City of Grayville

White and Edwards County, Illinois

Annual Financial Report
and Independent Auditors' Report

For the Fiscal Year Ended April 30, 2026

City of Grayville
White and Edwards County, Illinois
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White and Edwards County, Illinois
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Financial Section

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August 26, 2026

Independent Auditors' Report

The City Council
City of Grayville
Grayville, IL 62844

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grayville, Illinois, as of and for the year ended April 30, 2026, and the related notes to the financial statements, which collectively comprise the City of Grayville, Illinois' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grayville, Illinois, as of April 30, 2026, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Grayville, Illinois and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Grayville, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Grayville, Illinois' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Grayville, Illinois' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the IMRF pension schedules on pages 42-47 and 48-50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grayville, Illinois' basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2026, on our consideration of the City of Grayville, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City of Grayville, Illinois' 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 Grayville, Illinois' internal control over financial reporting and compliance.

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August 26, 2026

Independent Auditors' 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 City Officials
City of Grayville
Grayville, IL 62844

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grayville, Illinois, as of and for the year ended April 30, 2026, and the related notes to the financial statements, which collectively comprise the City of Grayville, Illinois' basic financial statements and have issued our report thereon dated August 26, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Grayville, Illinois' internal control over financial reporting (internal control) as a basis for designing 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 Grayville, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Grayville, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control that we consider to be significant deficiencies as follows: The City lacks the expertise to make all adjusting entries and prepare financial statements, including disclosures, in accordance with accounting principles generally accepted in the United States of America.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Grayville, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* as follows: The City is not in compliance with the Operations and Maintenance and Debt Service Fund requirements for the Water and Sewer Bonds.

City of Grayville, Illinois' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Grayville, Illinois' response to the findings identified in our audit and described previously. The City of Grayville, Illinois' response to the findings identified in our audit are as follows: We acknowledge that we do not have personnel capable of drafting the financial statements or footnotes; however, we accept full responsibility for the financial statements and footnotes, which are drafted by the auditor, and acknowledge such in writing. We are comfortable with the auditor drafting the financial statements and footnotes. The City will put procedures in place to prevent bond noncompliance in the future. The City of Grayville, Illinois' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 of 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.

Botsch & Associates, CPA's, LLC

113 E Main St.
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Basic Financial Statements

City of Grayville
White and Edwards County, Illinois
Statement of Net Position
April 30, 2026

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 1,192,281	$ 2,010,860	$ 3,203,141
Receivables, net	390,099	176,920	567,019
Prepaid expense	46,964	95,545	142,509
Total current assets	1,629,344	2,283,325	3,912,669
Noncurrent assets:			
Restricted cash	92,695	363,358	456,053
Net pension asset	400,568	85,777	486,345
Land	297,030	146,815	443,845
Capital assets, net	4,350,175	5,428,860	9,779,035
Total noncurrent assets	5,140,468	6,024,810	11,165,278
Total assets	6,769,812	8,308,135	15,077,947
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	247,588	53,018	300,606
Total assets and deferred outflows	$ 7,017,400	$ 8,361,153	$ 15,378,553
Liabilities			
Current liabilities:			
Accounts payable	$ 62,695	$ 40,164	$ 102,859
Bank overdraft	130,133	-	130,133
Customer deposits	-	24,765	24,765
Accrued expenses	75,594	75,596	151,190
Unearned revenue	25,087	-	25,087
Current portion of long-term debt	119,532	137,095	256,627
Total current liabilities	413,041	277,620	690,661
Noncurrent liabilities:			
Noncurrent portion of long-term debt	985,025	2,188,234	3,173,259
Total noncurrent liabilities	985,025	2,188,234	3,173,259
Total liabilities	1,398,066	2,465,854	3,863,920
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	724,265	155,093	879,358
Total liabilities and deferred inflows	2,122,331	2,620,947	4,743,278
Net position			
Investment in capital assets	3,542,648	3,250,346	6,792,994
Restricted for:			
Debt service	92,695	363,358	456,053
Economic development	653,494	-	653,494
Streets and roads	292,519	-	292,519
Culture and recreation	107,576	-	107,576
Pensions	400,568	85,777	486,345
Unrestricted	(194,431)	2,040,725	1,846,294
Total net position	$ 4,895,069	$ 5,740,206	$ 10,635,275

The accompanying notes are an integral part of this statement.

City of Grayville
White and Edwards County, Illinois
Statement of Activities
For the Year Ended April 30, 2026

Functions/Programs	Expenses	Program Revenues: Fees, Licenses, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Total
Governmental activities							
General government	$ 994,726	$ 24,980	$ -	$ -	$ (969,746)	$ -	$ (969,746)
Social services	88,357	17,875	-	-	(70,482)	-	(70,482)
Public safety	690,496	13,105	-	-	(677,391)	-	(677,391)
Streets and roads	278,278	-	-	-	(278,278)	-	(278,278)
Culture and recreation	290,480	45,947	-	-	(244,533)	-	(244,533)
Economic development	356,116	-	-	-	(356,116)	-	(356,116)
Interest	47,184	-	-	-	(47,184)	-	(47,184)
Total governmental activities	2,745,637	101,907	-	-	(2,643,730)	-	(2,643,730)
Business-type activities							
Gas	640,153	644,762	-	-	-	4,609	4,609
Water	499,146	601,423		15,000	-	117,277	117,277
Sewer	437,803	342,949	-	212,972	-	118,118	118,118
Garbage	143,462	168,251	-	-	-	24,789	24,789
Total business-type activities	1,720,564	1,757,385	-	227,972	-	264,793	264,793
Total primary government	$ 4,466,201	$ 1,859,292	$ -	$ 227,972	(2,643,730)	264,793	(2,378,937)
General revenues							
Property tax					809,534	24,467	834,001
Sales and use tax					865,229	-	865,229
Income tax					284,204	-	284,204
Video gaming tax					120,379	-	120,379
Cannabis tax					403,120	-	403,120
Other Intergovernmental revenue					104,442	-	104,442
Motel tax					56,740	-	56,740
Miscellaneous					100,370	13,436	113,806
Interest					24,798	56,397	81,195
Transfers					(704,552)	704,552	-
Total general revenues and transfers					2,064,264	798,852	2,863,116
Change in net position					(579,466)	1,063,645	484,179
Net position - beginning					5,474,535	4,676,561	10,151,096
Net position - ending					$ 4,895,069	$ 5,740,206	$ 10,635,275

The accompanying notes are an integral part of this statement.

City of Grayville
White and Edwards County, Illinois
Balance Sheet
Governmental Funds
April 30, 2026

	General	TIF #1	Business District	Nonmajor Governmental	Total Governmental
Assets					
Cash and cash equivalents	$ -	$274,156	$378,291	$ 539,834	$ 1,192,281
Receivables, net	201,180	-	56,896	132,023	390,099
Due from other funds	-	-	17,179	-	17,179
Prepaid items	46,964	-	-	-	46,964
Restricted cash	92,695	-	-	-	92,695
Total assets	$ 340,839	$274,156	$452,366	$ 671,857	$ 1,739,218
Liabilities and fund balances					
Liabilities					
Accounts payable	$ 62,695	$ -	$ -	$ -	$ 62,695
Bank overdraft	130,133	-	-	-	130,133
Accrued expense	75,594	-	-	-	75,594
Unearned revenue	25,087	-	-	-	25,087
Due to other funds	17,179	-	-	-	17,179
Total liabilities	310,688	-	-	-	310,688
Fund balances					
Nonspendable:					
Prepaid	46,964	-	-	-	46,964
Restricted for:					
Debt service	92,695	-	-	-	92,695
Economic development	-	274,156	-	379,338	653,494
Streets and roads	-	-	-	292,519	292,519
Culture and recreation	107,576	-	-	-	107,576
Committed to general government	-	-	452,366	-	452,366
Unassigned	(217,084)	-	-	-	(217,084)
Total fund balances	30,151	274,156	452,366	671,857	1,428,530
Total liabilities and fund balances	$ 340,839	$274,156	$452,366	$ 671,857	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,647,205
Net pension liabilities and pension related deferred outflows and inflows of resources are not available to pay for current-period expenditures and therefore are deferred in the funds	(76,109)
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.	(1,104,557)
Net position of governmental activities	$ 4,895,069

The accompanying notes are an integral part of this statement.

City of Grayville
White and Edwards County, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2026

	General	TIF #1	Business District	Nonmajor Governmental	Total Governmental
Revenues					
Property taxes	$ 278,159	$ 374,963	$ -	$ 156,412	$ 809,534
Other taxes	-	-	-	56,740	56,740
Licenses and permits	24,980	-	-	-	24,980
Fines and forfeitures	13,105	-	-	-	13,105
Interest	11,425	3,592	1,793	7,988	24,798
Intergovernmental	1,312,245	-	393,918	71,211	1,777,374
Charges for services	63,822	-	-	-	63,822
Miscellaneous	100,370	-	-	-	100,370
Total revenues	1,804,106	378,555	395,711	292,351	2,870,723
Expenditures					
Current:					
General government	941,974	-	-	-	941,974
Social services	81,490	-	-	-	81,490
Public safety	652,176	-	-	-	652,176
Streets and roads	152,498	-	-	26,549	179,047
Economic development	-	242,872	-	105,458	348,330
Culture and recreation	240,831	-	-	-	240,831
Debt Service:					
Principal	113,503	-	-	-	113,503
Interest	47,184	-	-	-	47,184
Capital outlay	-	-	-	31,456	31,456
Total expenditures	2,229,656	242,872	-	163,463	2,635,991
Excess (deficiency) of revenues over expenditures	(425,550)	135,683	395,711	128,888	234,732
Other financing sources (uses)					
Transfer in (out)	(87,269)	(397,037)	-	(220,246)	(704,552)
Total other financing sources (uses)	(87,269)	(397,037)	-	(220,246)	(704,552)
Net change in fund balances	(512,819)	(261,354)	395,711	(91,358)	(469,820)
Fund balances - beginning	542,970	535,510	56,655	763,215	1,898,350
Fund balances - ending	$ 30,151	$ 274,156	$ 452,366	$ 671,857	$ 1,428,530

The accompanying notes are an integral part of this statement.

City of Grayville
White and Edwards County, Illinois
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2026

Net change in fund balances - total governmental funds	$ (469,820)
Amounts reported for *governmental activities* in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation ($184,151) exceeded capital outlay $31,456 in the current period.	(152,695)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments $113,503 exceeded proceeds ($0) in the current period.	113,503
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in governmental funds. This amount represents the change in net pension liability $139,883, pension-related deferred outflows of resources ($94,224), pension-related deferred inflows of resources ($516,681), and net pension asset $400,568 in the current period.	(70,454)
Change in net position of governmental activities	$ (579,466)

The accompanying notes are an integral part of this statement.

City of Grayville
White and Edwards County, Illinois
Statement of Net Position
Proprietary Funds
April 30, 2026

	Water	Sewer	Gas	Nonmajor Garbage	Total
Assets					
Current assets:					
Cash and cash equivalents	$ 128,648	$ 10,280	$ 1,826,502	$ 45,430	$ 2,010,860
Receivables, net	64,870	37,776	53,713	20,561	176,920
Prepaid expense	87,749	-	7,727	69	95,545
Total current assets	281,267	48,056	1,887,942	66,060	2,283,325
Noncurrent assets:					
Restricted cash	216,423	146,935	-	-	363,358
Net pension asset	26,729	20,658	38,390		85,777
Capital assets, net	3,637,637	1,189,639	733,504	14,895	5,575,675
Total noncurrent assets	3,880,789	1,357,232	771,894	14,895	6,024,810
Total assets	4,162,056	1,405,288	2,659,836	80,955	8,308,135
Deferred Outflows of Resources:					
Deferred outflows related to pensions	16,521	12,768	23,729	-	53,018
Total assets and deferred outflows	$ 4,178,577	$ 1,418,056	$ 2,683,565	$ 80,955	$ 8,361,153
Liabilities					
Current liabilities:					
Accounts payable	$ -	$ -	$ 27,996	$ 12,168	$ 40,164
Customer deposits	9,685	5,682	9,398	-	24,765
Accrued expenses	31,055	16,062	26,254	2,225	75,596
Current portion of long-term debt	110,095	27,000	-	-	137,095
Total current liabilities	150,835	48,744	63,648	14,393	277,620
Noncurrent liabilities:					
Long-term debt, net of current portion	1,163,222	1,006,000	19,012	-	2,188,234
Total noncurrent liabilities	1,163,222	1,006,000	19,012	-	2,188,234
Deferred Inflows of Resources:					
Deferred inflows related to pensions	48,329	37,351	69,413	-	155,093
Total liabilities and deferred inflows	1,362,386	1,092,095	152,073	14,393	2,620,947
Net position					
Investment in capital assets	2,364,320	156,639	714,492	14,895	3,250,346
Restricted for debt service	216,423	146,935	-	-	363,358
Restricted for pensions	26,729	20,658	38,390	-	85,777
Unrestricted	208,719	1,729	1,778,610	51,667	2,040,725
Total net position	$ 2,816,191	$ 325,961	$ 2,531,492	$ 66,562	$ 5,740,206

The accompanying notes are an integral part of this statement.

City of Grayville
White and Edwards County, Illinois
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended April 30, 2026

	Water	Sewer	Gas	Nonmajor Garbage	Total
Operating revenues:					
Charges for services	$ 601,423	$ 342,949	$ 644,762	$ 168,251	$ 1,757,385
Miscellaneous	6,254	3,249	3,923	10	13,436
Total operating revenues	607,677	346,198	648,685	168,261	1,770,821
Operating expenses:					
Salaries and benefits	100,854	81,971	149,212	-	332,037
Purchase of service	-	-	323,499	142,773	466,272
Services and supplies	182,627	94,069	83,075	171	359,942
Insurance	4,383	7,381	9,691	-	21,455
Depreciation	134,385	229,889	38,594	-	402,868
Utility taxes	-	-	28,734	-	28,734
Bad debt	25,671	-	-	-	25,671
Other expenses	12,250	1,250	7,348	518	21,366
Total operating expenses	460,170	414,560	640,153	143,462	1,658,345
Operating income (loss)	147,507	(68,362)	8,532	24,799	112,476
Nonoperating revenues (expenses):					
Property tax	-	2,139	-	22,328	24,467
CDBG grant	15,000	-	-	-	15,000
ARPA grant	-	212,972	-	-	212,972
Interest income	2,175	1,482	52,740	-	56,397
Interest expense	(38,976)	(23,243)	-	-	(62,219)
Total nonoperating revenues (expenses)	(21,801)	193,350	52,740	22,328	246,617
Income (loss) before transfers	125,706	124,988	61,272	47,127	359,093
Operating transfers in (out)	842,524	(137,972)	-	-	704,552
Change in net position	968,230	(12,984)	61,272	47,127	1,063,645
Net position - beginning	1,847,961	338,945	2,470,220	19,435	4,676,561
Net position - ending	$ 2,816,191	$ 325,961	$ 2,531,492	$ 66,562	$ 5,740,206

The accompanying notes are an integral part of this statement.

City of Grayville
White and Edwards County, Illinois
Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2026

	Water	Sewer	Gas	Nonmajor Garbage	Total
Cash flows from operating activities:					
Receipts from customers	$ 612,465	$ 350,034	$ 685,243	$ 167,550	$ 1,815,292
Payments to employees	(97,146)	(78,759)	(143,662)	(138)	(319,705)
Payments to suppliers	(337,961)	(95,319)	(442,847)	(142,994)	(1,019,121)
Net cash provided (used) by operating activities	177,358	175,956	98,734	24,418	476,466
Cash flows from noncapital financing activities:					
Property tax	-	2,139	-	22,328	24,467
Transfers	842,524	(137,972)	-	-	704,552
Bank overdraft	(29,301)	(224,503)	-	(1,316)	(255,120)
Net cash provided (used) by noncapital financing activities	813,223	(360,336)	-	21,012	473,899
Cash flows from capital and related financing activities:					
Purchase of capital assets	(857,525)	-	-	-	(857,525)
CDBG grant	15,000	-	-	-	15,000
CDAP grant	117,413	-	-	-	117,413
Principal paid	(86,488)	-	-	-	(86,488)
Interest paid	(29,526)	(11,622)	-	-	(41,148)
Net cash provided (used) by capital and related financing activities	(841,126)	(11,622)	-	-	(852,748)
Cash flows from investing activities:					
Interest earned	2,175	1,482	57,685	-	61,342
Net cash provided (used) by investing activities	2,175	1,482	57,685	-	61,342
Net increase (decrease) in cash and cash equivalents	151,630	(194,520)	156,419	45,430	158,959
Cash and cash equivalents at beginning of year	193,441	351,735	1,670,083	-	2,215,259
Cash and cash equivalents at end of year	$ 345,071	$ 157,215	$ 1,826,502	$ 45,430	$ 2,374,218

The accompanying notes are an integral part of this statement.

City of Grayville
White and Edwards County, Illinois
Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2026
(Concluded)

	Water	Sewer	Gas	Nonmajor Garbage	Total
Cash and cash equivalents per statement of net position:					
Unrestricted	$ 128,648	$ 10,280	$ 1,826,502	$ 45,430	$ 2,010,860
Restricted	216,423	146,935	-	-	363,358
Cash and cash equivalents at end of year	$ 345,071	$ 157,215	$ 1,826,502	$ 45,430	$ 2,374,218
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ 147,507	$ (68,362)	$ 8,532	$ 24,799	$ 112,476
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	134,385	229,889	38,594	-	402,868
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	1,319	2,264	33,795	(711)	36,667
(Increase) decrease in prepaid expenses	4,383	7,381	(5,705)	-	6,059
(Increase) decrease in net pension asset	(26,729)	(20,658)	(38,390)	-	(85,777)
(Increase) decrease in deferred outflows of resources	66,332	30,331	81,694	8,420	186,777
Increase (decrease) in accounts payable	(117,413)	-	15,205	468	(101,740)
Increase (decrease) in customer deposits	3,469	1,572	2,763	-	7,804
Increase (decrease) in net pension liability	(33,907)	(17,638)	(43,143)	(3,445)	(98,133)
Increase (decrease) in deferred inflows of resources	(1,988)	11,177	5,389	(5,113)	9,465
Net cash provided (used) by operating activities	$ 177,358	$ 175,956	$ 98,734	$ 24,418	$ 476,466

The accompanying notes are an integral part of this statement.

City of Grayville
White and Edwards County, Illinois
Notes to the Financial Statements
April 30, 2026

Note 1. Summary of Significant Accounting Policies

The accounting policies of the City of Grayville, White and Edwards County, Illinois (the City), as reflected in the accompanying financial statements for the year ended April 30, 2026, conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies.

A. Reporting Entity

As required by GAAP, these financial statements present only the operations of the City.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 properly included among program revenues are reported, instead, as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the supplementary information.

C. Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Note 1. Summary of Significant Accounting Policies (Cont'd)

C. Fund Accounting (Cont'd)

Funds are classified into three broad categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "Fund Types."

The City has the following fund types and account groups:

Governmental Funds are used to account for the City's general governmental activities. There are two of these types and they each use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects.

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities are provided to outside parties by the enterprise fund.

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under terms of a formal trust agreement. Custodial funds are used to report resources held by the reporting government in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to specific individuals, private organizations, or other governments.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Note 1. Summary of Significant Accounting Policies (Cont'd)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes as available if they are collected within 60 days of the end of the current fiscal period. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Property taxes, sales taxes, income taxes, motor fuel taxes, licenses, interest revenue, and charges for services revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. It includes administration, zoning, police, street, dispatch, library, dog pound, park, and cemetery activities.

The *TIF #1 Fund* is the special revenue fund that accounts for tax revenues used to promote economic development in the City.

The *Business District Fund* is the special revenue fund that accounts for local sales and service occupation tax.

Note 1. Summary of Significant Accounting Policies (Cont'd)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The City reports the following major enterprise funds:

The *Water, Sewer, and Gas Funds* account for the provision of water, sewer, and gas services to the City residents as well as repairs and improvements. All activities necessary to provide these services are accounted for in these funds including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collections. Monies are provided from user charges and miscellaneous sources.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided and operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 enterprise funds are fees for services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Budgets

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the general, special revenue, and enterprise funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

The City Treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

F. Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with maturities of three months or less at the date of purchase are considered cash equivalents.

Note 1. Summary of Significant Accounting Policies (Cont'd)

G. Receivables

GASB Statement No. 33 - Accounting and Financial Reporting for Non-Exchange Transactions recognizes receivables associated with non-exchange transactions as follows:

- Derived tax receivables (such as: sales, income, and motor fuel taxes) are recognized when the underlying exchanges have occurred.
- Imposed non-exchange receivables (such as: property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government mandates or voluntary non-exchange transaction receivables (such as: mandates or grants) are recognized when all legal requirements have been met.

H. Prepaid Items

Prepaid items represent payments made to vendors for services that will benefit future periods at the end of the fiscal year and are accounted for using the consumption method.

I. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of more than $10,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	Years
Streets	10-50
Buildings	30
Sewer, Water and Pool systems	30
Gas system	66
Equipment	10-30
Vehicles	3-5
Boat ramp	50

Note 1. Summary of Significant Accounting Policies (Cont'd)

J. Compensated Absences

a. Vacation

Each employee who is regular full time shall be entitled to vacation with pay in accordance with the schedule set below based on the employee's anniversary date.

- Employees who have completed one (1) year of continuous service shall receive five (5) working days of paid vacation.
- Employees who have completed two (2) years of continuous service shall receive ten (10) working days of paid vacation.
- Employees who have completed seven (7) years of continuous service shall receive fifteen (15) working days of paid vacation.
- Employees who have completed twelve (12) years of continuous service shall receive twenty (20) working days of paid vacation.
- Employees who have completed twenty (20) years of continuous service shall receive twenty-five (25) working days of paid vacation.

Employees may accumulate vacation time equal to the amount of vacation that could be earned over a two (2) year period. However, accumulated vacation in excess of the maximum amount must be used prior to January 1 of each year or that excess accumulation will be forfeited. In the event a requested vacation time is denied; the excess accumulation will be paid in full.

An employee who quits or is laid off and is entitled to vacation pay or vacation earned, but not used, on the date of their termination, will be paid by the City in full with the next payroll period.

b. Sick Leave

Each regular full-time employee shall accrue sick leave at the rate of eight (8) hours per month of continuous employment. The accrual shall be credited the first paycheck of the following month. Employees may accumulate up to maximum of 960 hours of sick leave.

Upon bona fide retirement from service, employees will convert unused sick leave to a salary payment not to exceed a maximum of thirty (30) days. At termination of employment, for any other reason, sick leave will also terminate. Sick leave may be credited towards retirement as per IMRF code and regulations.

Accrued leave at April 30, 2026, was $96,463.

Note 1. Summary of Significant Accounting Policies (Cont'd)

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position.

L. Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City Council – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Council and City Mayor have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Note 1. Summary of Significant Accounting Policies (Cont'd)

L. Fund Equity (Cont'd)

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

M. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as reductions of expenditures/expenses in the fund that is reimbursed.

N. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future reporting periods and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future reporting periods and so will not be recognized as an inflow of resources until that time.

Note 2. Deposits and Investments

The City's investment policy is to establish cash management and investment guidelines for the City officials responsible for the stewardship of public funds. The City has established specific objectives to meet these guidelines.

The City deposits and invests all its monies in investments allowed by Illinois State Statutes. The Statutes authorize the City to make deposits in commercial banks and savings and loan institutions.

Concentrations: The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial Credit Risk:

Deposits: This is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk.

As of April 30, 2026, $571,654 of the City's bank balance of $3,699,413 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ -
Uninsured and collateral held by pledging bank's trust department not in the City's name	571,654
Total	$ 571,654

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have custodial credit risk policies for investments.

For pension trust funds, the types of deposits authorized, and the mix of credit risk categories do not differ significantly from the other funds of the City.

The City has investments in The Illinois Funds, which has regulatory oversight from the State of Illinois, Office of the Auditor General, in which the fair value of the City's position in the pool is the same as the value of the pool shares. As of January 16, 2025, the pool was rated "AAAmmf" by Fitch Ratings. The annual report of The Illinois Funds for the year ended June 30, 2025 is available from the Illinois State Treasurer, The Illinois Funds Administrative Office, 1 East Old State Capitol Plaza, Springfield, IL 62701, 1-866-458-7327, or is available online at: http://www.auditor.illinois.gov/Audit-Reports/THE-ILLINOIS-FUNDS.asp.

Note 3. Contingent Liabilities

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Note 4. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended April 30, 2026, the City belonged to the Illinois Municipal League Risk Management Association, a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the pool for its general insurance coverage. The agreement for formation of the Illinois Municipal League Risk Management Association provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies. The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining. The City estimates the range of contingent losses to be borne by the City to not be possible to estimate. During the year ended April 30, 2026 there were no significant reductions in coverage. Also, there have been no settlement amounts, which have exceeded insurance coverage in the past three years. The Illinois Municipal League Risk Management Association has published its own financial report which can be obtained from the Illinois Municipal League Risk Management Association at P.O. Box 5180, Springfield, Illinois 62705.

Note 5. Receivables - Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes must be levied by the last Tuesday in December and a copy of the tax levy ordinance must be filed with the County Clerk by this date. Property taxes for the fiscal year ended April 30, 2026 were due in September and October 2025. The City receives their share of these taxes approximately one month after their due dates.

Note 6. Restricted Fund Balance

The City's restricted fund balance is restricted by enabling legislation as follows:

The Revolving Loan and Motel Tax Funds are restricted by state legislation.

The Motor Fuel Tax Fund is restricted by the Illinois Department of Transportation for the repair and maintenance of roads.

The TIF Funds are restricted by their tax levies.

The police, park, and streets and roads funds are restricted by their tax levies and are accounted for in the General Fund.

Note 7. Capital Assets

Capital asset activity for the year ended April 30, 2026 was as follows:

	Beginning Balance	Increases	Disposals	Ending Balance
A. Governmental Activities:				
Capital assets, not being depreciated - Land	$ 297,030	$ -	$ -	$ 297,030
Capital assets, being depreciated				
Buildings	792,175	-	-	792,175
Vehicles and equipment	736,514	31,456	-	767,970
Infrastructure	13,457,092	-	-	13,457,092
Pool system	301,147	-	-	301,147
Park Improvements	485,460	-	-	485,460
Boat ramp	149,630	-	-	149,630
Total capital assets, being depreciated	15,922,018	31,456	-	15,953,474
Less accumulated depreciation for:				
Buildings	265,098	24,739	-	289,837
Vehicles and equipment	535,101	49,628	-	584,729
Infrastructure	10,276,385	80,571	-	10,356,956
Pool system	108,579	10,038	-	118,617
Park Improvements	120,965	16,182	-	137,147
Boat ramp	113,020	2,993	-	116,013
Total accumulated depreciation	11,419,148	184,151	-	11,603,299
Total capital assets, being depreciated, net	4,502,870	(152,695)	-	4,350,175
Governmental activities capital assets, net	$ 4,799,900	$ (152,695)	$ -	$ 4,647,205

Note 7. Capital Assets – (Cont'd)

	Beginning Balance	Increases	Disposals	Ending Balance
B. Business-type Activities:				
Capital assets, not being depreciated - Land	$ 146,815	$ -	$ -	$ 146,815
Capital assets, being depreciated				
Gas system	1,991,319	-	-	1,991,319
Sewer system	6,657,821	-	-	6,657,821
Water system	5,524,122	857,525	-	6,381,647
Equipment	40,837	-	-	40,837
Total capital assets, being depreciated	14,214,099	857,525	-	15,071,624
Less accumulated depreciation for:				
Gas system	1,219,221	38,594	-	1,257,815
Sewer system	5,334,556	229,889	-	5,564,445
Water system	2,645,282	134,385	-	2,779,667
Equipment	40,837	-	-	40,837
Total accumulated depreciation	9,239,896	402,868	-	9,642,764
Total capital assets, being depreciated, net	4,974,203	454,657	-	5,428,860
Business-type activities capital assets, net	$ 5,121,018	$ 454,657	$ -	$ 5,575,675

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental activities:	
General government	$ 11,280
Streets and roads	95,617
Public safety	21,428
Culture and recreation	44,651
Economic development	7,786
Social services	3,389
Total depreciation expense - governmental activities	$ 184,151

Note 8. Employee Retirement Systems

Illinois Municipal Retirement Fund

Plan Description. The employer's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer'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 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.

Note 8. Employee Retirement Systems – (Cont'd)

Illinois Municipal Retirement Fund – (Cont'd)

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 75% 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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms. As of December 31, 2025, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	25
Inactive Plan Members entitled to but not yet receiving benefits	14
Active Plan Members	18
Total	57

Contributions. As set by statute, the employer'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 contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2025 was 5.56%. For the fiscal year ended April 30, 2026, the employer contributed $82,183 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The employer's net pension liability was measured as of December 31, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Note 8. Employee Retirement Systems – (Cont'd)

Illinois Municipal Retirement Fund – (Cont'd)

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2025:

- 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 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study of the period 2020-2022.
- For **Non-Disabled Retirees,** the Pub-2010, Amount-Weighted, below median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For **Active Members**, the Pub-2010, Amount-Weighted, below median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- The **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 as of December 31, 2025:

Note 8. Employee Retirement Systems – (Cont'd)

Illinois Municipal Retirement Fund – (Cont'd)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	32.50%	7.35%
International Equity	18.00%	7.45%
Fixed Income	24.00%	4.75%
Real Estate	10.50%	6.25%
Alternative Investments	14.00%	3.90-8.50%
Cash Equivalents	1.00%	3.00%
Total	100.00%	

Single Discount Rate. A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.83%, and the resulting single discount rate is 7.25%.

Note 8. Employee Retirement Systems – (Cont'd)

Illinois Municipal Retirement Fund – (Cont'd)

Changes in the Net Pension Liability.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2024	$ 4,479,285	$ 4,241,269	$ 238,016
Changes for the year:			
Service Cost	74,475	-	74,475
Interest on the Total Pension Liability	316,622	-	316,622
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(616,458)	-	(616,458)
Changes of Assumptions	-	-	-
Contributions - Employer	-	35,820	(35,820)
Contributions - Employees	-	39,789	(39,789)
Net Investment Income	-	686,696	(686,696)
Benefit Payments, including Refunds of Employee Contributions	(298,644)	(298,644)	-
Other (Net Transfer)	-	(263,305)	263,305
Net Changes	(524,005)	200,356	(724,361)
Balances at December 31, 2025	$ 3,955,280	$ 4,441,625	$ (486,345)

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

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Total Pension Liability	$ 4,360,336	$ 3,955,280	$ 3,635,500
Plan Fiduciary Net Position	4,441,625	4,441,625	4,441,625
Net Pension Liability/(Asset)	$ (81,289)	$ (486,345)	$ (806,125)

Note 8. Employee Retirement Systems – (Cont'd)

Illinois Municipal Retirement Fund – (Cont'd)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2026, the employer recognized pension expense of $164,970. At April 30, 2026, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	$ 75,687	$ 417,234
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	200,990	462,124
Total Deferred Amounts to be recognized in pension expense in future periods	$ 276,677	$ 879,358
Pension Contributions made subsequent to the Measurement Date	$ 23,929	$ -
Total Deferred Amounts Related to Pensions	$ 300,606	$ 879,358

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:

Year Ending December 31,	Net Deferred Outflows of Resources
2026	$ (37,675)
2027	(338,281)
2028	(123,430)
2029	(79,366)
2030	-
Thereafter	-
Total	$ (578,752)

Note 9. Accounts Receivable

Accounts receivable at April 30, 2026 consisted of the following:

	Governmental	Proprietary	Total
Intergovernmental	$ 258,888	$ -	$ 258,888
Accounts	-	155,606	155,606
Notes	121,560	-	121,560
Interest	37	15,928	15,965
Other	9,614	5,386	15,000
Gross receivables	390,099	176,920	567,019
Allowance for uncollectible	-	-	-
Net total receivables	$ 390,099	$ 176,920	$ 567,019

Note 10. Interfund Balances

Interfund balances at April 30, 2026, consisted of the following:

Due From:	General Fund
Due To:	
Nonmajor Governmental Fund	$ 17,179

The General Fund owes the Business District Fund for business district tax not yet transferred.

Note 11. Notes Receivable

The Revolving Loan Fund reflects community development loans receivable in the amount of $121,560. The loans bear interest at annual rates between 0 and 3 percent. The loans will be repaid over periods of up to 10 years. An allowance account has been determined to be unnecessary at April 30, 2026.

Note 12. Restricted Cash

Restricted cash in the amount of $456,053 is comprised of the following: In the General Fund, $92,695 is restricted for debt service. In the Water Fund, $216,423 is restricted for debt service. In the Sewer Fund, $146,935 is restricted for debt service.

Note 13. Gas Purchase Contract

During fiscal year 2020, the City entered into a 30-year contract for the purchase of natural gas from PEFA, Inc. The City anticipates realizing a discount to market index natural gas prices.

Note 14. Long-term Debt

Governmental long-term debt activity for the year ended April 30, 2026 was as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
2014 Alternate Revenue Bonds	$ 1,175,000	$ -	$ 95,000	$ 1,080,000	$ 100,000
Dump Truck Loan	43,060	-	18,503	24,557	19,532
Total	$ 1,218,060	$ -	$ 113,503	$ 1,104,557	$ 119,532

The City of Grayville issued $2,030,000 of General Obligation Bonds (Alternate Revenue Source), Series 2014, during the 2015 fiscal year for the purpose of providing funds to acquire, construct, renovate, and improve streets, sidewalks and utilities within the City. The bonds carry interest rates varying from 0.60% to 4.30% over their life with principal due November 1st each year and interest due May 1st and November 1st each year. The bonds have a maturity date of November 1, 2034. Bond payments are made from the General Fund. Debt service requirements at April 30, 2026 were as follows:

Year Ended April 30	Principal	Interest	Total
2027	$ 100,000	$ 41,773	$ 141,773
2028	105,000	38,004	143,004
2029	110,000	33,890	143,890
2030	115,000	29,474	144,474
2031	120,000	24,773	144,773
2032-2035	530,000	46,167	576,167
Totals	$ 1,080,000	$ 214,081	$ 1,294,081

Note 14. Long-term Debt (Cont'd)

On May 16, 2023 the City obtained a loan from Citizens National Bank in the amount of $73,125 for the purchase of a dump truck. The loan carries an interest rate of 5.45% and requires quarterly payments of $5,119. The loan matures on May 16, 2027. Debt service requirements at April 30, 2026 were as follows:

Year Ended April 30	Principal	Interest	Total
2027	$ 19,532	$ 944	$ 20,476
2028	5,025	68	5,093
Totals	$ 24,557	$ 1,012	$ 25,569

Business-type long-term debt activity for the year ended April 30, 2026 was as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Sewer Revenue Bonds 92-06	$ 912,000	$ -	$ -	$ 912,000	$ 24,000
Sewer Revenue Bonds 92-07	121,000	-	-	121,000	3,000
Water Revenue Bonds 91-05	840,000	-	-	840,000	20,000
Meter Lease-Water Fund	519,805	-	86,488	433,317	90,095
Meter Lease-Gas Fund	19,012	-	-	19,012	-
Total	$ 2,411,817	$ -	$ 86,488	$ 2,325,329	$ 137,095

On May 2, 2016, the City issued $1,040,000 of Sewer System Revenue Bonds, Series 2016A, for the purpose of constructing sewer line extensions. The bonds carry an interest rate of 2.25% with principal due May 1st each year and interest due May 1st and November 1st each year. The bonds have a maturity date of May 1, 2056. Debt service requirements at April 30, 2026 are as follows:

Note 14. Long-term Debt (Cont'd)

Year Ended April 30	Principal	Interest	Total
2027	$ 24,000	$ 20,250	$ 44,250
2028	24,000	19,710	43,710
2029	24,000	19,170	43,170
2030	24,000	18,630	42,630
2031	24,000	18,090	42,090
2032-2036	120,000	82,350	202,350
2037-2041	120,000	68,850	188,850
2042-2046	160,000	53,100	213,100
2047-2051	160,000	35,100	195,100
2052-2056	192,000	15,660	207,660
2057	40,000	450	40,450
Totals	$ 912,000	$ 351,360	$ 1,263,360

On May 2, 2016, the City issued $140,000 of Sewer System Revenue Bonds, Series 2016B, for the purpose of constructing sewer line extensions. The bonds carry an interest rate of 2.5% with principal due May 1st each year and interest due May 1st and November 1st each year. The bonds have a maturity date of May 1, 2056. Debt service requirements at April 30, 2026 are as follows:

Year Ended April 30	Principal	Interest	Total
2027	$ 3,000	$ 2,689	$ 5,689
2028	3,000	2,621	5,621
2029	3,000	2,554	5,554
2030	3,000	2,486	5,486
2031	3,000	2,419	5,419
2032-2036	15,000	11,081	26,081
2037-2041	19,000	9,214	28,214
2042-2046	20,000	6,975	26,975
2047-2051	22,000	4,680	26,680
2052-2056	25,000	1,969	26,969
2057	5,000	56	5,056
Totals	$ 121,000	$ 46,744	$ 167,744

Note 14. Long-term Debt (Cont'd)

On May 2, 2016, the City issued $1,000,000 of Water System Revenue Bonds, Series 2016, for the purpose of constructing water line extensions. The bonds carry an interest rate of 2.25% with principal due May 1st each year and interest due May 1st and November 1st each year. The bonds have a maturity date of May 1, 2056. Debt service requirements at April 30, 2026 are as follows:

Year Ended April 30	Principal	Interest	Total
2027	$ 20,000	$ 18,675	$ 38,675
2028	20,000	18,225	38,225
2029	20,000	17,775	37,775
2030	20,000	17,325	37,325
2031	20,000	16,875	36,875
2032-2036	100,000	77,625	177,625
2037-2041	120,000	65,925	185,925
2042-2046	150,000	50,063	200,063
2047-2051	150,000	33,187	183,187
2052-2056	180,000	15,300	195,300
2057	40,000	450	40,450
Totals	$ 840,000	$ 331,425	$ 1,171,425

On July 26, 2018 the City entered into a lease agreement with BB Community Leasing Services, Inc. for the purchase of an automated meter information system. Final draws on the lease totaled $1,016,760. Amortization expense has been included in depreciation expense in the financial statements. The lease carries an interest rate of 4.09% with monthly payments of $8,880 due through November 1, 2028, and a final payment of $220,000 due on December 1, 2028. The lease has been accounted for in the Water and Gas Funds. Debt service requirements at April 30, 2026 are as follows:

Year Ended April 30	Principal	Interest	Total
2027	$ 90,095	$ 16,469	$ 106,564
2028	93,851	12,713	106,564
2029	268,383	4,899	273,282
	$ 452,329	$ 34,081	$ 486,410

Note 15. Bond Compliance

Bond compliance for the General Fund bonds are as follows: There shall be established and administered by the City Treasurer the following separate funds and accounts:

1. A Bond Proceeds Account shall be maintained and used solely for the purpose of (1) paying the costs of the Project in accordance with the plans and specifications approved by the City Council, (2) paying the costs and expenses of issuing the Bonds, (3) redeeming Bonds, and (4) paying capitalized interest on the Bonds for a period not to exceed two years from the issue date of the Bonds. Upon completion of the purpose for which the Bonds have been issued, any surplus remaining in the Bond Proceeds account shall be transferred to and deposited in the Bond Reserve Account.

2. A Bond Reserve Account shall be maintained and used solely for the purpose of carrying out the terms and conditions of the Bond Ordinance. The Treasurer shall deposit pledged taxes levied for the bonds into this account. In each calendar year, the Treasurer shall deposit such an amount until there is accumulated and held, before the abatement of pledged taxes, an amount sufficient to pay the principal and interest on the outstanding bonds due in the next succeeding bond year. Any money remaining in the Bond Reserve account after retirement of the indebtedness for which the Bonds were issued shall be paid into the City's General Fund.

The City is in compliance with the above requirements at April 30, 2026.

Bond compliance for the Water & Sewer Fund bonds are as follows: There shall be established and administered by the City Treasurer the following separate funds and accounts:

1. An Operations and Maintenance Fund shall be maintained into which sufficient funds shall be transferred to pay the estimated cost of expenses during the ensuing month.

2. A Debt Service Fund shall be established into which monthly transfers shall be made equal to 1/6 of the amount of interest becoming due on the bonds on the next succeeding interest payment date and 1/12 of the amount of principal that will become due on the bonds on the next succeeding bond payment date.

3. A Debt Service Reserve Fund must be maintained to prevent any default in the payment of the bonds. For the Sewer Fund bonds, a sum of $382 must be deposited each month until a sum of $45,773 is reached. For the Water Fund bonds, a sum of $324 must be deposited each month until a sum of $38,790 is reached.

Note 15. Bond Compliance (Cont'd)

4. A Short-Lived Asset Fund must be maintained for the repair and replacement of the system. For the Sewer Fund, a monthly transfer of $833 is required until the bonds are paid off. For the Water Fund, a monthly transfer of $1,421 is required until the bonds are paid off.

The City is not in compliance with the Debt Service requirements for the Water and Sewer Bonds and the Operations and Maintenance requirements for the Sewer Bonds at April 30, 2026.

Note 16. Legal Debt Margin

Assessed Valuation - 2024	$ 18,686,374
Legal Debt Limit - 8.625% of assessed valuation	$ 1,611,700
Amount of debt applicable to debt limit	(476,886)
Legal debt margin (deficit)	$ 1,134,814

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.25% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Note 17. W-2E, Inc.

W2E, Inc. is an Illinois not-for-profit corporation formed on September 1, 2022. It was formed for the purpose of owning and operating water supply facilities for drinking and general domestic use on a mutual or cooperative basis. It will finance, design, construct and thereafter own and operate a water treatment plant and the related appurtenances and distribution lines necessary to supply potable water to the Cities of Grayville and Albion.

The City of Grayville, Illinois is a member of W2E, Inc. along with the City of Albion, Illinois. Each of the two members have appointed 3 representatives to the corporation's board of directors. Said directors then appointed a seventh director.

The City of Grayville will guarantee up to $6,000,000 of W2E, Inc.'s debt.

Note 18. Transfers

Interfund transfers at April 30, 2026 consisted of the following:

Transfer From:	General	Sewer	TIF #1	Nonmajor Governmental	Total
Transfer To:					
Nonmajor Governmenta	$ 87,269	$ -	$ -	$ -	$ 87,269
Water	-	137,972	397,037	307,515	842,524
Total	$ 87,269	$ 137,972	$ 397,037	$ 307,515	$ 929,793

The General Fund transferred $87,269 to the RLF Fund to offer additional small business loans. The remaining transfers were for the water main project.

Required Supplementary Information

City of Grayville
White and Edwards County, Illinois
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual General Fund
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual
Revenues			
Property taxes	$ 252,970	$ 272,519	$ 278,159
Licenses and permits	25,275	118,983	24,980
Intergovernmental			
Replacement tax	46,200	32,472	32,472
Sales and use tax	510,000	398,286	471,311
Illinois income tax	200,000	284,204	284,204
Video gaming tax	110,750	125,424	120,379
Cannabis sales and use tax	380,000	417,679	403,120
Grants	-	25,087	-
Franchise tax	10,000	759	759
Total intergovernmental	1,256,950	1,283,911	1,312,245
Fines and fees	10,000	12,399	13,105
Charges for services	22,350	63,822	63,822
Miscellaneous			
Oil royalties	25,000	20,865	20,865
Interest	12,600	8,705	11,425
Donations	400	21,687	21,687
Other	10,500	10,435	15,589
Lease income	5,697	9,902	5,538
Refunds/reimbursements	-	4,513	22,263
Sale of assets/materials	-	14,428	14,428
Total miscellaneous	54,197	90,535	111,795
Total revenues	1,621,742	1,842,169	1,804,106

City of Grayville
White and Edwards County, Illinois
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual General Fund
For the Year Ended April 30, 2026
(Continued)

	Original Budget	Final Budget	Actual
Expenditures			
Current:			
General Government:			
Administration			
Salaries and benefits	$ 530,452	$ 440,049	$ 446,586
Contractual services	116,300	92,856	111,180
Office supplies	29,500	24,251	24,251
Training and travel	15,000	7,786	7,786
Insurance	28,074	67,409	50,882
Telephone and utilities	192,000	221,020	230,324
Supplies	36,000	58,154	58,154
Donations	10,000	2,500	2,500
Miscellaneous	11,700	5,892	10,311
Total general government	969,026	919,917	941,974
Culture and Recreation:			
Library			
Salaries and benefits	$ 114,059	$ 107,845	$ 109,005
Contractual services	11,550	12,803	12,803
Telephone and utilities	7,850	10,397	10,397
Supplies	13,800	23,885	23,885
Miscellaneous	300	2,590	2,590
Office expense	1,050	930	930
Travel and training	6,000	6,000	6,000
Insurance	-	2,357	2,357
Total library	154,609	166,807	167,967
Parks			
Salaries and benefits	35,918	42,558	42,558
Materials and supplies	6,000	20,565	19,341
Contractual services	25,000	10,665	10,665
Miscellaneous	500	300	300
Total parks	67,418	74,088	72,864
Total culture and recreation	222,027	240,895	240,831

City of Grayville
White and Edwards County, Illinois
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual General Fund
For the Year Ended April 30, 2026
(Continued)

	Original Budget	Final Budget	Actual
Public Safety:			
Police			
Salaries and benefits	464,680	356,677	370,090
Contractual services	6,000	12,196	12,196
Dispatching	35,700	34,520	34,520
Materials and supplies	11,500	8,230	2,909
Miscellaneous	5,000	5,620	5,620
Lease expense	15,100	15,054	15,054
Cannabis tax rebate	200,000	207,675	200,365
Training and travel	10,000	11,423	11,422
Total police	747,980	651,395	652,176
Social Services:			
Cemetery			
Salaries and benefits	102,722	77,021	77,449
Supplies	5,000	4,041	4,041
Total cemetery	107,722	81,062	81,490
Streets and Roads:			
Salaries and benefits	$ 111,512	$ 78,359	$ 78,628
Contractual services	14,450	17,444	17,444
Materials and supplies	31,000	31,258	54,326
Rentals	-	2,100	2,100
Total streets and roads	156,962	129,161	152,498
Debt Service	119,969	45,211	160,687
Capital Outlay	22,000	43,544	-
Total expenditures	2,345,686	2,111,185	2,229,656

City of Grayville
White and Edwards County, Illinois
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual General Fund
For the Year Ended April 30, 2026
(Concluded)

	Original Budget	Final Budget	Actual
Excess (deficiency) of revenues over expenditures	$ (723,944)	$ (269,016)	$ (425,550)
Other financing sources (uses)			
Transfer in	-	-	
Transfer out	(75,000)	(87,269)	(87,269)
Total other financing sources (uses)	(75,000)	(87,269)	(87,269)
Net change in fund balance	$ (798,944)	$ (356,285)	(512,819)
Fund balances - beginning			542,970
Fund balances - ending			$ 30,151

City of Grayville
White and Edwards County, Illinois
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual TIF #1 Fund
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual
Revenues			
Property taxes	$ 400,000	$ 374,963	$ 374,963
Interest	-	3,592	3,592
Total revenues	400,000	378,555	378,555
Expenditures			
Current:			
Economic development:			
Engineering	1,000	-	-
Legal services	1,500	804	804
Consulting fees	2,500	2,235	2,235
Inducements	115,000	179,472	187,972
Public improvements	196,500	410,367	50,000
Miscellaneous		-	1,861
Total expenditures	316,500	592,878	242,872
Excess (deficiency) of revenues over expenditures	83,500	(214,323)	135,683
Other financing sources (uses)			
Transfer in (out)	-	(1,861)	(397,037)
Total other financing sources (uses)	-	(1,861)	(397,037)
Net change in fund balances	$ 83,500	$ (216,184)	(261,354)
Fund balances - beginning			535,510
Fund balances - ending			$ 274,156

City of Grayville
White and Edwards County, Illinois
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Business District Fund
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Sales tax	$ 174,000	$ 356,102	$ 393,918
Interest	-	-	1,793
Total revenues	174,000	356,102	395,711
Expenditures			
Current:			
General government			
Business district incentives	25,000	-	-
Legal	100	-	-
Total expenditures	25,100	-	-
Excess (deficiency) of revenues over expenditures	148,900	356,102	395,711
Other financing sources (uses)			
Transfer in (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	$ 148,900	$ 356,102	395,711
Fund balances - beginning			56,655
Fund balances - ending			$ 452,366

City of Grayville
White and Edwards County, Illinois
Illinois Municipal Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios
April 30, 2026

Calendar year ending December 31,	2025	2024	2023	2022	2021
Total pension liability					
Service cost	$ 74,475	$ 69,195	$ 59,023	$ 64,410	$ 55,891
Interest on the total pension liability	316,622	294,488	302,145	288,619	274,537
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(616,458)	235,973	(186,934)	104,936	137,452
Changes of assumptions	-	-	(8,361)	-	-
Benefit payments and refunds	(298,644)	(295,345)	(257,809)	(279,590)	(276,222)
Net change in total pension liability	(524,005)	304,311	(91,936)	178,375	191,658
Total pension liability - beginning	4,479,285	4,174,974	4,266,910	4,088,535	3,896,877
Total pension liability - ending (a)	$ 3,955,280	$ 4,479,285	$ 4,174,974	$ 4,266,910	$ 4,088,535
Plan fiduciary net position					
Contributions - employer	$ 35,820	$ 53,342	$ 30,864	$ 45,221	$ 62,805
Contributions - employee	39,789	37,507	31,709	30,282	26,713
Net investment income	686,696	414,014	447,230	(663,305)	740,713
Benefit payments and refunds	(298,644)	(295,345)	(257,809)	(279,590)	(276,222)
Other (Net Transfer)	(263,305)	(75,468)	(75,690)	(32,062)	81,739
Net change in plan fiduciary net position	200,356	134,050	176,304	(899,454)	635,748
Plan fiduciary net position - beginning	4,241,269	4,107,219	3,930,915	4,830,369	4,194,621
Plan fiduciary net position - ending (b)	$ 4,441,625	$ 4,241,269	$ 4,107,219	$ 3,930,915	$ 4,830,369
City's net pension liability - ending (a) - (b)	$ (486,345)	$ 238,016	$ 67,755	$ 335,995	$ (741,834)
Plan fiduciary net position as a percentage of the total pension liability	112.30%	94.69%	98.38%	92.13%	118.14%
Covered-employee payroll	$ 884,199	$ 833,467	$ 704,650	$ 672,942	$ 593,620
City's net pension liability as a percentage of covered-valuation payroll	-55.00%	28.56%	9.62%	49.93%	-124.97%

City of Grayville
White and Edwards County, Illinois
Illinois Municipal Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios
April 30, 2026
(Concluded)

Calendar year ending December 31,	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$ 69,429	$ 63,349	$ 52,028	$ 48,087	$ 55,878
Interest on the total pension liability	284,893	275,339	278,354	282,841	287,916
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(183,770)	62,495	(94,424)	(5,140)	(131,330)
Changes of assumptions	(26,142)	-	104,559	(123,944)	(8,978)
Benefit payments and refunds	(284,742)	(260,145)	(259,428)	(267,859)	(287,190)
Net change in total pension liability	(140,332)	141,038	81,089	(66,015)	(83,704)
Total pension liability - beginning	4,037,209	3,896,171	3,815,082	3,881,097	3,964,801
Total pension liability - ending (a)	$ 3,896,877	$ 4,037,209	$ 3,896,171	$ 3,815,082	$ 3,881,097
Plan fiduciary net position					
Contributions - employer	$ 60,009	$ 48,095	$ 67,405	$ 72,384	$ 87,344
Contributions - employee	25,596	27,712	25,446	24,344	23,966
Net investment income	575,859	677,499	(259,172)	651,869	230,908
Benefit payments and refunds	(284,742)	(260,145)	(259,428)	(267,859)	(287,190)
Other (Net Transfer)	(45,336)	(21,792)	(43,459)	(89,907)	31,359
Net change in plan fiduciary net position	331,386	471,369	(469,208)	390,831	86,387
Plan fiduciary net position - beginning	3,863,235	3,391,866	3,861,074	3,470,243	3,383,856
Plan fiduciary net position - ending (b)	$ 4,194,621	$ 3,863,235	$ 3,391,866	$ 3,861,074	$ 3,470,243
City's net pension liability - ending (a) - (b)	$ (297,744)	$ 173,974	$ 504,305	$ (45,992)	$ 410,854
Plan fiduciary net position as a percentage of the total pension liability	107.64%	95.69%	87.06%	101.21%	89.41%
Covered-employee payroll	$ 568,803	$ 615,817	$ 565,478	$ 540,987	$ 532,582
City's net pension liability as a percentage of covered-valuation payroll	-52.35%	28.25%	89.18%	-8.50%	77.14%

Supplementary Information

City of Grayville
White and Edwards County, Illinois
Illinois Municipal Retirement Fund Schedule of Contributions
April 30, 2026

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	$ 87,343	$ 87,344	$ (1)	$ 532,582	16.40%
2017	72,384	72,384	-	540,987	13.38%
2018	67,405	67,405	-	565,478	11.92%
2019	48,095	48,095	-	615,817	7.81%
2020	60,009	60,009	-	568,803	10.55%
2021	62,805	62,805	-	593,620	10.58%
2022	45,222	45,221	1	672,942	6.72%
2023	30,864	30,864	-	704,650	4.38%
2024	53,342	53,342	-	833,467	6.40%
2025	49,161	35,820	13,341	884,193	4.05%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2025 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 2025 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): 18-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	2.75%
Price Inflation:	2.25%
Salary Increases:	2.85% to 13.75%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality:	For non-disabled retirees, the Pub-2010, Amount Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Other Information:

Notes:	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2023, actuarial valuation

City of Grayville
White and Edwards County, Illinois
Notes to the Required Supplementary Information
April 30, 2026

Note 1. Legal Compliance and Accountability

A. Budgetary Control

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Council proposes an operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted by the City to obtain taxpayer comments, if applicable.

3. Subsequently, the budget is legally enacted through the passage of an ordinance.

4. Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds.

5. Budgets for the governmental funds for which budgets have been adopted are adopted on a basis consistent with GAAP.

6. Budgetary authority lapses at fiscal year-end.

7. State law requires that Aexpenditures be made in conformity with appropriations/budget. As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds require City Board approval. The level of legal control is generally the fund budget in total.

8. Budgeted amounts are as originally adopted, with the exceptions of Board approved transfers which were not material in relation to the budget taken as a whole.

   The budget was approved on April 14, 2025 and was amended on August 24, 2026.

B. Excess of Expenditures/Expenses over Budget in Major Governmental Funds

The General Fund had expenditures in excess of budgeted amounts of $118,471 for the fiscal year ending April 30, 2026.

City of Grayville
White and Edwards County, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2026

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Motel Tax	Motor Fuel Tax	Revolving Loan	TIF #2	
Assets					
Cash and cash equivalents	$ 60,221	$ 286,797	$ 69,261	$ 123,555	$ 539,834
Due from other funds	-	-	-	-	-
Receivables, net	4,741	5,722	121,560	-	132,023
Total assets	$ 64,962	$ 292,519	$ 190,821	$ 123,555	$ 671,857
Liabilities and Fund Balances					
Liabilities:					
Total liabilities	$ -	$ -	$ -	$ -	$ -
Fund balances:					
Restricted for:					
Economic development	64,962	-	190,821	123,555	379,338
Streets and roads	-	292,519	-	-	292,519
Committed to general government	-				-
Total fund balances	64,962	292,519	190,821	123,555	671,857
Total liabilities and fund balances	$ 64,962	$ 292,519	$ 190,821	$ 123,555	$ 671,857

City of Grayville
White and Edwards County, Illinois
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended April 30, 2026

	Special Revenue Funds				
	Motel Tax	Motor Fuel Tax	Revolving Loan	TIF #2	Total Nonmajor Governmental Funds
Revenues					
Property taxes	$ -	$ -	$ -	$ 156,412	$ 156,412
Other taxes	56,740	-	-	-	56,740
Intergovernmental	-	71,211	-	-	71,211
Interest	518	2,675	2,679	2,116	7,988
Total revenues	57,258	73,886	2,679	158,528	292,351
Expenditures					
Current:					
Streets and roads	-	26,549	-	-	26,549
Economic development	50,033	-	50,700	4,725	105,458
Capital outlay	-	-	31,456	-	31,456
Total expenditures	50,033	26,549	82,156	4,725	163,463
Excess (deficiency) of revenues over expenditures	7,225	47,337	(79,477)	153,803	128,888
Other financing sources (uses)					
Transfers in (out)	-	-	87,269	(307,515)	(220,246)
Total other financing sources (uses)	-	-	87,269	(307,515)	(220,246)
Net change in fund balances	7,225	47,337	7,792	(153,712)	(91,358)
Fund balances - beginning	57,737	245,182	183,029	277,267	763,215
Fund balances - ending	$ 64,962	$ 292,519	$ 190,821	$ 123,555	$ 671,857