17,758	\$ 22,292	\$ (4,534)
TOTAL PUBLIC WORKS	\$ 931,669	\$ 931,669	\$ 797,052	\$ 134,617
TOTAL EXPENDITURES (SCHEDULE 1)	\$ 3,386,470	\$ 3,541,970	\$ 3,510,380	\$ 31,590

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, 2019

	<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	\$ 357,650	\$ 357,650	\$ 355,301	\$ (2,349)
<u>Intergovernmental:</u>				
Rural District	27,000	27,000	27,056	56
Foreign Fire Tax	13,000	13,000	16,478	3,478
<u>Other Local Sources:</u>				
Investment Earnings	200	200	5,628	5,428
Miscellaneous	175,500	175,500	-	(175,500)
TOTAL REVENUES	<u>\$ 573,350</u>	<u>\$ 573,350</u>	<u>\$ 404,463</u>	<u>\$ (168,887)</u>
<u>EXPENDITURES:</u>				
<u>Current:</u>				
<u>Public Safety:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 28,120	\$ 28,120	\$ 29,507	\$ (1,387)
Death Benefits	2,200	2,200	1,740	460
	<u>\$ 30,320</u>	<u>\$ 30,320</u>	<u>\$ 31,247</u>	<u>\$ (927)</u>
<u>Contractual Services:</u>				
Maintenance Services	\$ 2,500	\$ 2,500	\$ 3,216	\$ (716)
Professional Services	4,360	4,360	3,889	471
Communication	1,850	1,850	620	1,230
Professional Development	11,500	11,500	759	10,741
Service Charges	13,500	13,500	7,952	5,548
Liability Insurance	3,700	3,700	3,858	(158)
	<u>\$ 37,410</u>	<u>\$ 37,410</u>	<u>\$ 20,294</u>	<u>\$ 17,116</u>
<u>Commodities:</u>				
Maintenance Supplies	\$ 11,500	\$ 11,500	\$ 6,091	\$ 5,409
General Supplies	16,500	16,500	17,367	(867)
	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>\$ 23,458</u>	<u>\$ 4,542</u>
<u>Other Expenditures:</u>				
Miscellaneous Expenses	\$ 3,500	\$ 3,500	\$ 6,337	\$ (2,837)
	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ 6,337</u>	<u>\$ (2,837)</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, 2019

	<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	\$ 12,300	\$ 12,300	\$ 15,581	\$ (3,281)
Building & Improvements	12,500	12,500	4,850	7,650
	<u>\$ 24,800</u>	<u>\$ 24,800</u>	<u>\$ 20,431</u>	<u>\$ 4,369</u>
TOTAL EXPENDITURES	<u>\$ 124,030</u>	<u>\$ 124,030</u>	<u>\$ 101,767</u>	<u>\$ 22,263</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 449,320</u>	<u>\$ 449,320</u>	<u>\$ 302,696</u>	<u>\$ (146,624)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfer In	\$ -	\$ -	\$ -	\$ -
Transfers Out	(485,400)	(485,400)	(7,789)	477,611
Proceeds from Sale of Fire Equipment	-	-	212,797	212,797
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (485,400)</u>	<u>\$ (485,400)</u>	<u>\$ 205,008</u>	<u>\$ 690,408</u>
Net Change in Fund Balance	<u>\$ (36,080)</u>	<u>\$ (36,080)</u>	<u>\$ 507,704</u>	<u>\$ 543,784</u>
FUND BALANCE - BEGINNING			<u>112,268</u>	
FUND BALANCE - ENDING			<u>\$ 619,972</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, 2019

	<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>Intergovernmental Revenues:</u>				
State Motor Fuel Tax Allotments	\$ 88,300	\$ 88,300	\$ 87,304	\$ (996)
State Grant - Traffic Signal Maintenance	15,000	15,000	5,875	(9,125)
State Grants	2,330,000	2,330,000	2,239,043	(90,957)
<u>Other Local Sources:</u>				
Investment Earnings	1,000	1,000	17,032	16,032
TOTAL REVENUES	<u>\$ 2,434,300</u>	<u>\$ 2,434,300</u>	<u>\$ 2,349,254</u>	<u>\$ (85,046)</u>
<u>EXPENDITURES:</u>				
<u>Current:</u>				
<u>Public Works:</u>				
<u>Contractual Services:</u>				
Maintenance Services	\$ 10,500	\$ 10,500	\$ 19,554	\$ (9,054)
Street Lighting	65,000	65,000	80,752	(15,752)
	<u>\$ 75,500</u>	<u>\$ 75,500</u>	<u>\$ 100,306</u>	<u>\$ (24,806)</u>
<u>Commodities:</u>				
Maintenance Supplies	\$ 28,800	\$ 28,800	\$ 20,461	\$ 8,339
	<u>\$ 28,800</u>	<u>\$ 28,800</u>	<u>\$ 20,461</u>	<u>\$ 8,339</u>
<u>Capital Outlay:</u>				
Infrastructure	\$ 2,495,000	\$ 2,495,000	\$ 1,966,554	\$ 528,446
	<u>\$ 2,495,000</u>	<u>\$ 2,495,000</u>	<u>\$ 1,966,554</u>	<u>\$ 528,446</u>
TOTAL EXPENDITURES	<u>\$ 2,599,300</u>	<u>\$ 2,599,300</u>	<u>\$ 2,087,321</u>	<u>\$ 511,979</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (165,000)</u>	<u>\$ (165,000)</u>	<u>\$ 261,933</u>	<u>\$ 426,933</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfer In	\$ -	\$ 195,000	\$ 194,331	\$ (669)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ 195,000</u>	<u>\$ 194,331</u>	<u>\$ (669)</u>
Net Change in Fund Balance	<u>\$ (165,000)</u>	<u>\$ 30,000</u>	\$ 456,264	<u>\$ 426,264</u>
FUND BALANCE - BEGINNING			<u>313,683</u>	
FUND BALANCE - ENDING			<u>\$ 769,947</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, 2019

	<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	\$ 45,000	\$ 45,000	\$ 44,705	\$ (295)
<u>Other Local Sources:</u>				
Investment Earnings	-	-	728	728
Rent	5,000	5,000	11,479	6,479
Donations	112,000	112,000	101,216	(10,784)
Grant	300,000	550,000	582,075	32,075
Miscellaneous	15,000	15,000	6,710	(8,290)
TOTAL REVENUES	\$ 477,000	\$ 727,000	\$ 746,913	\$ 19,913
<u>EXPENDITURES:</u>				
<u>Current:</u>				
<u>Culture/Recreation:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 83,900	\$ 83,900	\$ 83,616	\$ 284
	\$ 83,900	\$ 83,900	\$ 83,616	\$ 284
<u>Contractual Services:</u>				
Maintenance Services	\$ 32,650	\$ 32,650	\$ 26,113	\$ 6,537
Utilities	3,500	3,500	3,100	400
Rentals	3,550	3,550	4,665	(1,115)
	\$ 39,700	\$ 39,700	\$ 33,878	\$ 5,822
<u>Commodities:</u>				
Maintenance Supplies	\$ 14,300	\$ 14,300	\$ 12,273	\$ 2,027
	\$ 14,300	\$ 14,300	\$ 12,273	\$ 2,027
<u>Other Expenditures:</u>				
Park Rental Refunds	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
	\$ 1,000	\$ 1,000	\$ 1,000	\$ -

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES: (continued)				
<u>Capital Outlay:</u>				
Infrastructure	\$ 468,700	\$ 718,700	\$ 685,877	\$ 32,823
Equipment	16,500	16,500	28,839	(12,339)
	<u>\$ 485,200</u>	<u>\$ 735,200</u>	<u>\$ 714,716</u>	<u>\$ 20,484</u>
TOTAL EXPENDITURES	<u>\$ 624,100</u>	<u>\$ 874,100</u>	<u>\$ 845,483</u>	<u>\$ 28,617</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (147,100)</u>	<u>\$ (147,100)</u>	<u>\$ (98,570)</u>	<u>\$ 48,530</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	\$ 201,445	\$ 347,845	\$ 55,045	\$ (292,800)
Transfers Out	-	-	(54,345)	(54,345)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 201,445</u>	<u>\$ 347,845</u>	<u>\$ 700</u>	<u>\$ (347,145)</u>
Net Change in Fund Balance	<u>\$ 54,345</u>	<u>\$ 200,745</u>	<u>\$ (97,870)</u>	<u>\$ (298,615)</u>
FUND BALANCE (DEFICIT) - BEGINNING			<u>(194,909)</u>	
FUND BALANCE (DEFICIT) - ENDING			<u><u>\$ (292,779)</u></u>	

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, 2019

	<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>Intergovernmental Revenues:</u>				
Sales Taxes	\$ 412,000	\$ 412,000	\$ 434,230	\$ 22,230
Grant	8,000	8,000	-	(8,000)
<u>Other Local Sources:</u>				
Interest Earned	100	100	4,378	4,278
TOTAL REVENUES	<u>\$ 420,100</u>	<u>\$ 420,100</u>	<u>\$ 438,608</u>	<u>\$ 18,508</u>
<u>EXPENDITURES:</u>				
<u>Capital Outlay:</u>				
Infrastructure	\$ 183,465	\$ 197,365	\$ 189,364	\$ 8,001
TOTAL EXPENDITURES	<u>\$ 183,465</u>	<u>\$ 197,365</u>	<u>\$ 189,364</u>	<u>\$ 8,001</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 236,635</u>	<u>\$ 222,735</u>	<u>\$ 249,244</u>	<u>\$ 26,509</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers Out	\$ (236,635)	\$ (236,635)	\$ (236,635)	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (236,635)</u>	<u>\$ (236,635)</u>	<u>\$ (236,635)</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (13,900)</u>	<u>\$ 12,609</u>	<u>\$ 26,509</u>
FUND BALANCE - BEGINNING			<u>65,355</u>	
FUND BALANCE - ENDING			<u>\$ 77,964</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, 2019

	<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>Other Local Sources:</u>				
Interest Refund	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES:</u>				
<u>Debt Service:</u>				
<u>Principal:</u>				
2012A GO Bonds - TIF Projects	\$ 159,470	\$ 159,470	\$ 159,477	\$ (7)
2012A GO Bonds - Garage	42,475	42,475	42,453	22
2012A Rec Park Bond	37,000	37,000	36,994	6
2012A Bike Trail Bond	9,900	9,900	9,901	(1)
2012B Meeker Street Bridge	35,000	35,000	35,000	-
2012B Flood Bond	30,000	30,000	30,000	-
2008 Sales Tax Capital Projects	31,180	31,180	31,230	(50)
2009 Sales Tax Capital Projects	84,955	84,955	36,699	48,256
2010 Sales Tax Capital Projects	73,375	73,375	73,372	3
	\$ 503,355	\$ 503,355	\$ 455,126	\$ 48,229
<u>Interest:</u>				
2012A GO Bond - TIF Projects	\$ 25,275	\$ 25,275	\$ 25,278	\$ (3)
2012A GO Bonds - Garage	6,735	6,735	6,728	7
2012A Rec Park Bond	5,865	5,865	5,864	1
2012A Bike Trail Bond	1,580	1,580	1,570	10
2012B Meeker Street Bridge	4,010	4,010	4,010	-
2012B Flood Bond	3,435	3,435	3,450	(15)
2008 Sales Tax Capital Projects	770	770	774	(4)
2009 Sales Tax Capital Projects	4,925	4,925	1,008	3,917
2010 Sales Tax Interest	7,995	7,995	7,998	(3)
	\$ 60,590	\$ 60,590	\$ 56,680	\$ 3,910
TOTAL EXPENDITURES	\$ 563,945	\$ 563,945	\$ 511,806	\$ 52,139

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, 2019

	<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	\$ (563,945)	\$ (563,945)	\$ (511,806)	\$ 52,139
<u>OTHER FINANCING SOURCES</u>				
<u>(USES):</u>				
Transfers In	\$ 563,945	\$ 594,645	\$ 536,245	\$ (58,400)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 563,945	\$ 594,645	\$ 536,245	\$ (58,400)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 30,700</u>	\$ 24,439	<u>\$ (6,261)</u>
FUND BALANCE (DEFICIT) - BEGINNING			<u>(85,834)</u>	
FUND BALANCE (DEFICIT) - ENDING			<u>\$ (61,395)</u>	

See Accompanying Independent Auditor's Report.

CITY OF GALENA
GALENA, ILLINOIS

COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2019

	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	\$ 25,834	\$ 8,202	\$ 199,903	\$ 144,576	\$ 76,636	\$ 37,013	\$ 492,164
TOTAL ASSETS	<u>\$ 25,834</u>	<u>\$ 8,202</u>	<u>\$ 199,903</u>	<u>\$ 144,576</u>	<u>\$ 76,636</u>	<u>\$ 37,013</u>	<u>\$ 492,164</u>
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:							
Restricted	\$ 25,834	\$ 8,202	\$ 199,903	\$ 144,576	\$ 76,636	\$ 37,013	\$ 492,164
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,834</u>	<u>\$ 8,202</u>	<u>\$ 199,903</u>	<u>\$ 144,576</u>	<u>\$ 76,636</u>	<u>\$ 37,013</u>	<u>\$ 492,164</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, 2019

	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	\$ 17,387	\$ 857	\$ 177,327	\$ 104,308	\$ 156,955	\$ 76,492	\$ 533,326
<u>Intergovernmental Revenues:</u>							
Personal Property Replacement Taxes	-	-	-	54,734	-	-	54,734
<u>Other Local Sources:</u>							
Investment Earnings	23	130	102	767	172	532	1,726
Miscellaneous	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 17,410	\$ 987	\$ 177,429	\$ 159,809	\$ 157,127	\$ 77,024	\$ 589,786
EXPENDITURES:							
<u>Current:</u>							
General Government	\$ 22,700	\$ -	\$ 221,911	\$ 149,391	\$ 143,732	\$ -	\$ 537,734
Public Safety	-	2,024	-	-	-	76,024	78,048
Culture/Recreation	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 22,700	\$ 2,024	\$ 221,911	\$ 149,391	\$ 143,732	\$ 76,024	\$ 615,782
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,290)	\$ (1,037)	\$ (44,482)	\$ 10,418	\$ 13,395	\$ 1,000	\$ (25,996)
OTHER FINANCING SOURCES (USES):							
Transfers In	\$ 10,100	\$ 3,000	\$ 15,120	\$ 8,300	\$ -	\$ -	\$ 36,520
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 10,100	\$ 3,000	\$ 15,120	\$ 8,300	\$ -	\$ -	\$ 36,520
Net Change in Fund Balance	\$ 4,810	\$ 1,963	\$ (29,362)	\$ 18,718	\$ 13,395	\$ 1,000	\$ 10,524
FUND BALANCE (DEFICIT) - BEGINNING	21,024	6,239	229,265	125,858	63,241	36,013	481,640
FUND BALANCE (DEFICIT) - ENDING	\$ 25,834	\$ 8,202	\$ 199,903	\$ 144,576	\$ 76,636	\$ 37,013	\$ 492,164

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, 2019

	<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	\$ 17,500	\$ 17,500	\$ 17,387	\$ (113)
<u>Other Local Sources:</u>				
Investment Earnings	100	100	23	(77)
Miscellaneous	-	-	-	-
TOTAL REVENUES	\$ 17,600	\$ 17,600	\$ 17,410	\$ (190)
EXPENDITURES:				
<u>Current:</u>				
<u>General Government:</u>				
<u>Contractual Services:</u>				
Audit Fees	\$ 27,700	\$ 27,700	\$ 22,700	\$ 5,000
Audit Reconciliation	-	-	-	-
TOTAL EXPENDITURES	\$ 27,700	\$ 27,700	\$ 22,700	\$ 5,000
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,100)	\$ (10,100)	\$ (5,290)	\$ 4,810
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 10,100	\$ 10,100	\$ 10,100	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	\$ 10,100	\$ 10,100	\$ 10,100	\$ -
Net Change in Fund Balance	\$ -	\$ -	\$ 4,810	\$ 4,810
FUND BALANCE - BEGINNING			21,024	
FUND BALANCE - ENDING			\$ 25,834	

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, 2019**

	<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	\$ 857	\$ 7
Other Local Sources:				
Investment Earnings	30	30	130	100
TOTAL REVENUES	\$ 880	\$ 880	\$ 987	\$ 107
<u>EXPENDITURES:</u>				
Current:				
Public Safety:				
Contractual Services:				
Siren Maintenance	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Telephone Service	500	500	490	10
Electric Service	1,700	1,700	1,534	166
TOTAL EXPENDITURES	\$ 3,200	\$ 3,200	\$ 2,024	\$ 1,176
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,320)	\$ (2,320)	\$ (1,037)	\$ 1,283
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Net Change in Fund Balance	\$ 680	\$ 680	\$ 1,963	\$ 1,283
FUND BALANCE - BEGINNING			6,239	
FUND BALANCE - ENDING			\$ 8,202	

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, 2019

	<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 - Unemployment	\$ 2,500	\$ 2,500	\$ 2,487	\$ (13)
Property Taxes - Workers Compensation	76,000	76,000	75,498	(502)
Property Taxes - Liability and Tort	100,000	100,000	99,342	(658)
<u>Other Local Sources:</u>				
Investment Earnings	1,050	1,050	102	(948)
TOTAL REVENUES	\$ 179,550	\$ 179,550	\$ 177,429	\$ (2,121)
<u>EXPENDITURES:</u>				
<u>Current:</u>				
<u>General Government:</u>				
Unemployment	\$ 8,300	\$ 8,300	\$ 1,523	\$ 6,777
Workers Compensation	95,200	95,200	87,158	8,042
Liability and Tort	149,650	149,650	132,962	16,688
Miscellaneous	-	-	268	(268)
TOTAL EXPENDITURES	\$ 253,150	\$ 253,150	\$ 221,911	\$ 31,239
Excess (Deficiency) of Revenues Over Expenditures	\$ (73,600)	\$ (73,600)	\$ (44,482)	\$ 29,118
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	\$ 15,120	\$ 15,120	\$ 15,120	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	\$ 15,120	\$ 15,120	\$ 15,120	\$ -
Net Change in Fund Balance	\$ (58,480)	\$ (58,480)	\$ (29,362)	\$ 29,118
FUND BALANCE - BEGINNING			229,265	
FUND BALANCE - ENDING			<u>\$ 199,903</u>	

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, 2019

	<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	\$ 105,000	\$ 105,000	\$ 104,308	\$ (692)
<u>Intergovernmental Revenues:</u>				
Personal Property Replacement Taxes	57,600	57,600	54,734	(2,866)
<u>Other Local Sources:</u>				
Investment Earnings	600	600	767	167
TOTAL REVENUES	<u>\$ 163,200</u>	<u>\$ 163,200</u>	<u>\$ 159,809</u>	<u>\$ (3,391)</u>
EXPENDITURES:				
<u>Current:</u>				
<u>General Government:</u>				
Personnel	\$ 163,500	\$ 163,500	\$ 141,829	\$ 21,671
<u>Culture/Recreation:</u>				
Personnel	8,000	8,000	7,562	438
TOTAL EXPENDITURES	<u>\$ 171,500</u>	<u>\$ 171,500</u>	<u>\$ 149,391</u>	<u>\$ 22,109</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (8,300)</u>	<u>\$ (8,300)</u>	<u>\$ 10,418</u>	<u>\$ 18,718</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfer In	\$ 8,300	\$ 8,300	\$ 8,300	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 8,300</u>	<u>\$ 8,300</u>	<u>\$ 8,300</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,718</u>	<u>\$ 18,718</u>
FUND BALANCE - BEGINNING			<u>125,858</u>	
FUND BALANCE - ENDING			<u>\$ 144,576</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, 2019

	<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	\$ 158,000	\$ 158,000	\$ 156,955	\$ (1,045)
<u>Other Local Sources:</u>				
Investment Earnings	250	250	172	(78)
TOTAL REVENUES	\$ 158,250	\$ 158,250	\$ 157,127	\$ (1,123)
<u>EXPENDITURES:</u>				
<u>Current:</u>				
<u>General Government:</u>				
Medicare/Social Security Contribution	\$ 149,700	\$ 149,700	\$ 143,732	\$ 5,968
TOTAL EXPENDITURES	\$ 149,700	\$ 149,700	\$ 143,732	\$ 5,968
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,550	\$ 8,550	\$ 13,395	\$ 4,845
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfer In	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ 8,550	\$ 8,550	\$ 13,395	\$ 4,845
FUND BALANCE - BEGINNING			63,241	
FUND BALANCE - ENDING			\$ 76,636	

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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, 2019

	<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	\$ 77,000	\$ 77,000	\$ 76,492	\$ (508)
<u>Other Local Sources:</u>				
Investment Earnings	100	100	532	432
TOTAL REVENUES	\$ 77,100	\$ 77,100	\$ 77,024	\$ (76)
<u>EXPENDITURES:</u>				
<u>Current:</u>				
<u>Public Safety:</u>				
<u>Personnel:</u>				
Salaries - Employees	\$ 44,727	\$ 44,727	\$ 44,814	\$ (87)
	\$ 44,727	\$ 44,727	\$ 44,814	\$ (87)
<u>Contractual Services:</u>				
Maintenance Services	\$ 10,000	\$ 12,340	\$ 8,739	\$ 3,601
Service Charges	2,500	2,500	5,290	(2,790)
	\$ 12,500	\$ 14,840	\$ 14,029	\$ 811
<u>Commodities:</u>				
General Supplies	\$ 3,500	\$ 3,500	\$ 3,181	\$ 319
	\$ 3,500	\$ 3,500	\$ 3,181	\$ 319
<u>Capital Outlay:</u>				
Equipment	\$ 14,000	\$ 14,000	\$ 14,000	\$ -
	\$ 14,000	\$ 14,000	\$ 14,000	\$ -
TOTAL EXPENDITURES	\$ 74,727	\$ 77,067	\$ 76,024	\$ 1,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,373	\$ 33	\$ 1,000	\$ 967

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, 2019

	<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>\$ 2,373</u>	<u>\$ 33</u>	\$ 1,000	<u>\$ 967</u>
FUND BALANCE - BEGINNING			<u>36,013</u>	
FUND BALANCE - ENDING			<u>\$ 37,013</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, 2019

	<u>Shuttle Service Fund</u>	<u>Turner Hall Fund</u>	<u>Swimming Pool Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
ASSETS:				
<u>Current Assets:</u>				
Cash, Deposits, and Investments	\$ 156,421	\$ 7,674	\$ 33,538	\$ 197,633
Total Current Assets	<u>\$ 156,421</u>	<u>\$ 7,674</u>	<u>\$ 33,538</u>	<u>\$ 197,633</u>
<u>Noncurrent Assets:</u>				
Cash, Deposits and Investments	\$ 53,352	\$ -	\$ -	\$ 53,352
Bond Discount Fees	-	-	2,646	2,646
Less: Amortization	-	-	(1,568)	(1,568)
<u>Capital Assets:</u>				
Building and Equipment	72,791	1,179,388	1,415,741	2,667,920
Less: Accumulated Depreciation	(47,595)	(487,428)	(1,295,006)	(1,830,029)
Net Capital Assets	<u>\$ 25,196</u>	<u>\$ 691,960</u>	<u>\$ 120,735</u>	<u>\$ 837,891</u>
Total Noncurrent Assets	<u>\$ 78,548</u>	<u>\$ 691,960</u>	<u>\$ 121,813</u>	<u>\$ 892,321</u>
TOTAL ASSETS	<u>\$ 234,969</u>	<u>\$ 699,634</u>	<u>\$ 155,351</u>	<u>\$ 1,089,954</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,629</u>	<u>\$ 67,629</u>
LIABILITIES:				
<u>Current Liabilities:</u>				
Bond Premium	\$ -	\$ -	\$ 7,726	\$ 7,726
Less: Amortization	-	-	(4,910)	(4,910)
Current Portion of Bonds Payable	-	-	16,655	16,655
Total Current Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,471</u>	<u>\$ 19,471</u>
<u>Long-Term Liabilities:</u>				
Bonds Payable	\$ -	\$ -	\$ 52,580	\$ 52,580
Net Pension Liability	-	-	47,284	47,284
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,864</u>	<u>\$ 99,864</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,335</u>	<u>\$ 119,335</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,060</u>	<u>\$ 41,060</u>
NET POSITION:				
Invested in Capital Assets, Net of Related Debt	\$ 25,196	\$ 691,960	\$ 120,735	\$ 837,891
Unrestricted	209,773	7,674	(58,150)	159,297
TOTAL NET POSITION	<u>\$ 234,969</u>	<u>\$ 699,634</u>	<u>\$ 62,585</u>	<u>\$ 997,188</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, 2019**

	<u>Shuttle Service Fund</u>	<u>Turner Hall Fund</u>	<u>Swimming Pool Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
<u>OPERATING REVENUES:</u>				
Charges for Services	\$ 57,764	\$ -	\$ 69,647	\$ 127,411
Concessions	-	-	23,252	23,252
Rent	-	44,355	2,319	46,674
Other - Miscellaneous	-	-	11,753	11,753
TOTAL OPERATING REVENUES	\$ 57,764	\$ 44,355	\$ 106,971	\$ 209,090
<u>OPERATING EXPENSES:</u>				
Personnel	\$ -	\$ -	\$ 97,508	\$ 97,508
Pension Expense	-	-	8,756	8,756
Maintenance Services	-	23,879	41,748	65,627
Communications	-	810	2,296	3,106
Services and Charges	2,567	15,988	13,786	32,341
General Supplies	107	2,721	32,653	35,481
Other Expenditures	-	8,500	4,232	12,732
Depreciation and Amortization	4,929	24,392	9,836	39,157
TOTAL OPERATING EXPENSES	\$ 7,603	\$ 76,290	\$ 210,815	\$ 294,708
Operating Income (Loss)	\$ 50,161	\$ (31,935)	\$ (103,844)	\$ (85,618)
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Interest Earnings	\$ 525	\$ -	\$ 293	\$ 818
Grants	-	31,846	-	31,846
Bond Premium Amortization	-	-	768	768
Bond Interest Expense	-	-	(2,540)	(2,540)
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 525	\$ 31,846	\$ (1,479)	\$ 30,892
Income (Loss) Before Transfers	\$ 50,686	\$ (89)	\$ (105,323)	\$ (54,726)
Transfers In	-	63,610	97,203	160,813
Change in Net Position	\$ 50,686	\$ 63,521	\$ (8,120)	\$ 106,087
TOTAL NET POSITION - BEGINNING	184,283	636,113	70,705	891,101
TOTAL NET POSITION - ENDING	\$ 234,969	\$ 699,634	\$ 62,585	\$ 997,188

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, 2019

	<u>Shuttle Service Fund</u>	<u>Turner Hall Fund</u>	<u>Swimming Pool Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash Received from Customers	\$ 57,764	\$ 44,355	\$ 95,218	\$ 197,337
Cash Payments to Suppliers for Goods and Services	(2,674)	(51,898)	(94,715)	(149,287)
Cash Payments to Employees for Services	-	-	(97,508)	(97,508)
Other Receipts/Payments	-	-	1,770	1,770
Net Cash Provided (Used) by Operating Activities	<u>\$ 55,090</u>	<u>\$ (7,543)</u>	<u>\$ (95,235)</u>	<u>\$ (47,688)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Transfers In/Out	\$ -	\$ 63,610	\$ 97,203	\$ 160,813
Net Cash Provided (Used) by Noncapital Financing Activities	<u>\$ -</u>	<u>\$ 63,610</u>	<u>\$ 97,203</u>	<u>\$ 160,813</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Principal Paid on Capital Debt	\$ -	\$ -	\$ (16,175)	\$ (16,175)
Interest Paid on Capital Debt	-	-	(2,540)	(2,540)
Purchase of Capital Assets	-	(80,420)	-	(80,420)
Grants	-	31,846	-	31,846
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ (48,574)</u>	<u>\$ (18,715)</u>	<u>\$ (67,289)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest Earned on Deposits	\$ 525	\$ -	\$ 293	\$ 818
Net Cash Provided by Investing Activities	<u>\$ 525</u>	<u>\$ -</u>	<u>\$ 293</u>	<u>\$ 818</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 55,615	\$ 7,493	\$ (16,454)	\$ 46,654
BALANCE - BEGINNING OF YEAR	<u>154,158</u>	<u>181</u>	<u>49,992</u>	<u>204,331</u>
BALANCE - END OF YEAR	<u><u>\$ 209,773</u></u>	<u><u>\$ 7,674</u></u>	<u><u>\$ 33,538</u></u>	<u><u>\$ 250,985</u></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, 2019

	<u>Shuttle Service Fund</u>	<u>Turner Hall Fund</u>	<u>Swimming Pool Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ 50,161	\$ (31,935)	\$ (103,844)	\$ (85,618)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>				
Amortization of Costs	-	-	294	294
Depreciation Expense	4,929	24,392	9,542	38,863
Pension Expense	-	-	8,756	8,756
Deferred Miscellaneous Revenue	-	-	(9,983)	(9,983)
Net Cash Provided (Used) by Operating Activities	<u>\$ 55,090</u>	<u>\$ (7,543)</u>	<u>\$ (95,235)</u>	<u>\$ (47,688)</u>
<u>RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:</u>				
<u>Current Assets:</u>				
Cash, Deposits and Investments	\$ 156,421	\$ 7,674	\$ 33,538	\$ 197,633
<u>Noncurrent Assets:</u>				
Cash, Deposits, and Investments	53,352	-	-	53,352
<u>Current Liabilities:</u>				
Cash Overdraft	-	-	-	-
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>\$ 209,773</u>	<u>\$ 7,674</u>	<u>\$ 33,538</u>	<u>\$ 250,985</u>

See Accompanying Independent Auditor's Report.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO SUPPLEMENTARY INFORMATION
APRIL 30, 2019**

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, 2019

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>Amount</u>
General Fund	\$ 155,500
Parks & Recreation Fund	\$ 250,000
Capital Projects Fund	\$ 13,900

CITY OF GALENA
GALENA, ILLINOIS

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)
APRIL 30, 2019

Calendar Year Ended December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service Cost	\$ 154,844	\$ 161,663	\$ 155,259	\$ 147,510
Interest on the Total Pension Liability	649,261	614,459	600,958	567,234
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(193,149)	283,747	(291,121)	16,525
Changes of Assumptions	281,331	(294,917)	(10,842)	10,339
Benefit Payments, including Refunds of Employee Contributions	(316,161)	(278,862)	(297,417)	(272,848)
Net Change in Total Pension Liability	<u>\$ 576,126</u>	<u>\$ 486,090</u>	<u>\$ 156,837</u>	<u>\$ 468,760</u>
Total Pension Liability - Beginning	8,737,471	8,251,381	8,094,544	7,625,784
Total Pension Liability - Ending (A)	<u>\$ 9,313,597</u>	<u>\$ 8,737,471</u>	<u>\$ 8,251,381</u>	<u>\$ 8,094,544</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 147,088	\$ 155,726	\$ 156,389	\$ 152,463
Contributions - Employees	70,042	70,007	67,538	65,249
Net Investment Income	(421,656)	1,316,191	504,323	37,086
Benefit Payments, including Refunds of Employee Contributions	(316,161)	(278,862)	(297,417)	(272,848)
Other (Net Transfer)	113,691	(97,580)	(183,304)	(91,859)
Net Change in Plan Fiduciary Net Position	<u>\$ (406,996)</u>	<u>\$ 1,165,482</u>	<u>\$ 247,529</u>	<u>\$ (109,909)</u>
Plan Fiduciary Net Position - Beginning	8,747,797	7,582,315	7,334,786	7,444,695
Plan Fiduciary Net Position - Ending (B)	<u>\$ 8,340,801</u>	<u>\$ 8,747,797</u>	<u>\$ 7,582,315</u>	<u>\$ 7,334,786</u>
Net Pension Liability (Asset) - Ending (A) - (B)	<u>\$ 972,796</u>	<u>\$ (10,326)</u>	<u>\$ 669,066</u>	<u>\$ 759,758</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.56%	100.12%	91.89%	90.61%
Covered Valuation Payroll	\$ 1,556,484	\$ 1,555,711	\$ 1,500,854	1,386,032
Net Pension Liability as a Percentage of Covered Valuation Payroll	62.50%	(0.66)%	44.58%	54.82%

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, 2019**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
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%

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

*Estimated based on contribution rate of 9.45% and covered payroll of \$1,556,484.

**CITY OF GALENA
GALENA, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, EXTENSIONS, AND COLLECTIONS
UNAUDITED
APRIL 30, 2019**

	<u>Maximum Rates</u>	<u>Assessed Valuation</u>	<u>Limited Rate</u>	<u>Actual Extension</u>	<u>Estimated Collections</u>
2018 Levy:					
General Corporate	.43750	<u>\$ 101,404,287</u>	.43368	.43368	\$ 439,770
Fire Protection	.60000		.36014	.36014	365,197
Police Protection	.60000		.00617	.00617	6,257
Workmens' Compensation	NONE		.15434	.15434	156,507
Garbage	.20000		.00001	.00001	10
Street Lighting	.05000		.00001	.00001	10
Parks	.08590		.08161	.08161	82,756
Levee	.16660		.07890	.07890	80,008
Social Security	NONE		.13511	.13511	137,007
School Crossing Guard	.02000		.00001	.00001	10
Audit	NONE		.01923	.01923	19,500
Liability Insurance	NONE		.01726	.01726	17,502
Emergency Services Defense	.05000		.00085	.00085	862
Unemployment Insurance	NONE		.00247	.00247	2,505
IMRF	NONE		.11144	.11144	113,005
Waterworks	.07000		.00001	.00001	10
			<u>1.40124</u>	<u>1.40124</u>	<u>\$ 1,420,916</u>
Share of Township Road & Bridge					79,237
TOTAL					<u><u>\$ 1,500,153</u></u>

	<u>Maximum Rates</u>	<u>Assessed Valuation</u>	<u>Limited Rate</u>	<u>Actual Extension</u>	<u>Actual Collections</u>
2017 Levy:					
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
Workmens' 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
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, EXTENSIONS, AND COLLECTIONS
UNAUDITED
APRIL 30, 2019**

2016 Levy:	Maximum Rates	Assessed Valuation	Limited Rate	Actual Extension	Actual Collections
General Corporate	.43750	<u>\$ 99,613,295</u>	.43750	.43750	\$ 435,808
Fire Protection	.60000		.35168	.35168	350,320
Police Protection	.60000		.00002	.00002	20
Workmens' Compensation	NONE		.09186	.09186	91,505
Garbage	.20000		.00002	.00002	20
Street Lighting	.05000		.00002	.00002	20
Parks	.08590		.02123	.02123	21,148
Levee	.16660		.07028	.07028	70,008
Social Security	NONE		.13653	.13653	136,001
School Crossing Guard	.02000		.00002	.00002	20
Audit	NONE		.01707	.01707	17,004
Liability Insurance	NONE		.13252	.13252	132,007
Emergency Services Defense	.05000		.00087	.00087	867
Unemployment Insurance	NONE		.00502	.00502	5,001
IMRF	NONE		.10140	.10140	101,008
Waterworks	.07000		.00004	.00004	40
			<u>1.36608</u>	<u>1.36608</u>	<u>\$ 1,360,797</u>
Share of Township Road & Bridge					78,984
TOTAL					<u><u>\$ 1,439,781</u></u>

See Accompanying Independent Auditor's Report.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO OTHER INFORMATION (PART II)
UNAUDITED
APRIL 30, 2019**

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the
2018 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 2018 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	3.50%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%, 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 2014 valuation pursuant to an experience study of the period 2011-2013.

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO OTHER INFORMATION (PART II) (continued)
UNAUDITED
APRIL 30, 2019**

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the
2018 Contribution Rate* (continued)**

Mortality

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). 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, 2016 actuarial valuation.*

**CITY OF GALENA
GALENA, ILLINOIS**

**NOTES TO OTHER INFORMATION (PART II) (continued)
UNAUDITED
APRIL 30, 2019**

Development of Market Value of Assets

Market Value of Assets as of December 31, 2018

1. Employee Contribution Reserve (MDF Assets from IMRF)	\$	1,971,749
2. Employer Contribution Reserve (EAF Assets from IMRF)		3,001,614
3. Annuitant Reserve		3,344,393
4. Miscellaneous Adjustment*		23,045
5. Net Market Value	\$	8,340,801

** 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	\$	147,088
b. Accelerated payments and Reserve Payments		-
	\$	147,088
2. Member		
a. Wage Reporting	\$	70,042
b. Member Payments (i.e. ERI, Pension Payments)		-
Sub-total (Amount used for valuation on Schedule of Changes Page 10)	\$	70,042
c. Voluntary Additional Plan	\$	46,548
Total Member Contributions (a+b+c)	\$	116,590
Total Employer and Member Contributions (1+2)	\$	263,678

