



2025

Annual Comprehensive Financial Report

Year Ended December 31, 2025

**Annual Comprehensive
Financial Report
of the City of Galesburg, Illinois**

December 31, 2025

Prepared by: Finance Department

City of Galesburg, Illinois

Table of Contents
December 31, 2025

	<u>Page</u>
Introductory Section	
Transmittal Letter	i
Certificate of Achievement for Excellence in Financial Reporting	iv
Organization Chart	v
Elected and Appointed City Officials	vi
Financial Section	
Independent Auditors' Report	1
Required Supplementary Information	
Management's Discussion and Analysis (Unaudited)	4
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	21
Fund Financial Statements	
Balance Sheet - Governmental Funds	23
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Net Position - Proprietary Funds	27
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	29
Statement of Cash Flows - Proprietary Funds	30
Statement of Fiduciary Net Position - Fiduciary Funds	32
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	33
Index to Notes to Financial Statements	34
Notes to Basic Financial Statements	35

City of Galesburg, Illinois

Table of Contents
December 31, 2025

	<u>Page</u>
Required Supplementary Information	
Historical Pension and Other Postemployment Benefit Information:	
Illinois Municipal Retirement Fund:	
Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios	86
Schedule of Employer Contributions	90
Illinois Municipal Retirement Fund - Town of the City of Galesburg:	
Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios	92
Schedule of Employer Contributions	94
Police Pension Plan:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	95
Schedule of Employer Contributions	97
Schedule of Investment Returns	98
Firefighters' Pension Plan:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	99
Schedule of Employer Contributions	101
Schedule of Investment Returns	102
Other Postemployment Benefit Plan:	
Schedule of Changes in the City's Net OPEB Liability and Related Ratios	103
Schedule of Employer Contributions	105
Schedule of Investment Returns	106
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	107
Special Revenue Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Economic Development Fund - Major Special Revenue Fund	108
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Parks and Recreation Fund - Major Special Revenue Fund	109
Notes to Required Supplementary Information	110
Supplementary Information	
Nonmajor Governmental Funds	
Combining Balance Sheet	111
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	115

City of Galesburg, Illinois

Table of Contents
December 31, 2025

	<u>Page</u>
Special Revenue Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
City Gas Tax Fund	119
Motor Fuel Tax Fund	120
Federal Special Enforcement Fund	121
State Special Enforcement Fund	122
Stormwater Utility Fund	123
Foreign Fire Fund	124
Airport Fund	125
Property Redevelopment Fund	126
Public Transportation Fund	127
Public Transportation Projects Fund	128
911 Communication Fund	129
Town of the City of Galesburg Fund	130
Grants Fund	131
Community Improvements / Infrastructure Fund	132
Debt Service Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
2013A GO Bonds Business District Fund	133
2016 GO Bonds Debt Service Fund	134
2023 GO Bonds Debt Service Fund	135
Capital Projects Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
2013A Business District Fund	136
2023 GO Bond Capital Expense Fund	137
Utility Tax Capital Projects Fund	138
Building Repair and Maintenance Fund	139
Computer Replacement Fund	140
Vehicle Replacement Fund	141
Players Fields Fund	142
Capital Planning Fund	143
TIF IV Fund	144
TIF V Fund	145
Grand Avenue TIF 6 Fund	146
Permanent Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Linwood Cemetery Fund	147
East Linwood Cemetery Fund	148

City of Galesburg, Illinois

Table of Contents
December 31, 2025

	<u>Page</u>
Component Unit	
Statement of Net Position and Governmental Funds Combining Balance Sheet	149
Statement of Activities and Governmental Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances	150
Statistical Section (Unaudited)	
Contents	151
Comments Relative to Statistical Section	152
Financial Trend	
Net Position by Component - Last Ten Fiscal Years	153
Changes in Net Position - Last Ten Fiscal Years	155
Fund Balances, Governmental Funds - Last Ten Fiscal Years	159
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	161
Revenue Capacity	
Direct and Overlapping Property Tax Rates - Last Ten Tax Years	163
Assessed Value and Actual Value of Taxable Property - Last Ten Tax Years	165
Principal Property Taxpayers - Current Year and Ten Years Ago	167
Property Tax Levies and Collections - Last Ten Tax Years	168
Taxable Sales by Category - Last Ten Tax Years	169
Direct and Overlapping Sales Tax Rates - Last Ten Tax Years	171
Debt Capacity	
Ratio of Net General Bonded Debt Outstanding by Type - Last Ten Fiscal Years	172
Direct and Overlapping Governmental Activities Debt	174
Demographic and Economic Information	
Demographic and Economic Statistics - Last Ten Fiscal Years	175
Principal Employers - Current Year and Ten Years Ago	176
Full-time Equivalent City Government Employees by Functions/Programs - Last Ten Fiscal Years	177
Operating Information	
Operating Indicators by Function - Last Ten Fiscal Years	179
Capital Asset Statistics by Function - Last Ten Fiscal Years	181



June 26, 2026

The Citizens of the City of Galesburg, Honorable Mayor and City Council
City of Galesburg
Galesburg, Illinois

Dear Mayor, Council, and Galesburg Residents:

The Annual Comprehensive Financial Report of the City of Galesburg for the fiscal year ended December 31, 2025, is submitted herewith. The State of Illinois requires every general-purpose local government to publish a complete set of audited financial statements at the end of each fiscal year. This report fulfills that requirement and is a comprehensive picture of the City's financial transactions during the 2025 fiscal year. This report was prepared by the City's Finance Department, and responsibility for the completeness and reliability of the information rests with City management. To the best knowledge and belief of the City, the enclosed information is accurate in all material respects and is presented in a manner to fairly present the financial position of the City of Galesburg.

A comprehensive framework of internal controls has been developed to help assure that the assets of the City are protected against loss, theft, or misuse. The system of internal controls also helps ensure the reliability of the financial data compiled by the accounting system to prepare the City's financial statements. The cost of internal control should not exceed the anticipated benefits. Therefore, the goal of the internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City of Galesburg financial statements for the year ended December 31, 2025, have been audited by Baker Tilly. An unmodified ("clean") opinion has been issued. The independent auditors' report is presented as the first component of the financial section of this report.

Generally accepted accounting principles (GAAP) require management to provide a narrative introduction, overview, and analysis of the basic financial statements in the form of Management's discussion and analysis (MD&A). The MD&A is located immediately following the independent auditors' report.

Profile of the City of Galesburg

The City of Galesburg, incorporated on February 14, 1857, is located on Interstate 74 in northwest Illinois. Galesburg is located 45 miles from both Peoria and the Quad Cities on I-74, 50 miles east of the Mississippi River, and a three-hour train ride from downtown Chicago via Amtrak. This central location allows residents to be able to access a variety of different cities with ease. It currently occupies approximately 17.75 square miles and, based on the 2020 U.S. Census, serves a population of 30,052. The City of Galesburg is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Galesburg is a home rule municipality and operates under a Council-Manager form of government. Policy and legislative authority are vested in a governing council consisting of seven members and a mayor. The Council appoints the government's city manager, who in turn appoints the various department heads.

The City provides a full range of services, including public safety, water service, refuse and recycling collection, landscape waste collection, parks, campground, municipal airport, municipal golf course, municipal indoor swimming pool, water park, recreational programs, cemeteries, and the care of streets and sidewalks. The City of Galesburg is also financially accountable for a legally separated public library and the Town of the City of Galesburg. Both of which are reported separately within the City of Galesburg's financial statements. Additional information on these legally separate entities may be found in the notes to the financial statements.

Local Economy

The local economy for 2025 showed mixed growth in key revenue sources such as the Food and Beverage tax, which increased 2.3% and the Home Rule tax, which increased 8.9%, from 2024. At the same time, Sales and Use tax remained flat and the Hotel/Motel tax decreased 3.0%. The mixed growth is due to nationwide inflationary factors and changes to Use tax implemented by the State of Illinois.

In 2025, the City of Galesburg experienced strategic economic growth, leveraging targeted development agreements to facilitate over \$86 million in private investment and the creation of more than 225 full-time jobs.

Landmark commercial achievements included the full revitalization of the former Maytag plant by Western Smokehouse Partners, which created over 150 high-quality manufacturing jobs. Additionally, Thrushwood Farms Quality Meats embarked on a \$22 million expansion project supported by a \$100,000 City grant, which is expected to create 50 new full-time positions. The downtown corridor was further strengthened by projects such as the revitalization of a vacant location by Orange Cup Sidecar and a \$100,000 revolving loan to support Dante & Dory's new location.

Vital local projects were completed in 2025 with over \$45 million in total grant funds. Projects included infrastructure and public transportation, parks, public safety, economic development, and housing. A critical foundation for future commercial development was established by securing a \$25 million RAISE Grant from the U.S. Department of Transportation to install rail infrastructure at the Galesburg Logistics Park. This project aligns with the community's top priority, as 77% of citizens surveyed identified attracting industry and jobs as the most important area for emphasis.

The City also prioritized neighborhood revitalization. Housing initiatives leveraged \$2.5 million in state and federal grants to improve local living conditions. These efforts included \$400,000 for nine residential renovation projects via the IHDA Home Repair and Accessibility Program and a \$562,000 grant for the demolition of 35 blighted properties. Furthermore, the local Housing Repair Assistance Program supported 31 repair projects for owner-occupied homes to ensure they meet local codes and safety standards.

Long-term Financial Planning

The Capital Improvement Plan (CIP) is a planning document prepared by staff to assist the City Council in their prioritization of major capital improvements projected to take place over a five-year period. The CIP includes detailed information on each planned capital expenditure that the City has projected over a five-year period, including the current fiscal year.

The CIP is updated annually in July by staff and presented to the City Council for review each October. For each project, staff lists the priority, description, justification, and cost, as well as any proposed changes for Council consideration.

Relevant Financial Policies

The City's Investment Policy is presented and approved on an annual basis for City Council's review. The goal of the City management is to have all idle funds always invested in interest bearing accounts. This goal will ensure City management is using the available funds to their maximum. The Investment Policy states that all available funds are managed and invested with three primary objectives listed in priority order: safety, liquidity, and return on investment. Investment opportunities are limited by parameters found in Illinois Statutes 30ILCS235. The prudent person standard is used in managing the City's overall portfolio.

Each year the City's Financial Policies are reviewed and updated where necessary to consider changes in GAAP, Government Audit Standards, and the City's budget process. The Council annually approves the financial policies to ensure funds are spent and managed in the most cost-effective manner based on the services provided while ensuring the financial records are maintained in accordance with GAAP, Government Auditing Standards, and state and federal laws.

During the annual budget process, the City staff will review and recommend modifying user fees, when necessary, to recover costs associated with issuing and administering various services. Such fees include fines, licenses, permits and user fees. The recommendations are provided to City Council for consideration. If approved by the Council, the revenue changes are implemented in the City's annual budget.

Tax Abatement Program

Tax abatements are intended to improve local conditions, stimulate economic development, and encourage rehabilitation and redevelopment of distressed areas. The long-term benefits of abatements include employment for local residents, attracting new businesses or improving existing businesses, generating a tax-revenue stream on once vacant or underdeveloped property, and increasing adjacent property values. In the Notes to Basic Financial Statements, the City provides information related to its two tax abatement programs authorized by the City Council.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Galesburg for its annual comprehensive financial report for the fiscal year ended December 31, 2024. This was the thirtieth consecutive fiscal year that the City of Galesburg has achieved this prestigious award. A Certificate of Achievement is valid for only a period of one year. We believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certification.

We wish to express our appreciation to the staff of the Finance Department. The preparation of this report would not have been possible without their efficient and dedicated service. We also wish to express our appreciation to the members of City Council, various boards, commissions, and staff for their support in maintaining the highest standards of professionalism in the management of the City of Galesburg's finances.

Respectfully submitted,



Eric Hanson
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

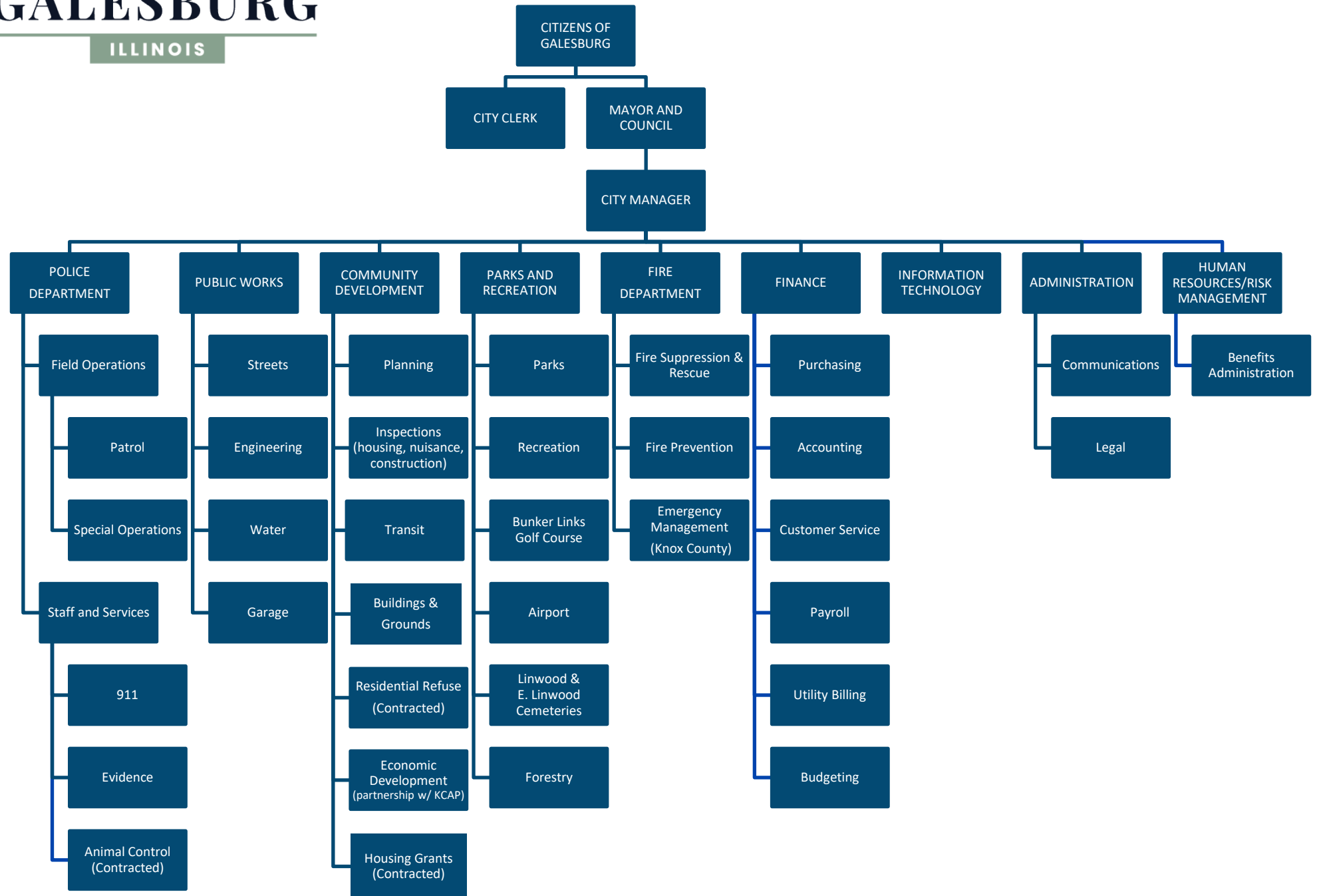
**City of Galesburg
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO



City of Galesburg, Illinois

**Elected and Appointed City Officials
Year Ended December 31, 2025**

Elected Officials

Peter Schwartzman
Mayor

Council Members

Angelica Mangieri, First Ward
Wendel Hunigan, Second Ward
Vacant, Third Ward
Dwight White, Fourth Ward
Heather Acerra, Fifth Ward
Greg Saul, Sixth Ward
Steve Cheesman, Seventh Ward

Kelli Bennewitz
City Clerk

Appointed Officials

Jennifer O'Hern
City Treasurer

Eric Hanson
City Manager

Department Directors

Cathy St. George, Director of Community Engagement
Jessica Pease, Director of Human Resources
Aaron Gavin, Director of Public Works
Jennifer O'Hern, Director of Finance
Orlee Lucero, Director of Information Technology
Steve Gugliotta, Director of Community Development
Don Miles, Director of Parks and Recreation
Kevin Legate, Police Chief
Randy Hovind, Fire Chief

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Galesburg (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2025 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.

We did not audit the financial statements of the Galesburg Public Library Foundation, which represents 12%, 13%, and 21%, respectively, of the assets/deferred outflows of resources, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Galesburg Public Library Foundation are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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. The financial statements of the Galesburg Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

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's 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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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's 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's 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 required supplementary information, as listed in the table of contents, 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.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

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

Baker Tilly US, LLP

Oak Brook, Illinois
June 26, 2026

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

It is an honor to present to you the financial picture of the City of Galesburg, Illinois (the City). We offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2025. We encourage readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the City's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the MD&A).

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$94.3 million (net position).
- In total, net position increased by \$11.1 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$52.0 million, a decrease of \$2.6 million in comparison with the prior year. Approximately \$8.8 million is available for spending at the government's discretion (unassigned fund balance).
- General revenues accounted for \$41.4 million in revenue or 75% of all governmental revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$13.7 million or 25% of total governmental revenues of \$55.1 million.
- The City had \$49.3 million in expenses related to government activities. However, only \$13.7 million of these expenses were offset by program specific charges and grants.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9.9 million, or 31% of total General Fund expenditures.
- The City's total long-term debt, excluding compensated absences, net pension liability, and net OPEB liability, decreased by \$2.1 million during the current year to \$20.2 million.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business, and are reported using the accrual basis of accounting and economic resources measurement focus.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, economic development, public safety, public works, and culture, education, and recreation.

The government-wide financial statements include the funds of the City (primary government) and an organization for which the City is accountable (Galesburg Public Library, a discretely presented component unit).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources; as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains three major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Economic Development Fund, and Parks and Recreation Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules elsewhere in this report. The City adopts an annual budget for each of the major funds listed above. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

Proprietary Funds

The City maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statements. The City utilizes enterprise funds to account for its water utility and refuse services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The City uses an internal service fund to account for liability insurance. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and the Refuse Fund. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds

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

Notes to Basic Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's pensions and other post-employment benefits. Supplementary schedules include combining and individual fund schedules of all nonmajor funds and Fiduciary Funds.

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

Government-Wide Financial Analysis

Table 1
Condensed Statements of Net Position
(in Millions of Dollars)

	Governmental Activities			Business-Type Activities			Total		
	2025	2024	Change	2025	2024	Change	2025	2024	Change
Assets									
Current and other assets	\$ 74.9	\$ 76.1	(1.6)%	\$ 25.0	\$ 18.6	34.4 %	\$ 99.9	\$ 94.7	5.5 %
Capital assets	<u>90.1</u>	<u>87.8</u>	2.6	<u>32.0</u>	<u>33.0</u>	(3.0)	<u>122.1</u>	<u>120.8</u>	1.1
Total assets	<u>165.0</u>	<u>163.9</u>	0.7	<u>57.0</u>	<u>51.6</u>	10.5	<u>222.0</u>	<u>215.5</u>	3.0
Deferred Outflows of Resources									
Deferred outflows related to pensions and OPEB	9.0	15.0	(40.0)	1.2	1.3	(7.7)	10.2	16.3	(37.4)
Deferred charge on refunding	<u>-</u>	<u>-</u>	-	<u>0.5</u>	<u>0.6</u>	(16.7)	<u>0.5</u>	<u>0.6</u>	(16.7)
Total deferred outflows of resources	<u>9.0</u>	<u>15.0</u>	(40.0)	<u>1.7</u>	<u>1.9</u>	(10.5)	<u>10.7</u>	<u>16.9</u>	(36.7)
Liabilities									
Long-term liabilities	82.9	91.6	(9.5)	12.0	12.4	(3.2)	94.9	104.0	(8.8)
Other liabilities	<u>7.2</u>	<u>7.0</u>	2.9	<u>3.5</u>	<u>3.2</u>	9.4	<u>10.7</u>	<u>10.2</u>	4.9
Total liabilities	<u>90.1</u>	<u>98.6</u>	(8.6)	<u>15.5</u>	<u>15.6</u>	(0.6)	<u>105.6</u>	<u>114.2</u>	(7.5)
Deferred Inflows of Resources									
Property taxes levied for future periods	10.0	9.4	6.4	-	-	-	10.0	9.4	6.4
Deferred inflows related to leases	1.0	1.1	(9.1)	-	-	-	1.0	1.1	(9.1)
Deferred inflows related to pensions and OPEB	<u>21.4</u>	<u>24.1</u>	(11.2)	<u>0.4</u>	<u>0.4</u>	-	<u>21.8</u>	<u>24.5</u>	(11.0)
Total deferred inflows of resources	<u>32.4</u>	<u>34.6</u>	(6.4)	<u>0.4</u>	<u>0.4</u>	-	<u>32.8</u>	<u>35.0</u>	(6.3)
Net Position									
Net investment in capital assets	80.6	78.1	3.2	23.4	23.4	-	104.0	101.5	2.5
Restricted	11.2	11.7	(4.3)	-	-	-	11.2	11.7	(4.3)
Unrestricted	<u>(40.3)</u>	<u>(44.1)</u>	(8.6)	<u>19.4</u>	<u>14.1</u>	37.6	<u>(20.9)</u>	<u>(30.0)</u>	(30.3)
Total net position	<u>\$ 51.5</u>	<u>\$ 45.7</u>	12.7 %	<u>\$ 42.8</u>	<u>\$ 37.5</u>	14.1 %	<u>\$ 94.3</u>	<u>\$ 83.2</u>	13.3 %

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities - which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital - which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital - which will: (a) reduce current assets and increase capital assets; and, (b) increase capital assets and long-term debt, which will not change the net investment in capital assets.

Spending of Nonborrowed Current Assets on New Capital - which will: (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal Payment on Debt - which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets Through Depreciation - which will reduce capital assets and net investment in capital assets.

Current Year Impacts

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total net position increased by \$11.1 million from \$83.2 million to \$94.3 million. The City's total assets and deferred outflows equal \$232.7 million. The City's total liabilities and deferred inflows equal \$138.4 million.

By far the largest portion of the City's net position is its investment in capital assets. This consists of land, buildings, machinery, equipment and infrastructure less depreciation and any related outstanding debt used to acquire these assets. The City uses these capital assets to provide services to the residents; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A restricted portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The governmental activities unrestricted balance had a deficit of \$40.3 million in 2025 as a result of recording the net pension liabilities for IMRF, Police and Firefighters' pension plans and the net OPEB liability. The unrestricted balance for business-type activities of \$19.4 million may be used to meet the ongoing City obligations to their citizens and creditors.

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

Table 2
Condensed Statements of Activities
(in Millions of Dollars)

	Governmental Activities			Business-Type Activities			Total		
	2025	2024	Change	2025	2024	Change	2025	2024	Change
Revenues									
Program revenues:									
Charges for services	\$ 7.5	\$ 6.9	8.7 %	\$ 11.3	\$ 10.8	4.6 %	\$ 18.8	\$ 17.7	6.2 %
Operating grants and contributions	5.7	4.7	21.3	-	-	-	5.7	4.7	21.3
Capital grants and contributions	0.5	0.5	-	-	-	-	0.5	0.5	-
General revenues:									
Property taxes	9.6	9.4	2.1	-	-	-	9.6	9.4	2.1
Other taxes	28.9	28.3	2.1	-	-	-	28.9	28.3	2.1
Other general revenues	<u>2.9</u>	<u>3.6</u>	(19.4)	<u>4.7</u>	<u>0.7</u>	571.4	<u>7.6</u>	<u>4.3</u>	76.7
Total revenues	<u>55.1</u>	<u>53.4</u>	3.2	<u>16.0</u>	<u>11.5</u>	39.1	<u>71.1</u>	<u>64.9</u>	9.6
Expenses									
General government	12.0	12.3	(2.4)	-	-	-	12.0	12.3	(2.4)
Economic development	3.3	2.9	13.8	-	-	-	3.3	2.9	13.8
Public safety	18.9	20.8	(9.1)	-	-	-	18.9	20.8	(9.1)
Public works	8.4	6.7	25.4	-	-	-	8.4	6.7	25.4
Culture, education, and recreation	6.3	5.0	26.0	-	-	-	6.3	5.0	26.0
Interest and fiscal charges	0.4	0.3	33.3	-	-	-	0.4	0.3	33.3
Water	-	-	-	7.4	5.9	25.4	7.4	5.9	25.4
Refuse	<u>-</u>	<u>-</u>	-	<u>3.3</u>	<u>3.2</u>	3.1	<u>3.3</u>	<u>3.2</u>	3.1
Total expenses	<u>49.3</u>	<u>48.0</u>	2.7	<u>10.7</u>	<u>9.1</u>	17.6	<u>60.0</u>	<u>57.1</u>	5.1
Change in net position	5.8	5.4	7.4	5.3	2.4	120.8	11.1	7.8	42.3
Net position, beginning of year	<u>45.7</u>	<u>40.3</u>	13.4	<u>37.5</u>	<u>35.1</u>	6.8	<u>83.2</u>	<u>75.4</u>	10.3
Net position, end of year	<u>\$ 51.5</u>	<u>\$ 45.7</u>	12.7 %	<u>\$ 42.8</u>	<u>\$ 37.5</u>	14.1 %	<u>\$ 94.3</u>	<u>\$ 83.2</u>	13.3 %

Table 2 highlights the City's revenues and expenses for the fiscal years ended December 31, 2025 and 2024. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method.

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

Revenues

Economic Condition - which can reflect a declining, stable or growing economic environment, and has substantial impact on state sales, replacement and hotel/motel tax revenue; as well as, public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/Decrease in City Approved Rates - while certain tax rates are set by statute, the City has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, etc.).

Changing Patterns in Intergovernmental and Grant Revenue (Both Recurring and Nonrecurring) - certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while nonrecurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income - the City's investments may be affected by market conditions causing investment income to increase/decrease.

Expenses

Introduction of New Programs - within the functional expense categories (general government, economic development, public safety, public works, and culture, education and recreation), individual programs may be added or deleted to meet changing community needs.

Change in Authorized Personnel - changes in service demand may cause the City to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the City.

Salary Increases (Annual Adjustments and Merit) - the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation - while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuel and parts. Some functions may experience unusual commodity specific increases.

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

Current Year Impacts

The Governmental Activities increased the City's net position by \$5.8 million due to the City maintaining an excess of revenues over expenses. The Business-Type Activities' net position also increased by \$5.3 million due to the City having an excess of revenues over expenses.

Key elements contributing to the changes within the Governmental Activities are as follows:

Governmental Activities

Revenues

Revenues are divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources. The City experienced an increase of 3.2% in revenue due to an increase in tax revenue and grant funding.

Expenses

The City's overall expenses in the current fiscal year increased by \$1.3 million from the prior fiscal year due to an increase in personnel services. Due to a corresponding increase in revenues in the current fiscal year, the City saw an increase in net position to \$51.5 million compared to \$45.7 million in the prior fiscal year. Overall, the City's financial position increased by \$5.8 million from the prior year.

Business-Type Activities

Revenues are divided into two major components: program revenues and general revenues. Program revenues are defined as charges for sales and services. General revenues include other unrestricted revenue sources. The City experienced an increase of 4.3% in revenues, excluding legal settlements, due to an increase in water and refuse fees.

The City's overall expenses in the current fiscal year increased by \$1.6 million from the prior fiscal year due to an increase in the personnel services, water line replacements, test wells, and rate increases for the refuse contract. In conjunction with a corresponding increase in revenues in the current fiscal year, the City saw an increase in net position to \$42.8 million compared to \$37.5 million in the prior fiscal year. Overall, the City's financial position increased by \$5.3 million from the prior year.

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

Financial Analysis of the City's Funds

The fund balance of the City's General Fund of \$10.7 million, a decrease of \$0.5 million from 2024 due to fully funding public safety pensions. For more information, see the General Fund Budgetary Highlights section.

The Economic Development Fund had an ending fund balance of \$10.7 million, a decrease of \$0.9 million from 2024 due to increased economic incentive payments and the Rebuild Downtown grant project.

The Parks and Recreation Fund had an ending fund balance of \$2.7 million, a decrease of \$0.5 million from 2024 due to an increase in personnel services and replacement program contributions.

General Fund Budgetary Highlights

Overall, General Fund revenue was \$0.7 million more than the final budget, and expenditures were \$0.2 million more than the final budget. Specific highlights of General Fund revenue and expenditures are as follows:

- Charges for services revenues were \$0.7 million more the final budget.
- Contracts and subsidies expenditures were \$0.5 million less than the final budget.
- Street and bridge maintenance expenditures were \$0.3 million less than the final budget.

In 2025, total expenditures increased \$0.1 million from the original budget to the final amended budget. These budget increases were mostly in the police department and fire department to fully fund public safety pensions. Total other financing sources (uses) remained consistent from the original to final budget. Total revenues remained consistent from the original budget to the final amended budget.

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

By the end of 2025, the City had compiled a total investment of \$200.8 million (\$122.1 million net of accumulated depreciation) in a broad range of capital assets including land, construction-in-progress, land improvements, buildings and improvements, machinery and equipment, and infrastructure. Total depreciation expense for the year was \$4.7 million. More detailed information about capital assets can be found in Note 3 of the basic financial statements.

Major capital asset events during the year ended December 31, 2025 included \$0.8 million for renovations at Cooke Park, \$2.5 million for the Simmons Street Streetscape and Parking Lot project, and \$0.4 million for the completion of the Hawthorne Pool renovations.

Table 3
Capital Assets (Net of Depreciation)
(in Millions of Dollars)

	Governmental Activities			Business-Type Activities			Total		
	2025	2024	Change	2025	2024	Change	2025	2024	Change
Land	\$ 7.3	\$ 6.7	9.0 %	\$ 0.7	\$ 0.7	- %	\$ 8.0	\$ 7.4	8.1 %
Construction in progress	4.4	4.8	(8.3)	0.2	0.2		4.6	5.0	(8.0)
Land improvements	6.4	3.3	93.9	-	-	-	6.4	3.3	93.9
Buildings and improvements	9.8	10.0	(2.0)	17.4	17.9	(2.8)	27.2	27.9	(2.5)
Equipment	8.8	8.3	6.0	1.0	1.1	(9.1)	9.8	9.4	4.3
Infrastructure	53.4	54.7	(2.4)	12.7	13.1	(3.1)	66.1	67.8	(2.5)
Total	<u>\$ 90.1</u>	<u>\$ 87.8</u>	2.6 %	<u>\$ 32.0</u>	<u>\$ 33.0</u>	(3.0)%	<u>\$ 122.1</u>	<u>\$ 120.8</u>	1.1 %

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

Debt Administration

The table below summarizes the City's bonded and similar indebtedness. As of December 31, 2025, the City had a total of \$22.2 million of long-term debt outstanding (excluding compensated absences, net pension liability and net OPEB liability). Of this amount, \$19.9 million was in the form of general obligation bonds backed by the full faith and credit of the City government. More detailed information about debt administration can be found in Note 3 of the basic financial statements.

Table 4
Long-Term Debt
(in Millions of Dollars)

	Governmental Activities			Business-Type Activities			Total		
	2025	2024	Change	2025	2024	Change	2025	2024	Change
General obligation bonds	\$ 11.1	\$ 12.1	(8.3)%	\$ 8.8	\$ 9.9	(11.1)%	\$ 19.9	\$ 22.0	(9.5)%
Notes payable	-	-	-	0.3	0.3	-	0.3	0.3	-
Total	<u>\$ 11.1</u>	<u>\$ 12.1</u>	(8.3)%	<u>\$ 9.1</u>	<u>\$ 10.2</u>	(10.8)%	<u>\$ 20.2</u>	<u>\$ 22.3</u>	(9.4)%

Factors Bearing on the City's Future

- The City maintained a strong financial position throughout 2025, supported by robust fund reserves, a stable bond rating, and a structurally balanced budget. Our strategic focus throughout 2025 successfully balanced long-term progress and asset modernization with strict fiscal responsibility, ensuring Galesburg remains on solid financial ground while proactively preparing for the future.
1. **Total Budget:** The City successfully managed a total budget of \$78.8 million across all operational funds.
 2. **General Fund Activity:** Closed the year with General Fund expenditures of \$32.7 million. Public safety remains our primary operational investment area, with the Police Department accounting for \$13.5 million and the Fire Department \$9.6 million of the total general fund expenditures, representing a combined 70% of the general fund expenses.
 3. **Property Tax Downward Trend:** Proactive management allowed the City to lower its property tax rate to \$2.38705 per \$100 Equalized Assessed Value (EAV). This achievement marks the lowest city property tax rate since 2008.

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

- **Economic Factors Affecting the 2025 Fiscal Year**

Our local economy navigated a national landscape of inflationary pressures and structural changes to State Use Tax laws, resulting in a mixture of revenue trends alongside unprecedented levels of targeted private investment:

1. **Mixed Revenue Growth:** While nationwide economic factors caused a 1.1% decrease in Sales and Use Tax performance and a 3.1% decrease in Hotel/Motel Tax collections, other key local streams showed resilient growth. Specifically, Home Rule Tax revenue increased by 9.8% and the Food and Beverage Tax rose by 2.0% compared to the prior fiscal year.
 - ◆ **Private Investment Boom:** The City successfully leveraged 11 targeted economic incentives to bridge development gaps, facilitating over \$86 million in private investment linked directly to the creation of 225 full-time jobs. In terms of total widespread community growth, Galesburg captured over 20 new developments or expansions exceeding \$149 million in commercial capital investment.
 - ◆ **Industrial Revitalization:** A landmark economic milestone was the full revitalization of the former Maytag plant on Monmouth Boulevard by Western Smokehouse Partners. This project successfully brought high-quality manufacturing operations back to the massive facility for the first time since its closure in 2004, creating over 150 manufacturing jobs.
 - ◆ **Commercial Expansion:** Thurshwood Farms Quality Meats embarked on an additional \$22 million expansion project at its West Main Street plant, supported by a \$100,000 City Mayor Project Grant, adding 50 more full-time positions to our local job market.
 - ◆ **Small Business & Downtown Vitality:** The downtown business corridor was further strengthened by projects such as the revitalization of a previously vacant location by Orange Cup Sidecar and a \$100,000 Downtown Gap revolving loan to support Dante & Dory's new location.

- **Major Capital Asset Events & Infrastructure Investments**

During 2025, the City actively managed over \$45 million in total grant funding, strategically optimizing federal and state opportunities to fund critical local infrastructure and long-term capital assets without placing an excess burden on local taxpayers.

1. **Transportation & Industrial Infrastructure**

- ◆ **Galesburg Business Park Rail Project:** The award of a \$25 million federal RAISE Grant from the US Department of Transportation during 2025 represents a massive structural win for our future economic development. This funding will construct rail tracking and switching to support an intermodal agricultural terminal in partnership with The DeLong Co., Inc., anchoring an overall \$54 million logistical investment that will connect local agriculture directly to global markets via BNSF.
- ◆ **E. Simmons Street Reconstruction:** Public Works successfully completed a \$2.4 million grant-funded reconstruction project. This completely upgraded downtown Public Parking Lot H -- incorporating new asphalt, advanced lighting, a pedestrian canopy, and EV charging stations -- alongside a complete resurfacing of E. Simmons Street.

2. **Environmental & Utility Asset Milestones**

- ◆ **PFAS Litigation Settlement:** The City reached a favorable settlement in its class-action litigation against environmental polluters (including 3M, Tyco, DuPont, and BASF) regarding Mississippi River contamination, capturing a \$6 million+ settlement restricted exclusively for future PFAS remediation efforts.
- ◆ **Oquawka Production Wells:** In alignment with our strategic safety metrics, the Water Division successfully drilled and sampled four test wells in Oquawka to isolate a sustainable, PFAS-free location for a new production well.
- ◆ **Lead Risk Elimination:** The Water Division officially achieved the total replacement of all remaining galvanized service lines citywide, successfully removing historical lead risks from our distribution infrastructure.
- ◆ **Monmouth Boulevard Sewer Rehabilitation:** The City secured a \$986,200 DCEO Community Development Block Grant to rehabilitate a major, large-diameter brick storm sewer to mitigate flooding vulnerabilities near Monmouth Boulevard and South Street.

3. Parks, Quality of Life, and Housing Capital

- ◆ **Hawthorne Municipal Pool:** Completed Phase II renovations (including a new boiler, advanced humidity control systems, locker room overhauls, and energy-efficient LED lighting), successfully concluding a multi-year, \$4 million facility investment that boosted annual patronage to 12,748 visitors.
 - ◆ **Cooke Park Construction:** Broke ground on the new Cooke Park facility, leveraging a \$500,000 OSLAD grant, a \$250,000 DCEO grant, and neighborhood-led fundraising to construct community shelters, restrooms, and an upcoming spring splash pad.**Park Upgrades:** Improvements were made at multiple park locations, including baseball field improvements at HT Custer, ADA compliant facilities at ON Custer, skate park and disc golf at Kiwanis Park, a shelter at Dale Kelley Tot Lot, and pickleball courts at Rotary Park.
 - ◆ **Neighborhood Revitalization & Demolition:** Leveraged \$2.5 million in state and federal housing grants. This included concluding a \$400,000 IHDA Home Repair grant for nine comprehensive home renovations, a \$562,000 IHDA grant to safely demolish 35 blighted private structures, and local funding to complete 31 owner-occupied housing code repairs.
- **Local Elements**

Looking toward 2026 and beyond, our financial policies focus heavily on navigating operating headwinds while sustaining long-term growth:

 1. **Healthcare & Personnel Expenditures:** Rising structural personnel and medical insurance costs represent a persistent budget pressure. To counter this, the City successfully restructured its health benefits in 2025, shifting to a self-insured model that saved \$881,000 in city funds while lowering average employee premiums by 17%. Staff stability remains excellent, with our low turnover rate decreasing to 7.9%.
 2. **Deferred Maintenance Strategy:** Shifting from a reactionary maintenance approach to a predictable, proactive schedule in our Capital Improvement Plan (CIP) will minimize backlogged facility liabilities and mitigate unexpected large-scale repair spikes in future budget cycles.
 3. **Economic Buffers:** While federal pandemic-era supplemental funding has wound down, Galesburg's long-term commercial tax base is well-buttressed by major multi-year regional healthcare footprints (such as OSF HealthCare's \$5 million emergency department expansion and Graham Health System's ongoing footprint expansions) alongside the industrial logistics foundation built at our business park.

City of Galesburg, Illinois

Management's Discussion and Analysis
December 31, 2025
(Unaudited)

- **State-Wide Legislative & Fiscal Realities**

While the City of Galesburg maintains a solid financial baseline due to strict historical management, robust fund reserves, and a stable bond rating, its long-term operational outlook is heavily intertwined with legislative mandates and structural shifts originating at the state level. Looking into 2026 and beyond, several state-wide statutory changes present both revenue risks and operational constraints for municipalities across Illinois:

1. **Elimination of the State Grocery Tax (Public Act 103-0781)**

- ◆ **The Legislative Shift:** Effective January 1, 2026, the State of Illinois officially eliminated its 1% statewide sales and use tax on qualifying grocery items.
- ◆ **Local Action:** The legislation authorized municipalities and counties to establish their own independent local grocery tax of exactly 1% via local ordinance -- explicitly bypassing the standard requirement for a public referendum. The City declined to establish this tax thereby saving the citizens of Galesburg and reducing City revenue by an estimated \$600,000 in 2026.

2. **Local Government Distributive Fund (LGDF) Volatility**

- ◆ **Stagnant Revenue Sharing:** Illinois municipalities rely heavily on state-shared income tax revenue via the LGDF to fund basic public safety and infrastructure without over-relying on local property taxes. While historically pegged at 10%, the municipal share for individual income tax collections remained flat at 6.47% throughout 2025.
- ◆ **State Budgetary Pressures:** Recent proposals by the Governor's office sought to reduce the LGDF transfer rate down to 6.23% or 6.28% to allow the state to capture more income tax growth. Advocacy from the Illinois Municipal League (IML) and local officials successfully preserved the 6.47% baseline.

3. **Motor Fuel Tax (MFT) Adjustments**

- ◆ **Capital Funding Impacts:** The state's recent legislative decision to implement a six-month pause on the scheduled statutory index increase for the Motor Fuel Tax can disrupt localized infrastructure planning. Because MFT allocations directly fund local roadway maintenance and intermittent resurfacing, these indexing changes require Public Works to remain flexible when updating the City's five-year Capital Improvement Plan (CIP).

All of these factors were considered in preparing the City of Galesburg's budget for the 2026 fiscal year.

Requests for Information

This financial report is designed to provide the City's citizens, taxpayers and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department:

Jennifer O'Hern
City of Galesburg, Illinois
55 West Tompkins Street
Galesburg, Illinois 61401

BASIC FINANCIAL STATEMENTS

City of Galesburg, Illinois

Statement of Net Position

December 31, 2025

	Primary Government			Component Unit
	Governmental	Business-Type		Galesburg
	Activities	Activities	Total	Public Library
Assets and Deferred Outflows of Resources				
Assets				
Cash and cash equivalents	\$ 47,438,265	\$ 21,489,884	\$ 68,928,149	\$ 724,929
Investments	2,345,540	-	2,345,540	2,838,980
Receivables (net):				
Property tax receivable	10,018,310	-	10,018,310	2,023,275
Other taxes	2,231,889	-	2,231,889	-
Accrued interest	54,253	14,974	69,227	-
Accounts	1,831,121	2,905,233	4,736,354	14,792
Loans	1,132,016	-	1,132,016	-
Leases	1,034,542	-	1,034,542	-
Due from other governmental units	4,070,281	-	4,070,281	-
Internal balances	(392,906)	392,906	-	-
Advances to component unit	302,420	-	302,420	-
Inventories	51,781	104,690	156,471	-
Prepaid items	938,874	31,838	970,712	35,866
Property held for resale	3,806,734	-	3,806,734	-
Bond issuance insurance	22,339	6,834	29,173	-
Capital assets:				
Capital assets not being depreciated	11,729,670	962,879	12,692,549	1,592,412
Capital assets being depreciated, net of depreciation	78,380,028	31,061,782	109,441,810	18,615,678
Total assets	164,995,157	56,971,020	221,966,177	25,845,932
Deferred Outflows of Resources				
Deferred outflows related to pensions	7,164,758	1,056,737	8,221,495	353,143
Deferred outflows related to OPEB	1,855,588	172,941	2,028,529	4,016
Deferred charge on refunding	-	513,043	513,043	-
Total deferred outflows of resources	9,020,346	1,742,721	10,763,067	357,159
Total assets and deferred outflows of resources	\$ 174,015,503	\$ 58,713,741	\$ 232,729,244	\$ 26,203,091

See notes to basic financial statements

City of Galesburg, Illinois

Statement of Net Position

December 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Galesburg Public Library
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	\$ 2,277,375	\$ 423,273	\$ 2,700,648	\$ 44,441
Accrued liabilities	1,465,312	295,029	1,760,341	41,832
Interest payable	1,117	10,069	11,186	-
Payroll taxes payable	-	-	-	2,061
Claims payable	603,379	-	603,379	-
Due to other governmental units	144,153	1,644,006	1,788,159	5,176
Due to fiduciary funds	2,243,731	-	2,243,731	-
Due to component unit	-	-	-	172
Advances from primary government	-	-	-	302,420
Deposits	-	1,169,212	1,169,212	-
Unearned revenues	455,296	380	455,676	-
Noncurrent liabilities:				
Due within one year	4,236,783	1,336,031	5,572,814	78,517
Due in more than one year	78,706,858	10,638,924	89,345,782	650,491
Total liabilities	90,134,004	15,516,924	105,650,928	1,125,110
Deferred Inflows of Resources				
Property taxes levied for future periods	10,018,310	-	10,018,310	2,023,275
Deferred inflows related to leases	1,034,542	-	1,034,542	-
Deferred inflows related to pensions	17,733,331	32,008	17,765,339	10,696
Deferred inflows related to OPEB	3,646,295	339,836	3,986,131	7,892
Total deferred inflows of resources	32,432,478	371,844	32,804,322	2,041,863
Net Position				
Net investment in capital assets	80,548,669	23,449,410	103,998,079	20,208,090
Restricted for:				
Motor fuel tax	2,119,959	-	2,119,959	-
Economic development	874,072	-	874,072	-
Special enforcement	448,974	-	448,974	-
Foreign fire	205,711	-	205,711	-
Infrastructure improvements	775,160	-	775,160	-
TIF expenses	1,534,478	-	1,534,478	-
General government	189,367	-	189,367	-
Donations	180,035	-	180,035	-
Cemetery	725,486	-	725,486	-
Public works	999,462	-	999,462	-
Capital projects	1,570,392	-	1,570,392	-
Town of the City	1,548,055	-	1,548,055	-
Unrestricted	(40,270,799)	19,375,563	(20,895,236)	2,828,028
Total net position	51,449,021	42,824,973	94,273,994	23,036,118
Total liabilities, deferred inflows of resources and net position	\$ 174,015,503	\$ 58,713,741	\$ 232,729,244	\$ 26,203,091

See notes to basic financial statements

City of Galesburg, Illinois

Statement of Activities

Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 12,024,767	\$ 4,201,004	\$ 5,533,417	\$ 258,492
Economic development	3,331,149	384,606	-	-
Public safety	18,890,196	1,454,273	140,915	-
Public works	8,378,169	42,908	584	242,588
Culture, education and recreation	6,289,012	1,394,465	-	-
Interest	385,683	-	-	-
Total governmental activities	49,298,976	7,477,256	5,674,916	501,080
Business-type activities:				
Water	7,389,120	7,961,805	-	-
Refuse	3,313,904	3,304,665	-	-
Total business-type activities	10,703,024	11,266,470	-	-
Total primary government	\$ 60,002,000	\$ 18,743,726	\$ 5,674,916	\$ 501,080
Component Unit				
Galesburg Public Library	\$ 3,929,724	\$ 4,976	\$ 44,327	\$ -

General Revenues

Taxes:

Property tax
Food and beverage tax
Hotel/motel tax
Local utility taxes
City gas tax
Other taxes

Unrestricted intergovernmental revenue:

State income and use tax
Sales and home rule taxes
Replacement tax

Franchise fees
Investment income
Special items
Miscellaneous

Total general revenues

Change in net position

Net Position, Beginning

Net Position, Ending

See notes to basic financial statements

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Primary Government Business-Type Activities	Total	Galesburg Public Library
\$ (2,031,854)	\$ -	\$ (2,031,854)	\$ -
(2,946,543)	-	(2,946,543)	-
(17,295,008)	-	(17,295,008)	-
(8,092,089)	-	(8,092,089)	-
(4,894,547)	-	(4,894,547)	-
(385,683)	-	(385,683)	-
(35,645,724)	-	(35,645,724)	-
-	572,685	572,685	-
-	(9,239)	(9,239)	-
-	563,446	563,446	-
(35,645,724)	563,446	(35,082,278)	-
-	-	-	(3,880,421)
9,617,327	-	9,617,327	1,923,575
2,070,395	-	2,070,395	-
940,468	-	940,468	-
2,277,146	-	2,277,146	-
616,093	-	616,093	-
1,076,140	-	1,076,140	-
5,712,118	-	5,712,118	-
14,868,643	-	14,868,643	-
1,371,008	-	1,371,008	40,000
236,311	-	236,311	-
2,175,230	765,650	2,940,880	291,013
-	3,977,129	3,977,129	-
454,709	-	454,709	587,091
41,415,588	4,742,779	46,158,367	2,841,679
5,769,864	5,306,225	11,076,089	(1,038,742)
45,679,157	37,518,748	83,197,905	24,074,860
\$ 51,449,021	\$ 42,824,973	\$ 94,273,994	\$ 23,036,118

See notes to basic financial statements

City of Galesburg, Illinois

Balance Sheet - Governmental Funds

December 31, 2025

	Major Funds			Nonmajor	Total
	General	Economic Development	Parks & Recreation	Governmental Funds	Governmental Funds
Assets					
Cash and cash equivalents	\$ 9,672,044	\$ 5,029,623	\$ 2,537,633	\$ 28,326,082	\$ 45,565,382
Investments	531,200	25,696	52,306	1,208,642	1,817,844
Receivables (net):					
Property taxes	8,779,820	-	240,760	997,730	10,018,310
Other taxes	1,200,462	351,432	301,554	378,441	2,231,889
Accounts	270,660	380,583	3,834	1,072,361	1,727,438
Accrued interest	25,822	6,834	2,082	17,856	52,594
Loans	-	1,132,016	-	-	1,132,016
Leases	465,226	569,316	-	-	1,034,542
Due from other governments	2,389,903	-	548,025	1,132,353	4,070,281
Due from other funds	532,406	581,948	19,110	302,040	1,435,504
Inventory	51,781	-	-	-	51,781
Prepaid items	269,549	7,999	9,846	32,299	319,693
Property held for resale	-	3,641,930	-	164,804	3,806,734
Advances to other funds	36,415	36,415	36,415	72,830	182,075
Advances to component unit	302,420	-	-	-	302,420
Total assets	\$ 24,527,708	\$ 11,763,792	\$ 3,751,565	\$ 33,705,438	\$ 73,748,503
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 223,554	\$ 99,631	\$ 286,792	\$ 1,507,191	\$ 2,117,168
Accrued liabilities	1,169,610	4,852	57,427	60,453	1,292,342
Due to other governments	9,823	-	-	134,330	144,153
Due to fiduciary funds	2,243,731	-	-	-	2,243,731
Due to other funds	218	-	126,775	1,308,729	1,435,722
Advances from other funds	-	-	-	182,075	182,075
Unearned revenue	20,610	589	39,909	394,188	455,296
Total liabilities	3,667,546	105,072	510,903	3,586,966	7,870,487
Deferred Inflows of Resources					
Unavailable revenue	898,836	428,568	257,303	1,241,638	2,826,345
Deferred inflows related to leases	465,226	569,316	-	-	1,034,542
Property taxes levied for future periods	8,779,820	-	240,760	997,730	10,018,310
Total deferred inflows of resources	10,143,882	997,884	498,063	2,239,368	13,879,197
Fund Balances					
Nonspendable	660,165	7,999	9,846	707,946	1,385,956
Restricted	12,795	874,072	145,972	9,162,005	10,194,844
Committed	132,248	8,187,130	167,441	1,900,850	10,387,669
Assigned	-	1,591,635	2,419,340	17,223,963	21,234,938
Unassigned (deficit)	9,911,072	-	-	(1,115,660)	8,795,412
Total fund balances	10,716,280	10,660,836	2,742,599	27,879,104	51,998,819
Total liabilities, deferred inflows of resources and fund balances	\$ 24,527,708	\$ 11,763,792	\$ 3,751,565	\$ 33,705,438	\$ 73,748,503

See notes to basic financial statements

City of Galesburg, Illinois

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2025

Total Fund Balances - Governmental Funds \$ 51,998,819

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

Capital assets used in governmental activities are not current financial resources
and therefore are not reported in the governmental funds:

Capital assets	\$ 147,261,907	
Accumulated depreciation	(57,152,209)	
		90,109,698

Bond issuance insurance does not relate to current financial resources and is not reported in the governmental funds.	22,339
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Revenues collected after the City's availability period are reported as deferred inflows of resources in governmental funds, however these amounts have been reported as revenues in the Statement of Activities.	2,826,345
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	7,151,788
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Deferred outflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.	1,855,588
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(17,732,938)
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Deferred inflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.	(3,646,295)
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Some liabilities reported in the Statement of Net Position do not require the use of
current financial resources and therefore are not reported as liabilities in
governmental funds. These activities consist of:

Compensated absences	(3,252,392)	
Accrued interest payable	(1,117)	
Net pension liability	(58,600,090)	
Net OPEB liability	(9,674,819)	
Lease liability	(241,355)	
Arbitrage liability	(207,724)	
General obligation bonds payable	(10,565,000)	
Bond premium	(376,671)	
		(82,919,168)

Internal service funds are reported in the Statement of Net Position as governmental activities.	1,782,845
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Net Position of Governmental Activities \$ 51,449,021

City of Galesburg, Illinois

Governmental Funds -

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2025

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Economic Development	Parks & Recreation		
Revenues					
Taxes	\$ 14,530,151	\$ 1,300,332	\$ 2,206,267	\$ 5,309,502	\$ 23,346,252
Charges for services	1,721,107	-	42,734	409,292	2,173,133
Intergovernmental	14,091,526	-	2,268,499	6,877,621	23,237,646
Licenses and permits	454,271	-	-	-	454,271
Fines and fees	351,421	-	-	1,177	352,598
Use of money and property	875,917	392,516	1,528,169	1,685,588	4,482,190
Contributions	-	-	-	1,131	1,131
Miscellaneous	51,924	7,398	39,880	56,488	155,690
Total revenues	32,076,317	1,700,246	6,085,549	14,340,799	54,202,911
Expenditures					
Current:					
General government	4,859,184	-	-	5,343,078	10,202,262
Economic development	-	555,696	-	1,261,708	1,817,404
Public safety	23,772,884	-	177,389	864,978	24,815,251
Public works	3,011,444	-	819,481	2,088,442	5,919,367
Culture and recreation	-	-	4,705,836	1,340	4,707,176
Miscellaneous	-	1,177,920	-	612,509	1,790,429
Debt service:					
Principal	-	-	51,616	1,086,663	1,138,279
Interest and fiscal charges	-	-	3,736	469,266	473,002
Capital outlay	96,199	458,445	280,213	5,603,798	6,438,655
Total expenditures	31,739,711	2,192,061	6,038,271	17,331,782	57,301,825
Excess (deficiency) of revenues over expenditures	336,606	(491,815)	47,278	(2,990,983)	(3,098,914)
Other Financing Sources (Uses)					
Proceeds from the sale of assets	8,587	-	-	101,426	110,013
Lease issuances	-	-	157,338	192,296	349,634
Transfers in	122,073	-	19,110	4,618,249	4,759,432
Transfers out	(936,214)	(402,214)	(683,735)	(2,737,269)	(4,759,432)
Total other financing sources (uses)	(805,554)	(402,214)	(507,287)	2,174,702	459,647
Net change in fund balances	(468,948)	(894,029)	(460,009)	(816,281)	(2,639,267)
Fund Balances, Beginning	11,185,228	11,554,865	3,202,608	28,695,385	54,638,086
Fund Balances, Ending	\$ 10,716,280	\$ 10,660,836	\$ 2,742,599	\$ 27,879,104	\$ 51,998,819

See notes to basic financial statements

City of Galesburg, Illinois

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to Statement of Activities
Year Ended December 31, 2025

Net Change in Total Governmental Fund Balances **\$ (2,639,267)**

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report purchases of capital assets as expenditures while
governmental activities report depreciation expense to allocate those
expenditures over the life of the assets.

Capital expenditures	\$ 6,438,654	
Depreciation	(3,620,940)	
Net book value of assets retired	(798,680)	
Capital expenditures in excess of depreciation		2,019,034

Capital assets transferred to the City are recorded as capital contributions in
the Statement of Activities, but do not require the use of current financial
resources and are therefore not reported in the governmental funds. 242,588

Receivables not currently available are reported as revenue when collected
or currently available in the fund financial statements but are recognized as
revenue when earned in the government-wide financial statements. 508,878

Some expenses in the Statement of Activities do not require the use of current
financial resources and, therefore, are not reported as expenditures in the
governmental funds.

Accrued interest on debt	113	
Amortization of bond premiums	92,241	
Amortization of bond insurance	(5,035)	
Net pension liability	7,265,319	
Net OPEB liability	1,016,173	
Deferred outflows of resources related to pensions	(5,634,404)	
Deferred outflows of resources related to OPEB	(315,099)	
Deferred inflows of resources related to pensions	3,098,533	
Deferred inflows of resources related to OPEB	(366,346)	
Arbitrage rebate	(207,724)	
Compensated absences	(323,562)	
		4,620,209

Debt issued provides 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.

Principal repaid	1,030,000	
Lease issued	(349,634)	
Lease liability repaid	108,279	
		788,645

Internal service funds are used by management to charge self insurance costs
to individual funds. The change in net position of the internal service fund is
reported with governmental activities. 229,777

Change in Net Position of Governmental Activities **\$ 5,769,864**

City of Galesburg, Illinois

Statement of Net Position -

Proprietary Funds

December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Water	Refuse	Total	
Assets and Deferred Outflows of Resources				
Assets				
Current assets:				
Cash and cash equivalents	\$ 20,293,611	\$ 1,196,273	\$ 21,489,884	\$ 1,872,883
Investments	-	-	-	527,696
Receivables (net):				
Accounts	2,376,837	528,396	2,905,233	103,683
Accrued interest	14,284	690	14,974	1,659
Due from other funds	218	-	218	-
Inventory	104,690	-	104,690	-
Prepaid items	31,158	680	31,838	619,181
Total current assets	22,820,798	1,726,039	24,546,837	3,125,102
Noncurrent assets:				
Bond issuance insurance	6,834	-	6,834	-
Capital assets not being depreciated	962,879	-	962,879	-
Capital assets being depreciated	52,550,193	-	52,550,193	-
Less accumulated depreciation	(21,488,411)	-	(21,488,411)	-
Total noncurrent assets	32,031,495	-	32,031,495	-
Total assets	54,852,293	1,726,039	56,578,332	3,125,102
Deferred Outflows of Resources				
Deferred outflows related to pensions	1,056,737	-	1,056,737	12,970
Deferred outflows related to OPEB	170,919	2,022	172,941	-
Deferred charge on refunding	513,043	-	513,043	-
Total deferred outflows of resources	1,740,699	2,022	1,742,721	12,970

See notes to basic financial statements

City of Galesburg, Illinois

Statement of Net Position -

Proprietary Funds

December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Total	Internal Service Fund
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Current liabilities:				
Accounts payable	\$ 144,554	\$ 278,719	\$ 423,273	\$ 160,207
Accrued liabilities	293,747	1,282	295,029	172,970
Claims payable	-	-	-	603,379
Accrued interest payable	10,069	-	10,069	-
Deposits	1,169,212	-	1,169,212	-
Due to other governments	1,644,006	-	1,644,006	-
Unearned revenue	380	-	380	-
General obligation bonds payable	1,020,000	-	1,020,000	-
Notes payable	41,405	-	41,405	-
Net OPEB liability, current portion	97,937	1,158	99,095	-
Compensated absences	174,100	1,431	175,531	4,123
Total current liabilities	4,595,410	282,590	4,878,000	940,679
Noncurrent liabilities:				
General obligation bonds payable	7,826,694	-	7,826,694	-
Notes payable	207,029	-	207,029	-
Net pension liability	1,749,094	-	1,749,094	21,467
Net OPEB liability	793,217	9,384	802,601	-
Compensated absences	50,482	3,024	53,506	-
Total noncurrent liabilities	10,626,516	12,408	10,638,924	21,467
Total liabilities	15,221,926	294,998	15,516,924	962,146
Deferred Inflows of Resources				
Deferred inflows related to pensions	32,008	-	32,008	393
Deferred inflows related to OPEB	335,863	3,973	339,836	-
Total deferred inflows of resources	367,871	3,973	371,844	393
Net Position				
Net investment in capital assets	23,449,410	-	23,449,410	-
Unrestricted net position	17,553,785	1,429,090	18,982,875	2,175,533
Total net position	\$ 41,003,195	\$ 1,429,090	42,432,285	2,175,533
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds			392,688	(392,688)
Net position business-type activities			\$ 42,824,973	
Net internal service funds reported in the statement of net position as governmental activities				\$ 1,782,845

See notes to basic financial statements

City of Galesburg, Illinois
Statement of Revenues, Expenses and Changes in Fund Net Position -
Proprietary Funds

Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Water	Refuse	Total	
Operating Revenues				
Charges for services	\$ 7,961,805	\$ 3,304,665	\$ 11,266,470	\$ 1,253,490
Miscellaneous	-	-	-	87,018
Total operating revenues	7,961,805	3,304,665	11,266,470	1,340,508
Operating Expenses				
Personnel services	3,293,580	50,215	3,343,795	77,679
Contractual services	1,874,844	3,307,144	5,181,988	712,575
Commodities	759,007	-	759,007	12,243
Insurance claims and changes in reserves	-	-	-	393,381
Depreciation	1,079,442	-	1,079,442	-
Other charges	53,961	(43,455)	10,506	-
Total operating expenses	7,060,834	3,313,904	10,374,738	1,195,878
Operating income (loss)	900,971	(9,239)	891,732	144,630
Nonoperating Revenues (Expenses)				
Investment earnings	714,128	51,522	765,650	107,635
Gain (loss) on sale of assets	12,280	-	12,280	-
Legal settlements	3,977,129	-	3,977,129	-
Interest and fiscal charges	(363,054)	-	(363,054)	-
Total nonoperating revenues (expenses)	4,340,483	51,522	4,392,005	107,635
Change in net position	5,241,454	42,283	5,283,737	252,265
Net Position, Beginning	35,761,741	1,386,807	37,148,548	1,923,268
Net Position, Ending	\$ 41,003,195	\$ 1,429,090	\$ 42,432,285	\$ 2,175,533
Change in Net Position			\$ 5,283,737	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			22,488	
Change in net position of business-type activities			\$ 5,306,225	

See notes to basic financial statements

City of Galesburg, Illinois
Statement of Cash Flows -
Proprietary Funds

Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Water	Refuse	Total	
Cash Flows From Operating Activities				
Cash received from customers and users	\$ 7,779,739	\$ 3,250,581	\$ 11,030,320	\$ 1,261,217
Cash payments for goods and services	(2,421,541)	(3,249,205)	(5,670,746)	(809,167)
Cash payments to employees	(2,402,234)	(49,461)	(2,451,695)	(70,922)
Net cash provided (used in) by operating activities	2,955,964	(48,085)	2,907,879	381,128
Cash Flows From Noncapital Financing Activities				
Payments from (to) nonservice interfund accounts	(1,554)	(153)	(1,707)	44,426
Insurance claims	3,977,129	-	3,977,129	-
Net cash provided (used in) noncapital financing activities	3,975,575	(153)	3,975,422	44,426
Cash Flows From Capital and Related Financing Activities				
Purchase of capital assets	(140,689)	-	(140,689)	-
Interest paid on debt	(348,319)	-	(348,319)	-
Principal payments on bonds	(990,000)	-	(990,000)	-
Principal payments on notes	(41,406)	-	(41,406)	-
Proceeds from sale of capital assets	27,980	-	27,980	-
Net cash used in capital and related financing activities	(1,492,434)	-	(1,492,434)	-
Cash Flows From Investing Activities				
Purchase of investments	-	-	-	(21,436)
Income and dividends received	718,586	51,590	770,176	108,043
Net cash provided by (used in) investing activities	718,586	51,590	770,176	86,607
Net increase (decrease) in cash	6,157,691	3,352	6,161,043	512,161
Cash and Cash Equivalents, Beginning	14,135,920	1,192,921	15,328,841	1,360,722
Cash and Cash Equivalents, Ending	<u>\$ 20,293,611</u>	<u>\$ 1,196,273</u>	<u>\$ 21,489,884</u>	<u>\$ 1,872,883</u>

See notes to basic financial statements

City of Galesburg, Illinois

Statement of Cash Flows -

Proprietary Funds

Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Water	Refuse	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 900,971	\$ (9,239)	\$ 891,732	\$ 144,630
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,079,442	-	1,079,442	-
Change in operating assets and liabilities:				
Accounts receivable	(182,066)	(54,084)	(236,150)	(79,291)
Inventory	16,258	-	16,258	171,904
Prepaid items	39,813	4,370	44,183	(24,562)
Bond issuance insurance	1,509	-	1,509	-
Deferred outflows, pension	46,208	-	46,208	8,644
Deferred outflows, OPEB	34,564	294	34,858	-
Accounts payable	(188,520)	10,114	(178,406)	136,646
Deposits payable	45,741	-	45,741	-
Accrued salaries	140,355	588	140,943	(794)
Due to other governments	351,470	-	351,470	-
Claims payable	-	-	-	25,044
Compensated absences	29,405	263	29,668	(2,480)
Net pension liability	790,225	-	790,225	2,677
Net OPEB liability	(120,884)	(864)	(121,748)	-
Deferred inflows, pension	(53,902)	-	(53,902)	(1,290)
Deferred inflows, OPEB	25,375	473	25,848	-
Total adjustments	2,054,993	(38,846)	2,016,147	236,498
Net cash provided (used) by operating activities	\$ 2,955,964	\$ (48,085)	\$ 2,907,879	\$ 381,128
Noncash Capital and Related Financing Activities				
None				

See notes to basic financial statements

City of Galesburg, Illinois

Statement of Fiduciary Net Position -

Fiduciary Funds

December 31, 2025

	Pension and OPEB Trust Funds
Assets	
Cash and cash equivalents	\$ 2,242,061
Investments:	
Mutual funds	3,327,414
Insurance contracts and annuities	30,605,264
Illinois police officers' pension investment fund	12,830,322
Firefighters' pension investment fund	36,902,885
Receivables:	
Due from primary government	<u>2,243,731</u>
Total assets	<u>88,151,677</u>
Liabilities	
Accounts payable	<u>667,842</u>
Total liabilities	<u>667,842</u>
Net Position	
Restricted for OPEB	3,327,439
Restricted for retirement benefits	<u>84,156,396</u>
Total net position	<u><u>\$ 87,483,835</u></u>

See notes to basic financial statements

City of Galesburg, Illinois

Statement of Changes in Fiduciary Net Position -

Fiduciary Funds

Year Ended December 31, 2025

	Pension and OPEB Trust Funds
Additions	
Contributions:	
Employer	\$ 8,822,030
Plan member deposits	780,590
	<u>9,602,620</u>
Total contributions	
	<u>9,602,620</u>
Investment earnings:	
Net appreciation in fair value of investments	11,498,159
Interest	95,075
	<u>11,593,234</u>
Total investment earnings	
	<u>11,593,234</u>
Less investment expense	<u>76,907</u>
Net investment earnings	
	<u>11,516,327</u>
Total additions	
	<u>21,118,947</u>
Deductions	
Benefits	9,002,242
Administrative expenses	48,050
	<u>9,050,292</u>
Total deductions	
	<u>9,050,292</u>
Change in net position	12,068,655
Net Position, Beginning	<u>75,415,180</u>
Net Position, Ending	<u><u>\$ 87,483,835</u></u>

See notes to basic financial statements

City of Galesburg, Illinois

Index to Notes to Basic Financial Statements

December 31, 2025

	Page
1. Summary of Significant Accounting Policies	35
Reporting Entity	35
Government-Wide and Fund Financial Statements	36
Measurement Focus, Basis of Accounting and Financial Statement Presentation	39
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	40
Deposits and Investments	40
Receivables	42
Inventories and Prepaid Items	43
Capital Assets	43
Deferred Outflows of Resources	44
Compensated Absences	44
Long-Term Obligations/Conduit Debt	44
Leases	45
Deferred Inflows of Resources	45
Equity Classifications	46
Property Held for Resale	47
2. Stewardship, Compliance and Accountability	47
Excess Expenditures Over Appropriations	47
Deficit Balances	47
3. Detailed Notes on All Funds	48
Deposits and Investments	48
Receivables	51
Capital Assets	53
Interfund Receivables/Payables, Advances and Transfers	54
Long-Term Obligations	56
Net Position/Fund Balances	60
Special Items	62
Component Unit	62
4. Other Information	64
Employees' Retirement System	64
Risk Management	79
Commitments and Contingencies	80
Other Postemployment Benefits	80
Tax Increment Financing District	85
Tax Abatement	85
Effect of New Accounting Standards on Current-Period Financial Statements	85

1. Summary of Significant Accounting Policies

The City of Galesburg, Illinois, Illinois (the City) was incorporated in 1857. The City is a home-rule municipality, under the 1970 Illinois Constitution, located in Knox County, Illinois. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, streets, refuse collection, recreation and cultural events, community development and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Blended Component Unit

The Town of the City of Galesburg serves all the citizens of the City and is governed by a board comprised of the City's elected council. Although the Town is a legally separate entity, it is, in substance, part of the primary government's operations and a financial benefit or burden relationship exists with the City. Therefore, data from the Town is blended with the financial data of the City. Separately issued financial statements of the Town may be obtained from the the administrative offices at City Hall, Galesburg, Illinois.

Discretely Presented Component Unit**Galesburg Public Library**

The government-wide financial statements include the Galesburg Public Library (Library) as a component unit. The Library is a legally separate organization. The board of the Library is appointed by the City's elected council. Statutes provide for circumstances whereby the City can impose its will on the Library, and also create a potential financial benefit to or burden on the City. The Library has one fund and is presented as a governmental fund type. The Galesburg Public Library Foundation (Foundation), a component unit of the Library, received donations and provides funds to the Library and promotes its charitable, educational and cultural purposes. As a component unit, the Library's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2025. The Library does not issue separate financial statements. Complete financial statements of the Foundation can be obtained from the administrative offices at City Hall, Galesburg, Illinois.

Fiduciary Component Units

The Police Pension Employees Retirement System (PPERS) is established for the City's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The City and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. PPERS is reported as a fiduciary component unit pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the PPERS.

The Firefighters' Pension Employees Retirement System (FPERS) is established for the City's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership; and two fire employees elected by the membership constitute the pension board. The City and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. FPERS is reported as a fiduciary component unit and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the FPERS.

Government-Wide and Fund Financial Statements**Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental and enterprise funds:

General Fund

General Fund is used to account for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Special Revenue Funds

Economic Development Fund is used to account for the economic development loans and assistance made to local businesses. Revenue is collected from the home rule tax that is distributed by the State of Illinois.

Parks and Recreation Fund is used to account for operations of the City's parks and recreation programs. Revenue is collected from multiple sources including property taxes, other taxes and intergovernmental payments from the State of Illinois restricted, committed or assigned for culture and recreation purposes..

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Enterprise Funds

Water Fund is used to account for operations of the water system and providing a safe and adequate water supply for fire protection, domestic and industrial use.

Refuse Fund is used to account for operations and maintenance of the refuse collection and recycling system.

The City reports the following nonmajor governmental funds:

Special Revenue Funds

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

City Gas Tax Fund
Federal Special Enforcement Fund
Stormwater Utility Fund
Airport Fund
Public Transportation Fund
911 Communication Fund
Grants Fund

Motor Fuel Tax Fund
State Special Enforcement Fund
Foreign Fire Fund
Property Redevelopment Fund
Public Transportation Projects Fund
Town of the City of Galesburg Fund
Community Improvements / Infrastructure Fund

Debt Service Funds

Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs.

2013A GO Bonds Business District Fund 2016 GO Bonds Debt Service Fund
2023 GO Bonds Debt Service Fund

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

2013A Business District Fund
Utility Tax Capital Projects Fund
Computer Replacement Fund
Players Fields Fund
TIF IV Fund
Grand Avenue TIF 6 Fund

2023 GO Bond Capital Expense Fund
Building Repair & Maintenance Fund
Vehicle Replacement Fund
Capital Planning Fund
TIF V Fund

Permanent Funds

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Linwood Cemetery Fund

East Linwood Cemetery Fund

In addition, the City reports the following fund types:

Internal Service Fund

Internal Service Fund is used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Risk Management Fund

Pension and Other Employee Benefit Trust Funds

Pension and Other Employee Benefit Trust Funds are used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans and the other postemployment benefit plan.

Police Pension Fund
OPEB Trust Fund

Fire Pension Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and refuse funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, licenses and permits and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The 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 Water Fund and Refuse Fund are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the City to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities and corporate bonds meeting certain requirements. Pension funds with net assets in excess of \$10,000,000 and an appointed investment advisor may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements.

Illinois Public Act 101 0610 consolidated the assets of the state's more than 650 downstate and suburban public safety pension funds into two consolidated investment funds and required the Police Pension Fund and Firefighters' Pension Fund to pool their funds for investment purposes. The Illinois Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund are external investment pools valued at share price, the price for which the investments could be sold. Additional information related to the Illinois Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund can be found at <https://www.ipopif.org> and <https://www.ifpif.org>, respectively.

The Illinois Police Officers' Pension Investment Fund's investment policy statement has an investment objective to earn a long-term, net-of-fees, investment return that meets or exceeds the actuarial assumed rate of return and the return of the Policy Benchmark consistent with the risk level expected from the asset allocation. In the March 4, 2022 actuarial experience study the Illinois Police Officers' Pension Investment Fund's actuaries recommended an investment return of 6.75%.

The Firefighters' Pension Investment Fund's investment policy has an investment objective that seeks to maximize the likelihood of meeting long-term return objectives, while (i) maintaining prudent risk exposure, (ii) controlling fees and expenses related to management of the Fund and (iii) complying with the governing provisions of the Illinois Pension Code (40 ILCS 5 et seq.) and other applicable laws and regulations. Long-term return objectives are based on an assumed rate of return as set forth by the Firefighters' Pension Investment Fund's actuary. In the December 1, 2021 actuarial experience study the Firefighters' Pension Investment Fund's actuaries recommended an investment return of 7.125%.

The City has adopted an investment policy. That policy follows the state statute for allowable investments.

Interest Rate Risk

The City's investment policy minimizes the risk the fair value of fixed income securities in the portfolio will fall due to changes in the general interest rates by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for on-going operations and by investing operating funds primarily in shorter-term fixed income securities. Per the City's investment policy, the maximum maturity for City investments shall be ten (10) years with the average maturity of the total portfolio not exceeding five (5) years.

In accordance with investment policies, the Police Pension Fund and Firefighters' Pension Fund limit exposure to interest rate risk by structuring the portfolios to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policies do not limit the maximum maturity length of investments in the funds. The investment policies require that the portfolios be structured to meet the actuarially determined cash flow requirements of the funds.

Credit Risk

The City's investment policy mitigates credit risk by limiting investments to the safest types of securities, prequalifying the financial institutions, broker/dealers and advisors with which the City will do business and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The Police Pension Fund and Firefighters' Pension Fund limit exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

Concentration of Credit Risk

The City's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the City to meet all anticipated cash requirements. The City places no limit on the amount the City may invest in one issuer.

The Police Pension Fund investment policy limits investments to those authorized by state statutes and applicable rules and regulations governing investments for the pension funds. To avoid unreasonable risk, diversification of investments is required, including equity allocation.

The Firefighters' Pension Fund does not hold any investments susceptible to this risk as of December 31, 2025.

Custodial Credit Risk, Deposits

The City's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 100% of the value of the deposit.

The Police and Firefighters' Pension Fund investment policies require pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by the Police and Firefighters' Pension Funds or their respective agents in the name of the Police and Firefighters' Pension Fund.

Custodial Credit Risk, Investments

The City's investment policy requires that all trades where applicable will be executed by delivery vs. payment to ensure the fixed income securities are deposited in eligible financial institutions prior to the release of funds. All fixed income securities shall be perfected in the name or for the account of the City and shall be held by a third-party custodian as evidenced by safekeeping receipts.

The Police and Firefighters' Pension Fund investment policies require investments to be held by a separate third party custodian to safe-keep the assets of the funds, complying with provisions of the Illinois Pension Code.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

Receivables

Property taxes for levy year 2025 attaches as an enforceable lien on January 1, 2025, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

Tax bills for levy year 2025 are prepared by the Knox County Treasurer and issued on or about May 1 and August 1, 2026 and are payable in two installments, on or about June 1 and September 1, 2026 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2025 property tax levy is recognized as a receivable and deferred inflows in fiscal 2025, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2025, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2025 levy.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, buildings, vehicles, plant and equipment and infrastructure (including right-to-use lease assets) are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$50,000 for building improvements, land improvements, infrastructure and \$25,000 for machinery and equipment and an estimated useful life in excess of 3 years. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The City's collection of works of art, library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items

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

Buildings and improvements	8-100	Years
Land improvements	10-100	Years
Machinery and equipment	3-50	Years
Infrastructure	20-100	Years

Lease assets are typically amortized over the lease term.

Fund Financial Statements

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

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

Vacation and sick leave pay is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2025, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, arbitrage rebates, lease liabilities, unamortized bond premium, net pension liabilities, net OPEB liabilities and accrued compensated absences.

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

On December 1, 2021, the City issued its Illinois Taxable Revenue Bonds, Series 2021 (the Knox College Project), in the aggregate amount of \$40,930,000 to (1) finance, refinance or reimburse itself for all or a portion of the costs of planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its educational facilities, (2) refund all of the outstanding principal amount of the City's Illinois Variable Rate Demand Revenue Bonds, Series 1996 (Knox College Project), (3) refund all of the outstanding principal amount of the City's Illinois Variable Rate Demand Revenue Bonds, Series 1999 (Knox College Project), (4) refinance certain taxable indebtedness incurred by the Project under a loan from PNC Bank, (5) finance termination payments with respect to certain Interest Rate Swaps entered into by the Project with respect to the Series 1996 Bonds and Series 1999 Bonds and (6) pay certain costs incurred in connection with the issuance of the bonds. From the date of original issuance, the bonds have been and will continue to be equally and ratably secured and entitled to the security of a Trust Indenture between the City and Amalgamated Bank of Chicago (as Trustee). Repayment of the bonds is the responsibility of the Knox College Project. The bonds mature on October 1, 2046. As of December 31, 2025, \$35,675,000 of the 2021 Series bonds remain outstanding.

Additionally, on May 21, 2025, the City issued its Illinois Taxable Revenue Bonds, Series 2025 (the Knox College Project), in the aggregate amount of \$18,265,000 to (1) finance or reimburse all or a portion of the costs of planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain educational facilities, (2) finance working capital, and (3) pay certain costs incurred in connection with the issuance of the bonds. From the date of original issuance, the bonds have been and will continue to be equally and ratably secured and entitled to the security of a Trust Indenture between the City and Amalgamated Bank of Chicago (as Trustee). Repayment of the bonds is the responsibility of the Knox College Project. The bonds mature on October 1, 2045. As of December 31, 2025, \$18,265,000 of the 2025 Series bonds remain outstanding.

Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government.

The City is a lessee because it leases capital assets from other entities. As a lessee, the City reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the City recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts or delegate responsibility to another party through the budgetary process. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund net position is classified the same as in the government-wide statements.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

To maintain the City's ability to provide services during emergencies and unexpected declines in the economy the City will maintain a General Fund, fund balance of 16 weeks or approximately 30% of operating expenditures. The fund balance shall be exclusive of all other reserves and contingencies and shall be reported as unassigned.

Fiduciary fund net position is classified as restricted for pool participants, individuals, organizations and other governments on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income and the City believes it is in compliance with all significant restrictions.

Property Held for Resale

The City's land held for resale includes land that is being held for sale for future development of the City. The assets are valued at the lower of cost or market.

2. Stewardship, Compliance and Accountability

Excess Expenditures Over Appropriations

<u>Funds</u>	<u>Appropriated Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Appropriations</u>
General	\$ 31,511,825	\$ 31,739,711	\$ 227,886
Federal Special Enforcement	-	15,847	15,847
State Special Enforcement	41,305	111,441	70,136
Foreign Fire	57,440	97,712	40,272
Airport	340,990	382,143	41,153
Public Transportation Projects	10,000	34,445	24,445
Linwood Cemetery	900	1,041	141
East Linwood Cemetery	6,500	8,091	1,591

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2025, the following individual funds held a deficit balance:

<u>Funds</u>	<u>Amount</u>	<u>Reason</u>
Grants	\$ 956,886	Operating expenditures exceeded available revenues
Public Transportation	128,793	Operating expenditures exceeded available revenues

Deficits are anticipated to be funded with future contributions, general tax revenues or long-term borrowing.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

3. Detailed Notes on All Funds

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>
Deposits	\$ 43,092,466	\$ 43,170,362
Money market, Illinois Funds	24,820,652	24,846,690
Illinois Trust	4,870,728	4,753,215
U.S. treasuries	50,834	50,834
Illinois Police Officers' Investment Fund	12,830,322	12,830,322
Firefighters' Pension Investment Fund	36,902,885	36,902,885
Mutual funds, bond funds	389,139	389,139
Insurance contracts	30,605,264	30,829,618
Mutual funds, other than bond funds	3,613,922	3,613,521
Petty cash	5,423	-
	<u>\$ 157,181,635</u>	<u>\$ 157,386,586</u>
Reconciliation to financial statements		
Per statement of net position:		
Cash and cash equivalents	\$ 68,928,149	
Investments	2,345,540	
Per statement of net position, fiduciary funds:		
Cash and cash equivalents	2,242,061	
Mutual funds	3,327,414	
Insurance contracts and annuities	30,605,264	
Illinois Police Officers' Investment Fund	12,830,322	
Firefighters' Pension Investment Fund	36,902,885	
	<u>\$ 157,181,635</u>	

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and non-interest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

City of Galesburg, Illinois

Notes to Basic Financial Statements

December 31, 2025

The valuation methods for recurring fair value measurements are as follows:

- The City utilized the fair market valuation method for recurring fair value measurements for both Level 1 and Level 2 investments.

City

Investment Type	December 31, 2025			
	Level 1	Level 2	Level 3	Total
U.S. treasuries	\$ -	\$ 50,834	\$ -	\$ 50,834
Mutual funds, bond funds	389,139	-	-	389,139
Mutual funds, other than bond funds	286,508	-	-	286,508
Total	<u>\$ 675,647</u>	<u>\$ 50,834</u>	<u>\$ -</u>	<u>\$ 726,481</u>

Police Pension Fund

Investment Type	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Insurance contracts	\$ -	\$ -	\$ 30,605,264	\$ 30,605,264

OPEB Trust Fund

Investment Type	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Mutual funds, other than bond funds	\$ 3,327,414	\$ -	\$ -	\$ 3,327,414

The Illinois Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund are measured at net asset value.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

City of Galesburg, Illinois

Notes to Basic Financial Statements

December 31, 2025

As of December 31, 2025, investments were rated as follows:

City

<u>Investment Type</u>	<u>Standard & Poors</u>	<u>Moody's Investors Services</u>
Money market, Illinois Funds	AAAm	N/R
Mutual funds, bond funds	AAAm	Aaa-mf
Illinois Trust	AAAm	N/R

Police Pension Fund

<u>Investment Type</u>	<u>Standard & Poors</u>	<u>Moody's Investors Services</u>
Insurance contracts	N/R	N/R

The City also held investments in the following external pools which are not rated:

Illinois Police Officers' Investment Fund

Firefighters' Pension Investment Fund

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2025, the City's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Net Position</u>
Venerable	Insurance contracts	17.24 %
Transamerica	Insurance contracts	17.00
Augustar	Insurance contracts	14.30
Prudential	Insurance contracts	13.95
Delaware (Sunlife Master Choice)	Insurance contracts	12.73
Nationwide	Insurance contracts	10.32
Jackson National	Insurance contracts	10.21

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

As of December 31, 2025, investments were as follows:

City

Investment Type	Fair Value	Maturity (in Years)		
		Less Than 1	1-5	Greater Than 5
U.S. treasuries	\$ 50,834	\$ -	\$ 50,834	\$ -
Mutual funds, bond funds	389,139	389,139	-	-
Total	<u>\$ 439,973</u>	<u>\$ 389,139</u>	<u>\$ 50,834</u>	<u>\$ -</u>

Money-Weighted Rate of Return

Police Pension Fund

For the year ended December 31, 2025, the annual money-weighted rate of return on the Police Pension plan investments, net of pension plan investment expense, was 17.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund

For the year ended December 31, 2025, the annual money-weighted rate of return on the Firefighters' Pension plan investments, net of pension plan investment expense, was 17.63%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Receivables

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Economic Development Fund	Parks & Recreation Fund	Nonmajor Funds	Total
Other taxes receivable:					
Home rule tax	\$ 897,741	\$ 351,432	\$ 210,859	\$ 351,432	\$ 1,811,464
Food and beverage tax	189,441	-	19,485	-	208,926
Hotel/motel tax	-	-	60,769	-	60,769
Auto rental tax	4,228	-	-	-	4,228
Local use tax	59,168	-	10,441	-	69,609
Video gaming tax	49,884	-	-	-	49,884
Business district tax	-	-	-	26,131	26,131
Aviation fuel tax	-	-	-	878	878
Total	<u>\$ 1,200,462</u>	<u>\$ 351,432</u>	<u>\$ 301,554</u>	<u>\$ 378,441</u>	<u>\$ 2,231,889</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

	<u>General Fund</u>	<u>Parks & Recreation Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Due from other governments:				
Replacement tax	\$ 212,712	\$ -	\$ -	\$ 212,712
Sales tax	1,566,637	519,426	-	2,086,063
State income tax	543,382	28,599	-	571,981
Motor fuel tax	-	-	239,781	239,781
Telecommunication tax	67,172	-	-	67,172
Due from State of Illinois	-	-	892,572	892,572
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 2,389,903</u>	<u>\$ 548,025</u>	<u>\$ 1,132,353</u>	<u>\$ 4,070,281</u>

All of the receivables on the balance sheet, except for the loans receivable noted below and leases receivable, are expected to be collected within one year.

As of December 31, 2025, the City had loans receivable in the amount of \$1,132,016 related to 7 economic development loans issued to local businesses from 2014 through 2025. Monthly installments range from \$202 to \$82,603 with interest rates from 2.00% to 8.25%. Final payments are due from August 2027 to November 2030.

Lease Receivables

<u>Governmental Activities</u>				<u>Receivable Balance December 31, 2025</u>
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	
Cell tower land lease with American Tower	08/01/1999	07/31/2039	3.00%	\$ 465,226
Solar farm land lease with Community Power Group	03/01/2023	12/31/2048	3.00	<u>569,316</u>
Total governmental activities				<u>\$ 1,034,542</u>

The City recognized \$45,241 and \$3,136 of lease revenue and interest revenue, respectively, during the fiscal year.

City of Galesburg, Illinois

Notes to Basic Financial Statements

December 31, 2025

Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated / amortized:				
Land	\$ 6,723,050	\$ 615,657	\$ -	\$ 7,338,707
Construction in progress	<u>4,834,302</u>	<u>3,606,752</u>	<u>4,050,091</u>	<u>4,390,963</u>
Total capital assets not being depreciated / amortized	<u>11,557,352</u>	<u>4,222,409</u>	<u>4,050,091</u>	<u>11,729,670</u>
Capital assets being depreciated / amortized:				
Land improvements	9,247,169	3,357,754	-	12,604,923
Buildings and improvements	20,942,401	216,000	-	21,158,401
Machinery and equipment	18,528,939	1,505,771	594,431	19,440,279
Right-to-use lease asset, machinery and equipment	-	349,634	-	349,634
Infrastructure	<u>81,652,599</u>	<u>326,401</u>	<u>-</u>	<u>81,979,000</u>
Total capital assets being depreciated / amortized	<u>130,371,108</u>	<u>5,755,560</u>	<u>594,431</u>	<u>135,532,237</u>
Total capital assets	<u>141,928,460</u>	<u>9,977,969</u>	<u>4,644,522</u>	<u>147,261,907</u>
Less accumulated depreciation / amortization for:				
Land improvements	5,911,623	270,918	-	6,182,541
Buildings and improvements	11,000,774	383,602	-	11,384,376
Machinery and equipment	10,243,820	1,202,164	549,115	10,896,869
Right-to-use lease asset, machinery and equipment	-	108,279	-	108,279
Infrastructure	<u>26,924,167</u>	<u>1,655,977</u>	<u>-</u>	<u>28,580,144</u>
Total accumulated depreciation / amortization	<u>54,080,384</u>	<u>3,620,940</u>	<u>549,115</u>	<u>57,152,209</u>
Net capital assets being depreciated / amortized	<u>76,290,724</u>	<u>2,134,620</u>	<u>45,316</u>	<u>78,380,028</u>
Total governmental activities capital assets, net	<u>\$ 87,848,076</u>	<u>\$ 6,357,029</u>	<u>\$ 4,095,407</u>	<u>\$ 90,109,698</u>

Depreciation / amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 278,071
Economic development	85,965
Public works	2,034,046
Public safety	717,062
Culture and recreation	<u>505,796</u>
Total governmental activities depreciation / amortization expense	<u>\$ 3,620,940</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 743,986	\$ -	\$ -	\$ 743,986
Construction in progress	<u>163,877</u>	<u>70,716</u>	<u>15,700</u>	<u>218,893</u>
Total capital assets not being depreciated	<u>907,863</u>	<u>70,716</u>	<u>15,700</u>	<u>962,879</u>
Capital assets being depreciated:				
Land improvements	66,666	-	-	66,666
Buildings and improvements	24,497,831	-	-	24,497,831
Machinery and equipment	4,468,574	69,973	27,123	4,511,424
Infrastructure	<u>23,474,272</u>	<u>-</u>	<u>-</u>	<u>23,474,272</u>
Total capital assets being depreciated	<u>52,507,343</u>	<u>69,973</u>	<u>27,123</u>	<u>52,550,193</u>
Total capital assets	<u>53,415,206</u>	<u>140,689</u>	<u>42,823</u>	<u>53,513,072</u>
Less accumulated depreciation for:				
Land improvements	41,660	1,904	-	43,564
Buildings and improvements	6,562,073	522,245	-	7,084,318
Machinery and equipment	3,429,191	172,937	27,123	3,575,005
Infrastructure	<u>10,403,168</u>	<u>382,356</u>	<u>-</u>	<u>10,785,524</u>
Total accumulated depreciation	<u>20,436,092</u>	<u>1,079,442</u>	<u>27,123</u>	<u>21,488,411</u>
Net capital assets being depreciated	<u>32,071,251</u>	<u>(1,009,469)</u>	<u>-</u>	<u>31,061,782</u>
Business-type activities capital assets, net	<u>\$ 32,979,114</u>	<u>\$ (938,753)</u>	<u>\$ 15,700</u>	<u>\$ 32,024,661</u>

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 532,406
Economic development	Nonmajor governmental	581,948
Parks and recreation	Nonmajor governmental	19,110
Nonmajor governmental	Parks and recreation	126,775
Nonmajor governmental	Nonmajor governmental	175,265
Water	General	<u>218</u>
Total, fund financial statements		1,435,722
Less interfund receivables created with internal service fund eliminations		(392,688)
Less government-wide eliminations		<u>(1,435,940)</u>
Total internal balances, government-wide statement of net position		<u>\$ (392,906)</u>

All amounts are due within one year.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

The principal purpose of these interfunds is to cover deficits related to debt service payments, allocation of health insurance expenditures and funding capital projects. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances

Multiple funds advanced funds to the Utility Tax Capital Projects Fund to provide resources for future capital projects.

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 36,415
Economic development	Nonmajor governmental	36,415
Parks and recreation	Nonmajor governmental	36,415
Nonmajor governmental	Nonmajor governmental	<u>72,830</u>
Total, fund financial statements		182,075
Less government-wide eliminations		<u>(182,075)</u>
Total, interfund advances, government-wide statement of net position		<u>\$ -</u>

The principal purpose of these advances is to fund capital projects for economic development in the City. Additionally, in 2021, the City provided a 10-year advance of funds from the General Fund to the Galesburg Public Library (the Library), the discretely presented component unit, to provide funding for a new HVAC system totaling \$512,454. For the fiscal year ending December 31, 2025, outstanding advances from the General Fund to the Library totaled \$302,420.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 122,073
Parks and recreation	Nonmajor governmental	19,110
Nonmajor governmental	General	936,214
Nonmajor governmental	Economic development	402,214
Nonmajor governmental	Parks and recreation	683,735
Nonmajor governmental	Nonmajor governmental	<u>2,596,086</u>
Total, fund financial statements		4,759,432
Less government-wide eliminations		<u>(4,759,432)</u>
Total transfers, government-wide statement of activities		<u>\$ -</u>

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

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 11,595,000	\$ -	\$ 1,030,000	\$ 10,565,000	\$ 1,075,000
Arbitrage rebate	-	207,724	-	207,724	-
(Discounts)/Premiums:					
Bond premium	468,912	-	92,241	376,671	-
Total bonds and notes payable	<u>12,063,912</u>	<u>207,724</u>	<u>1,122,241</u>	<u>11,149,395</u>	<u>1,075,000</u>
Other liabilities:					
Compensated absences	2,935,433	2,995,449	2,674,367	3,256,515	2,004,195
Lease liabilities	-	349,634	108,279	241,355	94,329
Net pension liability, IMRF	3,461,394	4,990,617	3,380,307	5,071,704	-
Net pension liability, Town IMRF	31,463	176,953	169,686	38,730	-
Net pension liability, Police	31,496,239	5,825,623	10,039,897	27,281,965	-
Net pension liability, Firefighters'	30,895,103	5,078,700	9,744,645	26,229,158	-
Net OPEB liability	10,690,992	126,160	1,142,333	9,674,819	1,063,259
Total other liabilities	<u>79,510,624</u>	<u>19,543,136</u>	<u>27,259,514</u>	<u>71,794,246</u>	<u>3,161,783</u>
Total governmental activities long-term liabilities	<u>\$ 91,574,536</u>	<u>\$ 19,750,860</u>	<u>\$ 28,381,755</u>	<u>\$ 82,943,641</u>	<u>\$ 4,236,783</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 9,620,000	\$ -	\$ 990,000	\$ 8,630,000	\$ 1,020,000
Notes payable, direct borrowing	289,840	-	41,406	248,434	41,405
(Discounts)/Premiums:					
Bond premium	267,596	-	50,902	216,694	-
Total bonds and notes payable	<u>10,177,436</u>	<u>-</u>	<u>1,082,308</u>	<u>9,095,128</u>	<u>1,061,405</u>
Other liabilities:					
Net OPEB liability	1,023,444	-	121,748	901,696	99,095
Compensated absences	199,369	327,378	297,710	229,037	175,531
Net pension liability, IMRF	958,869	1,721,129	930,904	1,749,094	-
Total other liabilities	<u>2,181,682</u>	<u>2,048,507</u>	<u>1,350,362</u>	<u>2,879,827</u>	<u>274,626</u>
Total business-type activities long-term liabilities	<u>\$ 12,359,118</u>	<u>\$ 2,048,507</u>	<u>\$ 2,432,670</u>	<u>\$ 11,974,955</u>	<u>\$ 1,336,031</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>Governmental Activities</u>					
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2025</u>
2013A General Obligation Bonds issued to finance infrastructure improvements for the North Seminary Street Business District, due in annual payments of \$30,000 to \$125,000	10/08/13	12/30/32	3.0-4.3%	\$ 1,390,000	\$ 750,000
2016 General Obligation Bonds issued to finance capital improvements for the East Fremont Street overlay project and brick streets overlay project, due in annual payments of \$345,000 to \$670,000	02/02/16	12/30/35	3.0-3.5	9,600,000	5,655,000
2023 General Obligation Bonds issued to finance the acquisition, construction or renovation of an existing facility for the purpose of a community center, due in annual payments of \$275,000 to \$685,000	03/14/23	12/30/32	5.00	4,920,000	<u>4,160,000</u>
Total governmental activities, general obligation debt					<u>\$ 10,565,000</u>

<u>Business-Type Activities</u>					
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2025</u>
2015 General Obligation Bonds, due in annual payments of \$115,000 to \$610,000	05/06/15	12/30/32	3.0-3.25%	\$ 8,290,000	\$ 3,885,000
2017 General Obligation Bonds, due in annual payments of \$400,000 to \$680,000	05/02/17	12/01/33	2.0-5.0	8,320,000	<u>4,745,000</u>
Total business-type activities, general obligation debt					<u>\$ 8,630,000</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,075,000	\$ 416,793	\$ 1,020,000	\$ 319,869
2027	1,120,000	373,443	1,055,000	284,119
2028	1,175,000	328,193	1,095,000	247,119
2029	1,225,000	280,643	1,130,000	208,719
2030	1,285,000	231,043	1,180,000	163,219
2031-2035	<u>4,685,000</u>	<u>436,223</u>	<u>3,150,000</u>	<u>246,419</u>
Total	<u>\$ 10,565,000</u>	<u>\$ 2,066,338</u>	<u>\$ 8,630,000</u>	<u>\$ 1,469,464</u>

Notes Payable

The City borrowed funds from the Illinois Environmental Protection Agency (IEPA) for flood proofing existing structures at the City's well site near Oquawka, Illinois. The total loan commitment is \$1,127,480. The agreement stipulates that 50% of the amount funded by American Recovery and Reinvestment Act (25% of total draws) will be forgiven and not require repayment. The balance requiring repayment at December 31, 2025 was \$248,434. Principal payments will be due semiannually and no interest will be paid on the note. The final loan repayment schedule will be determined after the IEPA establishes the final principal amount. This note is repaid by the Water Fund.

Notes Payable at December 31, 2025 consists of the following:

<u>Business-Type Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2025</u>
Notes Payable					
Loan, Illinois Environmental Protection Agency, due in semi-annual payments of \$41,406	12/24/10	09/01/31	0%	\$ 1,127,480	\$ 248,434
Total business-type activities notes payable					<u>\$ 248,434</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities Notes Payable	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 41,405	\$ -
2027	41,406	-
2028	41,406	-
2029	41,405	-
2030	41,406	-
2031	<u>41,406</u>	<u>-</u>
Total	<u>\$ 248,434</u>	<u>\$ -</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Other Debt Information

The net OPEB liability and net pension liability attributable to governmental activities will be liquidated primarily by the General Fund. The City is a home rule municipality and, therefore, is not subject to the statutory general obligation debt limitations.

Lease Liabilities

<u>Governmental Activities</u>					Balance
<u>Lease Liabilities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2025</u>
Golf carts	03/31/25	09/30/27	3.00%	\$ 157,338	\$ 105,722
Street sweeper	09/03/25	10/17/28	6.74	192,296	<u>135,633</u>
Total governmental activities, lease liabilities					<u><u>\$ 241,355</u></u>

Future minimum lease payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 94,329	\$ 20,218
2027	98,838	15,709
2028	<u>48,188</u>	<u>11,007</u>
Total	<u><u>\$ 241,355</u></u>	<u><u>\$ 46,934</u></u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2025, includes the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Total capital assets	\$ 147,261,907	\$ 53,513,072
Less accumulated depreciation / amortization	<u>57,152,209</u>	<u>21,488,411</u>
Net carrying value of capital assets	<u>90,109,698</u>	<u>32,024,661</u>
Less all outstanding principal of capital-related debt/borrowings related to the City's own capital assets, including borrowing used to refund capital-related borrowings	8,995,180	8,878,434
Less outstanding principal balance of any other (nondebt) capital related liabilities as of fiscal year end, including capital accounts payable and retainage payable	300,660	-
Less unamortized original issue premiums on outstanding capital debt	<u>287,528</u>	<u>216,694</u>
Subtotal	<u>9,583,368</u>	<u>9,095,128</u>
Plus unamortized balance of capital-related deferred outflows of resources, such as from losses on refunding of outstanding capital debt	-	513,043
Plus bond issuance insurance	<u>22,339</u>	<u>6,834</u>
Subtotal	<u>22,339</u>	<u>519,877</u>
Total net investment in capital assets	<u>\$ 80,548,669</u>	<u>\$ 23,449,410</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2025, include the following:

	General Fund	Economic Development Fund	Parks & Recreation Fund	Nonmajor Funds	Total
Fund Balances					
Nonspendable:					
Prepaid items	\$ 269,549	\$ 7,999	\$ 9,846	\$ 32,299	\$ 319,693
Inventories	51,781	-	-	-	51,781
Advances	338,835	-	-	-	338,835
Permanent fund principal	-	-	-	675,647	675,647
Subtotal	<u>660,165</u>	<u>7,999</u>	<u>9,846</u>	<u>707,946</u>	<u>1,385,956</u>
Restricted for:					
Motor fuel tax	-	-	-	2,119,959	2,119,959
Special enforcement	-	-	-	448,974	448,974
General government	-	-	-	189,367	189,367
Foreign fire	-	-	-	205,711	205,711
Infrastructure improvements	-	-	-	744,860	744,860
Economic development	-	874,072	-	-	874,072
TIF expenditures	-	-	-	1,534,478	1,534,478
Town of the City	-	-	-	1,548,055	1,548,055
Cemetery	-	-	-	49,839	49,839
Public works	-	-	-	999,462	999,462
Capital projects	-	-	-	1,300,032	1,300,032
Restricted donations	12,795	-	145,972	21,268	180,035
Subtotal	<u>12,795</u>	<u>874,072</u>	<u>145,972</u>	<u>9,162,005</u>	<u>10,194,844</u>
Committed to:					
General government encumbrances	132,248	-	-	-	132,248
Capital projects	-	-	-	1,072,971	1,072,971
Parks & recreation encumbrances	-	-	167,441	-	167,441
Property redevelopment	-	-	-	224,158	224,158
Community center building	-	-	-	69,146	69,146
Economic development	-	8,187,130	-	-	8,187,130
Vehicle replacement	-	-	-	534,575	534,575
Subtotal	<u>132,248</u>	<u>8,187,130</u>	<u>167,441</u>	<u>1,900,850</u>	<u>10,387,669</u>
Assigned to:					
Economic development	-	1,591,635	-	-	1,591,635
Building repair and maintenance	-	-	-	3,321,210	3,321,210
Computer replacement	-	-	-	1,810,179	1,810,179
Vehicle replacement	-	-	-	4,476,479	4,476,479
Player fields	-	-	-	29,492	29,492
Capital projects	-	-	-	7,586,603	7,586,603
Parks & recreation	-	-	2,419,340	-	2,419,340
Subtotal	<u>-</u>	<u>1,591,635</u>	<u>2,419,340</u>	<u>17,223,963</u>	<u>21,234,938</u>
Unassigned (Deficit)	<u>9,911,072</u>	<u>-</u>	<u>-</u>	<u>(1,115,660)</u>	<u>8,795,412</u>
Total fund balances	<u>\$ 10,716,280</u>	<u>\$ 10,660,836</u>	<u>\$ 2,742,599</u>	<u>\$ 27,879,104</u>	<u>\$ 51,998,819</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Special Items

During the fiscal year ended December 31, 2025, the City of Galesburg received settlement proceeds totaling \$3,977,129 related to litigation involving per- and polyfluoroalkyl substances (PFAS) contamination claims against chemical manufacturers DuPont, 3M and related entities. The settlement was the result of participation in a national legal settlement associated with alleged contamination of public water systems.

The settlement proceeds were reported as a special item in the accompanying financial statements, as the transaction was considered infrequent in occurrence. The revenues were recognized in the Water Fund within the City's business-type activities.

Management intends to utilize the proceeds for current and future PFAS-related monitoring, remediation, treatment infrastructure and other water system capital and operating needs.

Component Unit

Galesburg Public Library

This report contains the Galesburg Public Library (Library), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Basis of Accounting/Measurement Focus

The Library follows the modified accrual basis of accounting and the flow of economic resources measurement focus.

Deposits and Investments

	Carrying Value	Statement Balances
Deposits	\$ 675,847	\$ 677,014
Money market, Illinois Funds	99,868	99,868
Mutual funds	602,845	602,845
Marketable securities	2,153,788	2,153,788
Alternatives	28,369	28,369
Beneficial interest in endowment fund	2,062	2,062
Petty cash	1,130	-
Total deposits and investments	<u>\$ 3,563,909</u>	<u>\$ 3,563,946</u>

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- The Library utilized the fair market valuation method of recurring fair value measurements.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Investment Type	December 31, 2025			Total
	Level 1	Level 2	Level 3	
Mutual funds	\$ 602,845	\$ -	\$ -	\$ 602,845
Marketable securities	2,153,788	-	-	2,153,788
Alternatives	28,369	-	-	28,369
Beneficial interest in endowment fund	2,062	-	-	2,062
Total	<u>\$ 2,787,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,787,064</u>

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Library's deposits may not be returned to the Library.

The Library does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Library does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2025, the Library's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Money market, Illinois Funds	AAAm	N/R

See Note 1 for further information on deposit and investment policies.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,592,412	\$ -	\$ -	\$ 1,592,412
Total capital assets not being depreciated	1,592,412	-	-	1,592,412
Capital assets being depreciated:				
Buildings and improvements	19,643,810	-	-	19,643,810
Machinery and equipment	656,127	288	-	656,415
Total capital assets being depreciated	20,299,937	288	-	20,300,225
Total capital assets	21,892,349	288	-	21,892,637
Less accumulated depreciation for:				
Buildings and improvements	1,193,025	198,139	-	1,391,164
Machinery and equipment	267,919	25,464	-	293,383
Total accumulated depreciation	1,460,944	223,603	-	1,684,547
Net capital assets being depreciated	18,838,993	(223,315)	-	18,615,678
Total capital assets, net	<u>\$ 20,431,405</u>	<u>\$ (223,315)</u>	<u>\$ -</u>	<u>\$ 20,208,090</u>

Long-Term Obligations

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 123,295	\$ 105,156	\$ 104,900	\$ 123,551	\$ 76,216
Net pension liability, IMRF	286,991	297,526	-	584,517	-
Net OPEB liability	20,505	435	-	20,940	2,301
Total	<u>\$ 430,791</u>	<u>\$ 403,117</u>	<u>\$ 104,900</u>	<u>\$ 729,008</u>	<u>\$ 78,517</u>

4. Other Information

Employees' Retirement System

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan do not issue separate reports on the pension plans. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. This report is also available for download at www.imrf.org.

The City participates in two benefit plans under IMRF. The vast majority of members participate in the Regular Plan. The Town plan is a Regular plan for employees of the Town of the City of Galesburg.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

For the year ended December 31, 2025, the following balances are recognized in the government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
IMRF, Regular	\$ 7,405,315	\$ 4,454,697	\$ 135,513	\$ 4,173,357
IMRF, Town	38,730	101,718	65,207	219,429
Police Pension Plan	27,281,965	2,389,089	11,040,519	987,460
Firefighters' Pension Plan	<u>26,229,158</u>	<u>1,629,134</u>	<u>6,534,796</u>	<u>(648,396)</u>
Total	<u>\$ 60,955,168</u>	<u>\$ 8,574,638</u>	<u>\$ 17,776,035</u>	<u>\$ 4,731,850</u>

Illinois Municipal Retirement Fund

Plan Description

Both IMRF benefit plans have two tiers. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in *Tier 1*. All other members participate in *Tier 2*. For *Tier 1* participants, pension benefits vest after eight years of service. Participating members 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 their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter to a maximum of 75% of their final rate of earnings.

Employees hired on or after January 1, 2011, are eligible for *Tier 2* benefits. For *Tier 2* participants, pension benefits vest after 10 years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate of earnings for the first 15 years of service credit, plus 2% for each year of service 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 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.

Under the employer number within IMRF, both the City and Library contribute to the regular plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost-sharing occurs between the City and Library.

Plan Membership

At December 31, 2024, the measurement date, membership in the plans were as follows:

	Regular Plan	Town
Retirees and beneficiaries	196	11
Inactive, non-retired members	110	2
Active members	<u>171</u>	<u>7</u>
Total	<u>477</u>	<u>20</u>

Contributions

As set by statute, employees participating in Regular and Town plans are required to contribute 4.50% of their annual covered salary. The statute requires the City and Library to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The actuarially determined contribution rates for the calendar year ending December 31, 2024 were 7.69% and (5.28)%, respectively, of annual covered payroll for Regular and Town plans. The City and Library also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The net pension liabilities/(assets) were measured as of December 31, 2024, and the total pension liabilities used to calculate the net pension liabilities/(assets) were determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liabilities/(assets), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The total pension liabilities for IMRF was determined by actuarial valuations performed as of December 31, 2024 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Fair Value
Actuarial assumptions	
Investment Rate of Return	7.25%
Salary increases	2.85% to 13.75%, including inflation
Price inflation	2.25%

Mortality

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables and future mortality improvements projected using scale MP-2021. For disabled retirees, 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.

Long-Term Expected Real Rate of Return

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

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	33.50 %	5.70 %	4.35 %
International equities	18.00	7.10	5.40
Fixed income	24.50	5.30	5.20
Real estate	10.50	7.30	6.40
Alternatives	12.50		
Private equity		10.00	6.25
Commodities		6.05	4.85
Cash equivalents	1.00	3.60	3.60

Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member 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 rate and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liabilities/(assets) to changes in the discount rate. The table below presents the net pension liabilities/(assets) calculated using the discount rate of 7.25% as well as what the net pension liabilities/(assets) would be if it were to be calculated using discount rates that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Regular:			
Net pension liability/(asset), City	\$ 15,106,871	\$ 6,820,798	\$ 174,748
Net pension liability/(asset), Library	1,155,938	584,517	126,197
Total	<u>\$ 16,262,809</u>	<u>\$ 7,405,315</u>	<u>\$ 300,945</u>
Town			
Net pension liability/(asset)	\$ 308,692	\$ 38,730	\$ (189,024)

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Changes in Net Pension Liability/(Asset)

The changes in net pension liabilities/(assets) for the calendar year ended December 31, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Regular			
Balances at December 31, 2023	\$ 74,227,118	\$ 69,519,864	\$ 4,707,254
Service cost	965,464	-	965,464
Interest on total pension liability	5,250,118	-	5,250,118
Differences between expected and actual experience of the total pension liability	1,843,237	-	1,843,237
Benefit payments, including refunds of employee contributions	(4,588,857)	(4,588,857)	-
Contributions, employer	-	847,219	(847,219)
Contributions, employee	-	496,075	(496,075)
Net investment income	-	6,966,634	(6,966,634)
Other (net transfer)	-	(2,949,170)	2,949,170
Balances at December 31, 2024	<u>\$ 77,697,080</u>	<u>\$ 70,291,765</u>	<u>\$ 7,405,315</u>
Plan fiduciary net position as a percentage of the total pension liability			90.47 %
Balances at December 31, 2024			
City	\$ 72,684,641	\$ 65,863,843	\$ 6,820,798
Library	<u>5,012,439</u>	<u>4,427,922</u>	<u>584,517</u>
Total	<u>\$ 77,697,080</u>	<u>\$ 70,291,765</u>	<u>\$ 7,405,315</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Town			
Balances at December 31, 2023	\$ 2,875,603	\$ 2,844,140	\$ 31,463
Service cost	41,293	-	41,293
Interest on total pension liability	203,827	-	203,827
Differences between expected and actual experience of the total pension liability	(99,526)	-	(99,526)
Benefit payments, including refunds of employee contributions	(169,686)	(169,686)	-
Contributions, employer	-	19,405	(19,405)
Contributions, employee	-	16,537	(16,537)
Net investment income	-	281,039	(281,039)
Other (net transfer)	-	(178,654)	178,654
Balances at December 31, 2024	<u>\$ 2,851,511</u>	<u>\$ 2,812,781</u>	<u>\$ 38,730</u>

Plan fiduciary net position as a percentage of the total pension liability 98.64 %

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

For the year ended December 31, 2025, pension expense was \$4,173,357 and \$219,429 for the Regular and Town plans, respectively. Deferred outflows and inflows of resources related to pension were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Regular		
Difference between expected and actual experience	\$ 1,769,882	\$ 132,682
Assumption changes	-	2,831
Net difference between projected and actual earnings on pension plan investments	1,587,489	-
Contributions subsequent to the measurement date	<u>1,097,326</u>	<u>-</u>
Total	<u>\$ 4,454,697</u>	<u>\$ 135,513</u>
City	\$ 4,101,554	\$ 124,817
Library	<u>353,143</u>	<u>10,696</u>
Total	<u>\$ 4,454,697</u>	<u>\$ 135,513</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements

December 31, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Town		
Difference between expected and actual experience	\$ 9,616	\$ 65,207
Assumption changes	107	-
Net difference between projected and actual earnings on pension plan investments	70,245	-
Contributions subsequent to the measurement date	<u>21,750</u>	<u>-</u>
Total	<u>\$ 101,718</u>	<u>\$ 65,207</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liabilities/(assets) for the year ending December 31, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to pensions are \$3,221,858, and \$14,761 for the Regular and Town plans, respectively. Amounts will be recognized in pension expense as follows:

Years Ending December 31:	Regular Plan	Town
2026	\$ 1,357,033	\$ 9,082
2027	2,894,245	61,742
2028	(599,221)	(38,832)
2029	<u>(430,199)</u>	<u>(17,231)</u>
Total	<u>\$ 3,221,858</u>	<u>\$ 14,761</u>

Police Pension

Plan Description

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. *Tier 1* is for employees hired prior to January 1, 2011 and *Tier 2* is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At December 31, 2025, the Police Pension membership consisted of:

Retirees and beneficiaries	62
Inactive, nonretired members	20
Active members	<u>53</u>
Total	<u><u>135</u></u>

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending December 31, 2025 was 88.05% of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2025.

Summary of Significant Accounting Policies

The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2025 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	5-Year Smoothed Fair Value
Actuarial assumptions	
Interest rate	6.75%
Inflation	2.50%
Projected salary increases	2.50% - 10.19%
Cost-of-living adjustments	2.50%

Mortality rates were based on the PubS-2010(A) Study Adjusted for Plan Status, Demographics and Illinois Public Pension Data. The actuarial assumptions were based on the results of the Lauterbach & Amen Experience Study for Police 2020.

Discount Rate

The discount rate used to measure the total pension liability for the Police Pension Plan was 6.75%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.75% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	\$ 37,067,861	\$ 27,281,965	\$ 19,279,923

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Changes in Net Pension Liability/(Asset)

The City's changes in net pension liability/(asset) for the year ended December 31, 2025 was as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/Asset
	(a)	(b)	(a) - (b)
Balances at December 31, 2024	\$ 71,018,726	\$ 39,522,487	\$ 31,496,239
Service cost	904,651	-	904,651
Interest on total pension liability	4,670,429	-	4,670,429
Differences between expected and actual experience of the total pension liability	228,213	-	228,213
Benefit payments, including refunds of employee contributions	(4,039,662)	(4,039,662)	-
Contributions, employer	-	3,922,034	(3,922,034)
Contributions, employee	-	445,135	(445,135)
Net investment income	-	5,672,728	(5,672,728)
Administration	-	(22,330)	22,330
Balances at December 31, 2025	<u>\$ 72,782,357</u>	<u>\$ 45,500,392</u>	<u>\$ 27,281,965</u>

Plan fiduciary net position as a percentage of the total pension liability 62.52 %

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

For the year ended December 31, 2025, the City recognized pension expense of \$987,460. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,842,387	\$ 390,923
Assumption changes	546,702	7,183,041
Net difference between projected and actual earnings on pension plan investments	-	3,466,555
Total	<u>\$ 2,389,089</u>	<u>\$ 11,040,519</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

The amounts reported as deferred outflows and inflows of resources related to pensions is \$(8,651,430) and will be recognized in pension expense as follows:

Years Ending December 31:	Amount
2026	\$ (3,108,779)
2027	(3,890,913)
2028	(1,160,405)
2029	<u>(491,333)</u>
Total	<u>\$ (8,651,430)</u>

Firefighters' Pension

Plan Description

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. *Tier 1* is for employees hired prior to January 1, 2011 and *Tier 2* is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Plan Membership

At December 31, 2025, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	66
Inactive, nonretired members	5
Active members	<u>42</u>
Total	<u><u>113</u></u>

Contributions

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2025, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending December 31, 2025 was 105.75% of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2025.

Summary of Significant Accounting Policies

The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2025 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	5-Year Smoothed Fair Value
Actuarial assumptions	
Interest rate	6.75%
Inflation	2.50%
Projected salary increases	4.00-7.55%
Cost-of-living adjustments	2.50%

City of Galesburg, Illinois

Notes to Basic Financial Statements

December 31, 2025

Mortality rates were based on the PubS-2010(A) Study Adjusted for Plan Status, Demographics and Illinois Public Pension Data. The actuarial assumptions were based on the results of the Lauterbach & Amen Experience Study for Firefighters 2021.

Discount Rate

The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 6.75%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.75% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 34,470,685	\$ 26,229,158	\$ 19,416,090

Changes in Net Pension Liability/(Asset)

The City's changes in net pension liability/(asset) for the year ended December 31, 2025 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at December 31, 2024	\$ 64,032,617	\$ 33,137,514	\$ 30,895,103
Service cost	888,494	-	888,494
Interest on total pension liability	4,166,756	-	4,166,756
Differences between expected and actual experience of the total pension liability	(341,052)	-	(341,052)
Benefit payments, including refunds of employee contributions	(3,861,653)	(3,861,653)	-
Contributions, employer	-	3,648,725	(3,648,725)
Contributions, employee	-	335,455	(335,455)
Net investment income	-	5,419,413	(5,419,413)
Administration	-	(23,450)	23,450
Balances at December 31, 2025	<u>\$ 64,885,162</u>	<u>\$ 38,656,004</u>	<u>\$ 26,229,158</u>

Plan fiduciary net position as a percentage of
the total pension liability 59.58 %

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

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

For the year ended December 31, 2025, the City recognized pension expense of \$(648,396). The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 877,325	\$ 272,291
Assumption changes	751,809	3,504,694
Net difference between projected and actual earnings on pension plan investments	-	2,757,811
Total	<u>\$ 1,629,134</u>	<u>\$ 6,534,796</u>

The amounts reported as deferred outflows and inflows of resources related to pensions is \$(4,905,662) and will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Amount</u>
2026	\$ (2,517,209)
2027	(1,268,473)
2028	(590,594)
2029	<u>(529,386)</u>
Total	<u>\$ (4,905,662)</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Pension Segment Information**Fiduciary Net Position**

	Pension Trust			Total
	Police Pension	Fire Pension	OPEB Trust	
Assets				
Cash and cash equivalents	\$ 1,248,793	\$ 993,243	\$ 25	\$ 2,242,061
Investments:				
Mutual funds	-	-	3,327,414	3,327,414
Insurance contracts and annuities	30,605,264	-	-	30,605,264
Illinois police officers' pension investment fund	12,830,322	-	-	12,830,322
Firefighters' pension investment fund	-	36,902,885	-	36,902,885
Receivables				
Due from primary government	1,154,790	1,088,941	-	2,243,731
Total assets	<u>45,839,169</u>	<u>38,985,069</u>	<u>3,327,439</u>	<u>88,151,677</u>
Liabilities				
Accounts payable	338,777	329,065	-	667,842
Total liabilities	<u>338,777</u>	<u>329,065</u>	<u>-</u>	<u>667,842</u>
Net Position				
Restricted for OPEB	-	-	3,327,439	3,327,439
Restricted for pension benefits	45,500,392	38,656,004	-	84,156,396
Total net position	<u>\$ 45,500,392</u>	<u>\$ 38,656,004</u>	<u>\$ 3,327,439</u>	<u>\$ 87,483,835</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements

December 31, 2025

Changes in Plan Net Position

	Pension Trust			Total
	Police Pension	Fire Pension	OPEB Trust	
Additions				
Contributions:				
Employer	\$ 3,922,034	\$ 3,648,725	\$ 1,251,271	\$ 8,822,030
Plan member deposits	445,135	335,455	-	780,590
Total contributions	4,367,169	3,984,180	1,251,271	9,602,620
Investment income:				
Net appreciation in fair value of investments	5,637,164	5,436,809	424,186	11,498,159
Interest income	45,409	49,666	-	95,075
Total investment income	5,682,573	5,486,475	424,186	11,593,234
Less investment expense	(9,845)	(67,062)	-	(76,907)
Net investment income	5,672,728	5,419,413	424,186	11,516,327
Total additions	10,039,897	9,403,593	1,675,457	21,118,947
Deductions				
Benefits	4,039,662	3,861,653	1,100,927	9,002,242
Administration	22,330	23,450	2,270	48,050
Total deductions	4,061,992	3,885,103	1,103,197	9,050,292
Change in net position	5,977,905	5,518,490	572,260	12,068,655
Net Position, Beginning	39,522,487	33,137,514	2,755,179	75,415,180
Net Position, Ending	<u>\$ 45,500,392</u>	<u>\$ 38,656,004</u>	<u>\$ 3,327,439</u>	<u>\$ 87,483,835</u>

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City purchases commercial insurance to provide coverage for losses from health care of its employees. Risks, such as general liability and workers' compensation are accounted for and financed by the City in the established self-insurance funds (internal services funds).

Self Insurance

For general liability and workers' compensation claims, the City is fully self-insured. For property claims, the City pays a specific per-incident deductible and then has private insurance for all losses in excess of that amount. All claims handling procedures are performed by an independent claims administrator.

All funds of the City participate in the risk management program. Amounts payable to the self-insurance funds are based on estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. These estimates are determined based on historical claims experience.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability.

There have been no significant reductions in insurance coverage in the current year from prior years. The amount of settlements have not exceeded insurance coverage in the past three fiscal years.

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid Claims, Beginning	\$ 150,000	\$ 578,335
Current year claims and changes in estimates	692,309	448,343
Claim payments	<u>(263,974)</u>	<u>(423,299)</u>
Unpaid Claims, Ending	<u>\$ 578,335</u>	<u>\$ 603,379</u>

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has active construction projects as of December 31, 2025. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. The City has an estimated remaining commitment of \$4,534,175 related to these projects.

Other Postemployment Benefits

General Information About the OPEB Plan

Plan Description

The City administers the Other Postemployment Benefit Plan (OPEB Plan), a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time general and public safety employees of the City and Library. Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the unions.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Benefits Provided

The OPEB Plan provides continuation of employer subsidized health coverage for the retiree and their dependents, if any, upon retirement from the City after meeting the age and service requirements for retirement. The City pays 100% of the premium cost of coverage of the lowest cost health plan offered for retirees to age 65 for employees hired prior to 2011 (except those employed from Library, Township and City Assessor, who pay 100% of the premium costs). Retirees pay a portion of the premium cost of coverage for spousal coverage. Disabled officers are covered to age 65 paid 100% by the City. Employees hired after 2010 who retire may elect to continue coverage under the plan by contributing 100% of the premium rate costs.

Employees Covered by Benefit Terms

At December 31, 2025, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	57
Active plan members	<u>268</u>
	<u><u>325</u></u>

Contributions

The City Council has the authority to establish and amend the contribution requirements of the City and employees. The Council establishes rates based on an actuarially determined rate. For the year ended December 31, 2025, the City's employer contribution rate as a percentage of covered payroll was 5.70%. The City pays all benefit claims from operations and makes annual contributions to the plan. Plan members are not required to contribution to the plan.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50%
Investment rate of return	4.83%
Healthcare cost trend rates	Initial - 6.50%, Ultimate - 4.50%

Mortality rates were based on the PubS-2010 base rates projected Fully Generationally using scale MP2021 for Police and Fire. For all others, the PubG-2010 base rates projected Fully Generationally using scale MP2021 was used.

The actuarial assumptions used in the December 31, 2025 valuation were based on the results of an actuarial experience study dated March 4, 2022 for Illinois Police Officers and an actuarial experience study for the period dated December 1, 2021 for Illinois Firefighters from the Foster & Foster Actuarial Experience Studies. For participants other than Police Officers and Firefighters, the actuarial assumptions were based on the results of an actuarial experience study dated November 3, 2020 from the triennial experience study performed by GRS.

Investment Policy

Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The OPEB Plan's investment policy does not include formal target allocations for the diversification of the portfolio across a broad selection of distinct asset classes.

Money-Weighted Rate of Return

For the year ended December 31, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 13.95%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.83%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position will not be available to make all projected future benefit payments of current plan members. Therefore, a blended rate, based on the long-term expected rate of return on OPEB Plan investments and 20-year GO municipal bond rate, was used to determine the total OPEB liability.

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at December 31, 2024	\$ 14,490,120	\$ 2,755,179	\$ 11,734,941
Changes for the year:			
Service cost	695,088	-	695,088
Interest	571,731	-	571,731
Changes in assumptions	(728,848)	-	(728,848)
Contributions-employer	-	1,251,271	(1,251,271)
Net investment income	-	424,186	(424,186)
Benefit payments	(1,100,927)	(1,100,927)	-
Administrative expense	(2,270)	(2,270)	-
Net changes	(565,226)	572,260	(1,137,486)
Balances at December 31, 2025	<u>\$ 13,924,894</u>	<u>\$ 3,327,439</u>	<u>\$ 10,597,455</u>
Net OPEB liability, City	\$ 13,898,009	\$ 3,321,494	\$ 10,576,515
Net OPEB liability, Library	<u>26,885</u>	<u>5,945</u>	<u>20,940</u>
Net OPEB liability, total	<u>\$ 13,924,894</u>	<u>\$ 3,327,439</u>	<u>\$ 10,597,455</u>
Plan fiduciary net position as a percentage of the total OPEB liability			23.90 %

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

The following presents the net OPEB liability of the City and Library, as well as what the City and Library's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.83%) or 1-percentage-point higher (5.83%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Net OPEB liability, City	\$ 11,566,310	\$ 10,576,515	\$ 9,650,120
Net OPEB liability, Library	<u>22,900</u>	<u>20,940</u>	<u>19,106</u>
Net OPEB liability, total	<u>\$ 11,589,210</u>	<u>\$ 10,597,455</u>	<u>\$ 9,669,226</u>

City of Galesburg, Illinois

Notes to Basic Financial Statements
December 31, 2025

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City and Library, as well as what the City and Library's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability, City	\$ 9,370,182	\$ 10,576,515	\$ 11,958,769
Net OPEB liability, Library	<u>18,552</u>	<u>20,940</u>	<u>23,677</u>
Net OPEB liability, total	<u>\$ 9,388,734</u>	<u>\$ 10,597,455</u>	<u>\$ 11,982,446</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the City and Library recognized OPEB expense of \$707,341. At December 31, 2025, the City and Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 349,069	\$ 569,207
Changes of assumptions or other inputs	1,683,476	3,017,932
Differences between expected and actual investment earnings	<u>-</u>	<u>406,884</u>
Total	<u>\$ 2,032,545</u>	<u>\$ 3,994,023</u>
Deferred outflows / inflows, City	\$ 2,028,529	\$ 3,986,131
Deferred outflows / inflows, Library	<u>4,016</u>	<u>7,892</u>
Total	<u>\$ 2,032,545</u>	<u>\$ 3,994,023</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31:

2026	\$ (258,027)
2027	(324,348)
2028	(277,857)
2029	(135,634)
2030	(94,983)
Thereafter	<u>(870,629)</u>
Total	<u>\$ (1,961,478)</u>

Tax Increment Financing District

The City of Galesburg, Illinois has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the City and its surrounding areas. As part of the redevelopment plans, the City has made significant improvements to utilities, public parking, intersections and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly and demolition/clearance.

Construction and development in the RPA's were the responsibility of developers and are substantially complete. To entice development of the areas, the City created tax increment financing (TIF) districts to finance public improvements made within the RPA's.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City is disclosing individual abatement agreements over \$100,000 individually and agreements under \$100,000 in the aggregate.

The City has entered into tax abatement agreements with developers in the form of sales tax rebate incentive payments to stimulate economic development. The abatements are authorized through City Council resolutions. The developers make sales tax payments as they become due and, after meeting the criteria established in the development agreements, are entitled to incentive payments that directly correlate to the taxes paid. The incentives are calculated based on a percentage of sales taxes paid by the developers, with cumulative not to exceed maximum payments. The developer commitments include the construction and operation of a Kohl's store and rehabilitation of an existing building for the operation of a furniture store. Total incentive payments for the year ended December 31, 2025 were \$77,540.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*
- Statement No. 105, *Subsequent Events*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Galesburg, Illinois

Illinois Municipal Retirement Fund -
Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios
Last Ten Fiscal Years

	2016			2017		
	City	Library	Total	City	Library	Total
Total Pension Liability						
Service cost	\$ 769,916	\$ 47,792	\$ 817,708	\$ 765,484	\$ 84,368	\$ 849,852
Interest changes of benefit terms	3,800,892	362,372	4,163,264	3,937,799	434,008	4,371,807
Differences between expected and actual experience	1,207,175	74,934	1,282,109	584,340	64,404	648,744
Changes of assumptions	66,792	4,146	70,938	(338,553)	192,212	(146,341)
Benefit payments, including refunds of member contributions	(3,100,373)	(192,452)	(3,292,825)	(3,317,124)	(365,600)	(3,682,724)
Net change in total pension liability	2,744,402	296,792	3,041,194	1,631,946	409,392	2,041,338
Total Pension Liability, Beginning	<u>53,500,848</u>	<u>3,321,005</u>	<u>56,821,853</u>	<u>56,245,250</u>	<u>3,617,797</u>	<u>59,863,047</u>
Total Pension Liability, Ending	<u>\$ 56,245,250</u>	<u>\$ 3,617,797</u>	<u>\$ 59,863,047</u>	<u>\$ 57,877,196</u>	<u>\$ 4,027,189</u>	<u>\$ 61,904,385</u>
Plan Fiduciary Net Position						
Employer contributions	\$ 996,715	\$ 61,870	\$ 1,058,585	\$ 1,232,864	\$ 135,881	\$ 1,368,745
Employee contributions	352,560	21,885	374,445	332,082	36,601	368,683
Net investment income	242,344	15,043	257,387	3,142,696	346,375	3,489,071
Benefit payments, including refunds of member contributions	(3,100,373)	(192,452)	(3,292,825)	(3,317,124)	(365,600)	(3,682,724)
Other (net transfer)	1,015,743	63,051	1,078,794	(61,139)	(6,739)	(67,878)
Net change in plan fiduciary net position	(493,011)	(30,603)	(523,614)	1,329,379	146,518	1,475,897
Plan Fiduciary Net Position, Beginning	<u>49,344,253</u>	<u>3,062,989</u>	<u>52,407,242</u>	<u>48,851,242</u>	<u>3,032,386</u>	<u>51,883,628</u>
Plan Fiduciary Net Position, Ending	<u>\$ 48,851,242</u>	<u>\$ 3,032,386</u>	<u>\$ 51,883,628</u>	<u>\$ 50,180,621</u>	<u>\$ 3,178,904</u>	<u>\$ 53,359,525</u>
City's Net Pension Liability (Asset), Ending	<u>\$ 7,394,008</u>	<u>\$ 585,411</u>	<u>\$ 7,979,419</u>	<u>\$ 7,696,575</u>	<u>\$ 848,285</u>	<u>\$ 8,544,860</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			86.67%			86.20%
Covered Payroll			\$ 8,027,563			\$ 8,024,144
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll			99.40%			106.49%

See notes to required supplementary information

2018			2019			2020		
City	Library	Total	City	Library	Total	City	Library	Total
\$ 762,056	\$ 54,613	\$ 816,669	\$ 675,940	\$ 69,697	\$ 745,637	\$ 732,814	\$ 70,374	\$ 803,188
4,224,265	302,734	4,526,999	4,060,308	418,666	4,478,974	4,283,308	411,339	4,694,647
(38,975)	(2,793)	(41,768)	1,889,328	194,812	2,084,140	181,337	17,414	198,751
(1,557,522)	(408,326)	(1,965,848)	1,602,544	229,937	1,832,481	71,265	(71,265)	-
(3,644,305)	(261,171)	(3,905,476)	(3,604,567)	(371,674)	(3,976,241)	(3,919,217)	(376,374)	(4,295,591)
(254,481)	(314,943)	(569,424)	4,623,553	541,438	5,164,991	1,349,507	51,488	1,400,995
57,877,196	4,027,189	61,904,385	57,622,715	3,712,246	61,334,961	62,246,268	4,253,684	66,499,952
<u>\$ 57,622,715</u>	<u>\$ 3,712,246</u>	<u>\$ 61,334,961</u>	<u>\$ 62,246,268</u>	<u>\$ 4,253,684</u>	<u>\$ 66,499,952</u>	<u>\$ 63,595,775</u>	<u>\$ 4,305,172</u>	<u>\$ 67,900,947</u>
\$ 1,088,795	\$ 78,029	\$ 1,166,824	\$ 1,017,042	\$ 104,869	\$ 1,121,911	\$ 1,018,167	\$ 97,778	\$ 1,115,945
336,127	24,089	360,216	361,455	37,270	398,725	339,011	32,556	371,567
9,205,609	659,725	9,865,334	(3,427,845)	(353,452)	(3,781,297)	9,768,518	938,100	10,706,618
(3,644,305)	(261,171)	(3,905,476)	(3,604,567)	(371,674)	(3,976,241)	(3,919,217)	(376,374)	(4,295,591)
(1,601,466)	(114,770)	(1,716,236)	1,300,797	134,127	1,434,924	177,239	17,021	194,260
5,384,760	385,902	5,770,662	(4,353,118)	(448,860)	(4,801,978)	7,383,718	709,081	8,092,799
50,180,621	3,178,904	53,359,525	55,565,381	3,564,806	59,130,187	51,212,263	3,115,946	54,328,209
<u>\$ 55,565,381</u>	<u>\$ 3,564,806</u>	<u>\$ 59,130,187</u>	<u>\$ 51,212,263</u>	<u>\$ 3,115,946</u>	<u>\$ 54,328,209</u>	<u>\$ 58,595,981</u>	<u>\$ 3,825,027</u>	<u>\$ 62,421,008</u>
<u>\$ 2,057,334</u>	<u>\$ 147,440</u>	<u>\$ 2,204,774</u>	<u>\$ 11,034,005</u>	<u>\$ 1,137,738</u>	<u>\$ 12,171,743</u>	<u>\$ 4,999,794</u>	<u>\$ 480,145</u>	<u>\$ 5,479,939</u>
		96.41%			81.70%			91.93%
		\$ 8,004,796			\$ 8,116,006			\$ 8,205,963
		27.54%			149.97%			66.78%

See notes to required supplementary information

City of Galesburg, Illinois

Illinois Municipal Retirement Fund -
Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios
Last Ten Fiscal Years (cont.)

	2021			2022		
	City	Library	Total	City	Library	Total
Total Pension Liability						
Service cost	\$ 766,685	\$ 66,796	\$ 833,481	\$ 814,655	\$ 69,951	\$ 884,606
Interest changes of benefit terms	4,414,161	384,578	4,798,739	4,521,936	388,281	4,910,217
Differences between expected and actual experience	703,455	61,288	764,743	(897,744)	(77,086)	(974,830)
Changes of assumptions	(557,293)	(93,099)	(650,392)	210	(210)	-
Benefit payments, including refunds of member contributions	(3,915,263)	(341,112)	(4,256,375)	(3,879,521)	(333,120)	(4,212,641)
Net change in total pension liability	1,411,745	78,451	1,490,196	559,536	47,816	607,352
Total Pension Liability, Beginning	63,595,775	4,305,172	67,900,947	65,007,520	4,383,623	69,391,143
Total Pension Liability, Ending	<u>\$ 65,007,520</u>	<u>\$ 4,383,623</u>	<u>\$ 69,391,143</u>	<u>\$ 65,567,056</u>	<u>\$ 4,431,439</u>	<u>\$ 69,998,495</u>
Plan Fiduciary Net Position						
Employer contributions	\$ 1,226,214	\$ 106,832	\$ 1,333,046	\$ 1,150,537	\$ 98,792	\$ 1,249,329
Employee contributions	384,039	33,459	417,498	390,632	33,542	424,174
Net investment income	8,549,012	744,821	9,293,833	11,140,512	956,593	12,097,105
Benefit payments, including refunds of member contributions	(3,915,263)	(341,112)	(4,256,375)	(3,879,521)	(333,120)	(4,212,641)
Other (net transfer)	(13,849)	(1,207)	(15,056)	(1,330,449)	(114,241)	(1,444,690)
Net change in plan fiduciary net position	6,230,153	542,793	6,772,946	7,471,711	641,566	8,113,277
Plan Fiduciary Net Position, Beginning	58,595,981	3,825,027	62,421,008	64,826,134	4,367,820	69,193,954
Plan Fiduciary Net Position, Ending	<u>\$ 64,826,134</u>	<u>\$ 4,367,820</u>	<u>\$ 69,193,954</u>	<u>\$ 72,297,845</u>	<u>\$ 5,009,386</u>	<u>\$ 77,307,231</u>
City's Net Pension Liability (Asset), Ending	<u>\$ 181,386</u>	<u>\$ 15,803</u>	<u>\$ 197,189</u>	<u>\$ (6,730,789)</u>	<u>\$ (577,947)</u>	<u>\$ (7,308,736)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			99.72%			110.44%
Covered Payroll			\$ 9,074,516			\$ 9,420,918
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll			2.17%			-77.58%

See notes to required supplementary information

2023			2024			2025		
City	Library	Total	City	Library	Total	City	Library	Total
\$ 813,545	\$ 64,708	\$ 878,253	\$ 870,158	\$ 56,496	\$ 926,654	\$ 889,258	\$ 76,206	\$ 965,464
4,587,683	364,894	4,952,577	4,778,910	310,276	5,089,186	4,835,715	414,403	5,250,118
286,104	22,756	308,860	598,986	38,890	637,876	1,697,746	145,491	1,843,237
(39,457)	39,457	-	93,530	(99,045)	(5,515)	(84,563)	84,563	-
(3,939,122)	(313,309)	(4,252,431)	(4,044,259)	(262,578)	(4,306,837)	(4,226,649)	(362,208)	(4,588,857)
1,708,753	178,506	1,887,259	2,297,325	44,039	2,341,364	3,111,507	358,455	3,469,962
65,567,056	4,431,439	69,998,495	67,275,809	4,609,945	71,885,754	69,573,134	4,653,984	74,227,118
<u>\$ 67,275,809</u>	<u>\$ 4,609,945</u>	<u>\$ 71,885,754</u>	<u>\$ 69,573,134</u>	<u>\$ 4,653,984</u>	<u>\$ 74,227,118</u>	<u>\$ 72,684,641</u>	<u>\$ 5,012,439</u>	<u>\$ 77,697,080</u>
\$ 951,535	\$ 75,683	\$ 1,027,218	\$ 760,117	\$ 49,351	\$ 809,468	\$ 780,346	\$ 66,873	\$ 847,219
411,377	32,720	444,097	432,461	28,078	460,539	456,919	39,156	496,075
(9,585,904)	(762,440)	(10,348,344)	6,786,475	440,620	7,227,095	6,416,743	549,891	6,966,634
(3,939,122)	(313,309)	(4,252,431)	(4,044,259)	(262,578)	(4,306,837)	(4,226,649)	(362,208)	(4,588,857)
(54,073)	(4,301)	(58,374)	1,136,419	73,783	1,210,202	(2,716,386)	(232,784)	(2,949,170)
(12,216,187)	(971,647)	(13,187,834)	5,071,213	329,254	5,400,467	710,973	60,928	771,901
72,297,845	5,009,386	77,307,231	60,081,658	4,037,739	64,119,397	65,152,871	4,366,993	69,519,864
<u>\$ 60,081,658</u>	<u>\$ 4,037,739</u>	<u>\$ 64,119,397</u>	<u>\$ 65,152,871</u>	<u>\$ 4,366,993</u>	<u>\$ 69,519,864</u>	<u>\$ 65,863,844</u>	<u>\$ 4,427,921</u>	<u>\$ 70,291,765</u>
<u>\$ 7,194,151</u>	<u>\$ 572,206</u>	<u>\$ 7,766,357</u>	<u>\$ 4,420,263</u>	<u>\$ 286,991</u>	<u>\$ 4,707,254</u>	<u>\$ 6,820,797</u>	<u>\$ 584,518</u>	<u>\$ 7,405,315</u>
89.20%			93.66%			90.47%		
\$ 9,868,821			\$ 10,231,919			\$ 11,017,152		
78.70%			46.01%			67.22%		

See notes to required supplementary information

City of Galesburg, Illinois

Illinois Municipal Retirement Fund -
Schedule of Employer Contributions
Last Ten Fiscal Years

	2016	2017	2018
City			
Actuarially determined contribution	\$ 887,566	\$ 919,494	\$ 968,973
Contributions in relation to the actuarially determined contribution	<u>1,050,988</u>	<u>1,088,795</u>	<u>1,017,042</u>
Contribution deficiency (excess)	<u>\$ (163,422)</u>	<u>\$ (169,301)</u>	<u>\$ (48,069)</u>
Library			
Actuarially determined contribution	\$ 97,824	\$ 65,896	\$ 99,913
Contributions in relation to the actuarially determined contribution	<u>115,836</u>	<u>78,029</u>	<u>104,869</u>
Contribution deficiency (excess)	<u>\$ (18,012)</u>	<u>\$ (12,133)</u>	<u>\$ (4,956)</u>
Total			
Actuarially determined contribution	\$ 985,390	\$ 985,390	\$ 1,068,886
Contributions in relation to the actuarially determined contribution	<u>1,166,824</u>	<u>1,166,824</u>	<u>1,121,911</u>
Contribution deficiency (excess)	<u>\$ (181,434)</u>	<u>\$ (181,434)</u>	<u>\$ (53,025)</u>
Covered payroll	\$ 8,004,796	\$ 8,004,796	\$ 8,116,066
Contributions as a percentage of covered payroll	14.58%	14.58%	13.82%

Notes to Schedule:

Valuation date: Actuarially determined contributions are calculated as of December 31 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregated Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-year smoothed market, 20% corridor
Inflation	2.25%
Salary increases	2.75% 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
Mortality	Pub-2010

Other information:

There were no benefit changes during the year.

2019	2020	2021	2022	2023	2024	2025
\$ 795,116	\$ 1,226,214	\$ 1,147,886	\$ 930,626	\$ 696,572	\$ 794,780	\$ 780,346
1,018,167	1,226,214	1,153,515	951,535	737,741	1,056,061	1,009,187
<u>\$ (223,051)</u>	<u>\$ -</u>	<u>\$ (5,629)</u>	<u>\$ (20,909)</u>	<u>\$ (41,169)</u>	<u>\$ (261,281)</u>	<u>\$ (228,841)</u>
\$ 76,357	\$ 106,832	\$ 101,328	\$ 74,020	\$ 56,497	\$ 52,439	\$ 66,873
97,778	106,832	101,825	75,683	59,836	69,678	88,139
<u>\$ (21,421)</u>	<u>\$ -</u>	<u>\$ (497)</u>	<u>\$ (1,663)</u>	<u>\$ (3,339)</u>	<u>\$ (17,239)</u>	<u>\$ (21,266)</u>
\$ 871,473	\$ 1,333,046	\$ 1,249,214	\$ 1,004,646	\$ 753,069	\$ 847,219	\$ 955,260
1,115,945	1,333,046	1,255,340	1,027,218	797,577	1,125,739	1,097,326
<u>\$ (244,472)</u>	<u>\$ -</u>	<u>\$ (6,126)</u>	<u>\$ (22,572)</u>	<u>\$ (44,508)</u>	<u>\$ (278,520)</u>	<u>\$ (142,066)</u>
\$ 8,205,963	\$ 9,074,516	\$ 9,420,918	\$ 9,868,821	\$ 10,231,919	\$ 11,017,152	\$ 11,372,142
13.60%	14.69%	13.33%	10.41%	7.79%	10.22%	9.65%

See notes to required supplementary information

City of Galesburg, Illinois

Illinois Municipal Retirement Fund - Town of the City of Galesburg
Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios
Last Ten Fiscal Years

	2016	2017	2018
Total Pension Liability			
Service cost	\$ 38,846	\$ 39,565	\$ 36,130
Interest changes of benefit terms	135,982	147,450	159,334
Differences between expected and actual experience	57,357	81,275	31,466
Changes of assumptions	2,169	(2,299)	(74,508)
Benefit payments, including refunds of member contributions	(65,588)	(92,773)	(124,101)
Net change in total pension liability	168,766	173,218	28,321
Total Pension Liability, Beginning	1,826,461	1,995,227	2,168,445
Total Pension Liability, Ending	<u>\$ 1,995,227</u>	<u>\$ 2,168,445</u>	<u>\$ 2,196,766</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 27,432	\$ 85,180	\$ 29,373
Employee contributions	15,109	14,754	15,496
Net investment income	9,931	120,744	390,255
Benefit payments, including refunds of member contributions	(65,588)	(92,773)	(124,101)
Other (net transfer)	53,387	92,832	(223,039)
Net change in plan fiduciary net position	40,271	220,737	87,984
Plan Fiduciary Net Position, Beginning	1,997,698	2,037,969	2,258,706
Plan Fiduciary Net Position, Ending	<u>\$ 2,037,969</u>	<u>\$ 2,258,706</u>	<u>\$ 2,346,690</u>
City's Net Pension Liability (Asset), Ending	<u>\$ (42,742)</u>	<u>\$ (90,261)</u>	<u>\$ (149,924)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.14%	104.16%	106.82%
Covered Payroll	\$ 335,770	\$ 327,860	\$ 344,345
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	(12.73)%	(27.53)%	(43.54)%

See notes to required supplementary information

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 37,441	\$ 41,784	\$ 38,008	\$ 37,308	\$ 31,155	\$ 32,750	\$ 41,293
161,356	167,692	172,660	183,140	182,294	195,118	203,827
32,820	3,258	110,107	(20,922)	169,274	50,488	(99,526)
57,544	-	(19,517)	-	-	563	-
(128,149)	(131,367)	(153,264)	(159,447)	(256,804)	(156,453)	(169,686)
161,012	81,367	147,994	40,079	125,919	122,466	(24,092)
2,196,766	2,357,778	2,439,145	2,587,139	2,627,218	2,753,137	2,875,603
<u>\$ 2,357,778</u>	<u>\$ 2,439,145</u>	<u>\$ 2,587,139</u>	<u>\$ 2,627,218</u>	<u>\$ 2,753,137</u>	<u>\$ 2,875,603</u>	<u>\$ 2,851,511</u>
\$ 34,574	\$ 23,000	\$ 31,127	\$ 28,280	\$ 21,199	\$ 8,927	\$ 19,405
17,023	17,279	16,440	16,792	14,543	16,601	16,537
(149,226)	427,878	365,840	494,153	(432,052)	294,671	281,039
(128,149)	(131,367)	(153,264)	(159,447)	(256,804)	(156,453)	(169,686)
49,301	15,559	30,286	(11,277)	72,044	79,972	(178,654)
(176,477)	352,349	290,429	368,501	(581,070)	243,718	(31,359)
2,346,690	2,170,213	2,522,562	2,812,991	3,181,492	2,600,422	2,844,140
<u>\$ 2,170,213</u>	<u>\$ 2,522,562</u>	<u>\$ 2,812,991</u>	<u>\$ 3,181,492</u>	<u>\$ 2,600,422</u>	<u>\$ 2,844,140</u>	<u>\$ 2,812,781</u>
<u>\$ 187,565</u>	<u>\$ (83,417)</u>	<u>\$ (225,852)</u>	<u>\$ (554,274)</u>	<u>\$ 152,715</u>	<u>\$ 31,463</u>	<u>\$ 38,730</u>
92.04%	103.42%	108.73%	121.10%	94.45%	98.91%	98.64%
\$ 378,277	\$ 383,980	\$ 365,341	\$ 376,544	\$ 323,167	\$ 368,908	\$ 367,504
49.58%	(21.72)%	(61.82)%	(147.20)%	47.26%	8.53%	10.54%

See notes to required supplementary information

City of Galesburg, Illinois

Illinois Municipal Retirement Fund - Town of the City of Galesburg

Schedule of Employer Contributions

Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 25,180	\$ 29,373	\$ 34,575	\$ 23,000	\$ 31,127
Contributions in relation to the actuarially determined contribution	85,180	29,373	34,574	23,000	31,127
Contribution deficiency (excess)	<u>\$ (60,000)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 327,860	\$ 344,345	\$ 378,277	\$ 383,980	\$ 365,341
Contributions as a percentage of covered payroll	25.98%	8.53%	9.14%	5.99%	8.52%
	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 28,542	\$ 21,200	\$ 8,928	\$ 19,404	N/A
Contributions in relation to the actuarially determined contribution	28,280	21,199	8,927	19,405	N/A
Contribution deficiency (excess)	<u>\$ 262</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (1)</u>	<u>N/A</u>
Covered payroll	\$ 376,544	\$ 323,167	\$ 368,908	\$ 367,504	N/A
Contributions as a percentage of covered payroll	7.51%	6.56%	2.42%	5.28%	N/A

Notes to Schedule:

N/A - Fiscal year 2025 information not available.

Valuation date: Actuarially determined contributions are calculated as of December 31 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregated Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-year smoothed market, 20% corridor
Inflation	2.25%
Salary increases	2.75% 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
Mortality	Pub-2010

Other information:

There were no benefit changes during the year.

City of Galesburg, Illinois

Police Pension Plan - Schedule of Changes in the City's Net Pension Liability and Related Ratios Last Ten Fiscal Years

	2016	2017	2018	2019
Total Pension Liability				
Service cost	\$ 842,309	\$ 896,385	\$ 818,991	\$ 883,167
Interest changes of benefit terms	3,193,581	3,514,250	3,628,841	3,720,839
Differences between expected and actual experience	(2,001,887)	97,635	49,905	688,209
Changes of assumptions	5,293,940	(1,052,662)	1,622,665	8,905,010
Change of benefit terms	-	-	-	103,606
Benefit payments, including refunds of member contributions	(2,400,732)	(2,602,347)	(2,804,292)	(2,880,141)
Net change in total pension liability	4,927,211	853,261	3,316,110	11,420,690
Total Pension Liability, Beginning	50,939,378	55,866,589	56,719,850	60,035,960
Total Pension Liability, Ending	<u>\$ 55,866,589</u>	<u>\$ 56,719,850</u>	<u>\$ 60,035,960</u>	<u>\$ 71,456,650</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 1,956,983	\$ 2,383,891	\$ 2,199,249	\$ 2,229,641
Employee contributions	326,120	466,106	357,688	332,353
Net investment income	1,170,666	2,748,342	(1,608,006)	3,912,366
Benefit payments, including refunds of member contributions	(2,400,732)	(2,602,347)	(2,804,292)	(2,880,141)
Administration	(24,498)	(22,507)	(22,577)	(22,719)
Net change in plan fiduciary net position	1,028,539	2,973,485	(1,877,938)	3,571,500
Plan Fiduciary Net Position, Beginning	23,205,292	24,233,831	27,207,316	25,329,378
Plan Fiduciary Net Position, Ending	<u>\$ 24,233,831</u>	<u>\$ 27,207,316</u>	<u>\$ 25,329,378</u>	<u>\$ 28,900,878</u>
City's Net Pension Liability, Ending	<u>\$ 31,632,758</u>	<u>\$ 29,512,534</u>	<u>\$ 34,706,582</u>	<u>\$ 42,555,772</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.38%	47.97%	42.19%	40.45%
Covered Payroll	\$ 3,155,088	\$ 3,249,741	\$ 3,213,880	\$ 3,340,278
City's Net Pension Liability as a Percentage of Covered Payroll	1002.60%	908.15%	1079.90%	1274.02%

See notes to required supplementary information

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 1,121,695	\$ 1,257,913	\$ 1,437,628	\$ 857,082	\$ 912,517	\$ 904,651
3,965,432	3,850,253	3,911,784	4,298,666	4,540,936	4,670,429
2,356,363	(2,962,803)	1,215,904	294,764	1,786,351	228,213
5,274,383	4,143,452	(17,220,907)	(2,990,557)	(1,168,319)	-
-	-	(56,171)	-	386,222	-
<u>(3,126,243)</u>	<u>(3,349,556)</u>	<u>(3,564,919)</u>	<u>(3,767,997)</u>	<u>(3,841,797)</u>	<u>(4,039,662)</u>
9,591,630	2,939,259	(14,276,681)	(1,308,042)	2,615,910	1,763,631
<u>71,456,650</u>	<u>81,048,280</u>	<u>83,987,539</u>	<u>69,710,858</u>	<u>68,402,816</u>	<u>71,018,726</u>
<u>\$ 81,048,280</u>	<u>\$ 83,987,539</u>	<u>\$ 69,710,858</u>	<u>\$ 68,402,816</u>	<u>\$ 71,018,726</u>	<u>\$ 72,782,357</u>
\$ 2,423,797	\$ 2,287,839	\$ 4,270,139	\$ 3,345,945	\$ 3,573,722	\$ 3,922,034
442,514	391,329	354,489	395,534	422,463	445,135
2,417,041	3,864,471	(5,446,020)	4,817,343	4,844,945	5,672,728
(3,126,243)	(3,349,556)	(3,564,919)	(3,767,997)	(3,841,797)	(4,039,662)
<u>(24,140)</u>	<u>(26,414)</u>	<u>(31,490)</u>	<u>(27,996)</u>	<u>(23,390)</u>	<u>(22,330)</u>
2,132,969	3,167,669	(4,417,801)	4,762,829	4,975,943	5,977,905
<u>28,900,878</u>	<u>31,033,847</u>	<u>34,201,516</u>	<u>29,783,715</u>	<u>34,546,544</u>	<u>39,522,487</u>
<u>\$ 31,033,847</u>	<u>\$ 34,201,516</u>	<u>\$ 29,783,715</u>	<u>\$ 34,546,544</u>	<u>\$ 39,522,487</u>	<u>\$ 45,500,392</u>
<u>\$ 50,014,433</u>	<u>\$ 49,786,023</u>	<u>\$ 39,927,143</u>	<u>\$ 33,856,272</u>	<u>\$ 31,496,239</u>	<u>\$ 27,281,965</u>
38.29%	40.72%	42.72%	50.50%	55.65%	62.52%
\$ 3,440,486	\$ 3,431,701	\$ 3,314,451	\$ 3,979,358	\$ 4,243,471	\$ 4,454,146
1453.70%	1450.77%	1204.64%	850.80%	742.23%	612.51%

See notes to required supplementary information

City of Galesburg, Illinois

Police Pension Plan - Schedule of Employer Contributions Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 2,650,318	\$ 2,511,651	\$ 2,528,343	\$ 2,780,269	\$ 2,780,269
Contributions in relation to the actuarially determined contribution	<u>1,956,983</u>	<u>2,383,891</u>	<u>2,199,249</u>	<u>2,229,641</u>	<u>2,423,797</u>
Contribution deficiency (excess)	<u>\$ 693,335</u>	<u>\$ 127,760</u>	<u>\$ 329,094</u>	<u>\$ 550,628</u>	<u>\$ 356,472</u>
Covered payroll	\$ 3,155,088	\$ 3,249,741	\$ 3,213,880	\$ 3,340,278	\$ 3,440,486
Contributions as a percentage of covered payroll	62.03%	73.36%	68.43%	66.75%	70.45%
	<u>2021</u>	<u>2021</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Actuarially determined contribution	\$ 3,108,165	\$ 3,360,350	\$ 3,345,948	\$ 3,573,722	\$ 3,922,034
Contributions in relation to the actuarially determined contribution	<u>2,287,839</u>	<u>4,270,139</u>	<u>3,345,945</u>	<u>3,573,722</u>	<u>3,922,034</u>
Contribution deficiency (excess)	<u>\$ 820,326</u>	<u>\$ (909,789)</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,431,701	\$ 3,314,451	\$ 4,243,471	\$ 4,454,146	\$ 4,454,146
Contributions as a percentage of covered payroll	66.67%	128.83%	78.85%	80.23%	88.05%

Valuation date: Actuarially determined contributions are calculated as of December 31 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	13 years
Asset valuation method	5-year smoothed fair value
Inflation	2.25%
Salary increases	3.75% - 4.78%
Investment rate of return	6.75%
Retirement age	Capped at age 65
Mortality	Mortality rates were based on the Pub-2010 Adjusted for Plan Status, Demographics and Illinois Public Pension Data

City of Galesburg, Illinois

Police Pension Plan -
Schedule of Investment Returns
Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	4.57%	10.67%	-6.77%	16.50%	8.91%
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Annual money-weighted rate of return, net of investment expense	13.58%	-17.37%	13.72%	9.59%	17.79%

See notes to required supplementary information

City of Galesburg, Illinois

Firefighters' Pension Plan Schedule of Changes in the City's Net Pension Liability and Related Ratios Last Ten Fiscal Years

	2016	2017	2018	2019
Total Pension Liability				
Service cost	\$ 764,601	\$ 814,759	\$ 912,463	\$ 935,109
Interest changes of benefit terms	2,930,958	3,469,190	3,525,942	3,723,946
Differences between expected and actual experience	(379,449)	(47,767)	(144,691)	706,327
Changes of assumptions	7,765,648	2,278,343	377,989	7,178,008
Change of benefit terms	-	-	-	-
Benefit payments, including refunds of member contributions	(2,875,718)	(2,867,506)	(2,929,709)	(3,085,029)
Net change in total pension liability	8,206,040	3,647,019	1,741,994	9,458,361
Total Pension Liability, Beginning	46,117,274	54,323,314	57,970,333	59,712,327
Total Pension Liability, Ending	<u>\$ 54,323,314</u>	<u>\$ 57,970,333</u>	<u>\$ 59,712,327</u>	<u>\$ 69,170,688</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 2,096,966	\$ 2,112,413	\$ 2,389,691	\$ 2,522,306
Employee contributions	263,295	268,377	276,331	282,177
Net investment income	1,161,600	2,597,853	(1,234,318)	3,543,455
Benefit payments, including refunds of member contributions	(2,875,718)	(2,867,506)	(2,929,709)	(3,085,029)
Other	-	-	-	-
Administration	(24,462)	(23,116)	(23,482)	(22,427)
Net change in plan fiduciary net position	621,681	2,088,021	(1,521,487)	3,240,482
Plan Fiduciary Net Position, Beginning	20,749,764	21,371,445	23,459,466	21,937,979
Plan Fiduciary Net Position, Ending	<u>\$ 21,371,445</u>	<u>\$ 23,459,466</u>	<u>\$ 21,937,979</u>	<u>\$ 25,178,461</u>
City's Net Pension Liability, Ending	<u>\$ 32,951,869</u>	<u>\$ 34,510,867</u>	<u>\$ 37,774,348</u>	<u>\$ 43,992,227</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	39.34%	40.47%	36.74%	36.40%
Covered Payroll	\$ 2,719,370	\$ 2,800,951	\$ 2,919,494	\$ 2,984,419
City's Net Pension Liability as a Percentage of Covered Payroll	1211.75%	1232.11%	1293.87%	1474.06%

See notes to required supplementary information

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 1,238,084	\$ 1,279,591	\$ 1,395,012	\$ 903,181	\$ 905,926	\$ 888,494
3,620,103	3,405,605	3,481,708	3,883,894	4,033,486	4,166,756
575,990	(4,941,167)	1,653,857	387,624	651,987	(341,052)
2,891,832	2,667,256	(14,864,764)	(1,874,298)	1,178,975	-
-	-	(94,740)	-	-	-
<u>(3,222,012)</u>	<u>(3,408,182)</u>	<u>(3,529,281)</u>	<u>(3,637,969)</u>	<u>(3,719,769)</u>	<u>(3,861,653)</u>
5,103,997	(996,897)	(11,958,208)	(337,568)	3,050,605	852,545
<u>69,170,688</u>	<u>74,274,685</u>	<u>73,277,788</u>	<u>61,319,580</u>	<u>60,982,012</u>	<u>64,032,617</u>
<u>\$ 74,274,685</u>	<u>\$ 73,277,788</u>	<u>\$ 61,319,580</u>	<u>\$ 60,982,012</u>	<u>\$ 64,032,617</u>	<u>\$ 64,885,162</u>
\$ 2,697,162	\$ 2,547,344	\$ 4,205,389	\$ 3,261,480	\$ 3,463,347	\$ 3,648,725
294,398	287,461	293,509	319,736	325,571	335,455
3,108,833	1,977,162	(3,981,487)	3,680,418	3,113,407	5,419,413
(3,222,012)	(3,408,182)	(3,529,281)	(3,637,969)	(3,719,769)	(3,861,653)
-	283	-	-	-	-
<u>(24,543)</u>	<u>(26,223)</u>	<u>(22,212)</u>	<u>(22,798)</u>	<u>(21,971)</u>	<u>(23,450)</u>
2,853,838	1,377,845	(3,034,082)	3,600,867	3,160,585	5,518,490
<u>25,178,461</u>	<u>28,032,299</u>	<u>29,410,144</u>	<u>26,376,062</u>	<u>29,976,929</u>	<u>33,137,514</u>
<u>\$ 28,032,299</u>	<u>\$ 29,410,144</u>	<u>\$ 26,376,062</u>	<u>\$ 29,976,929</u>	<u>\$ 33,137,514</u>	<u>\$ 38,656,004</u>
<u>\$ 46,242,386</u>	<u>\$ 43,867,644</u>	<u>\$ 34,943,518</u>	<u>\$ 31,005,083</u>	<u>\$ 30,895,103</u>	<u>\$ 26,229,158</u>
37.74%	40.14%	43.01%	49.16%	51.75%	59.58%
\$ 3,073,952	\$ 3,040,305	\$ 3,092,848	\$ 3,322,439	\$ 3,373,100	\$ 3,450,211
1504.33%	1442.87%	1129.82%	933.20%	915.93%	760.22%

See notes to required supplementary information

City of Galesburg, Illinois

Firefighters' Pension Plan Schedule of Employer Contributions Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 2,482,676	\$ 2,734,369	\$ 2,833,708	\$ 3,054,249	\$ 3,054,249
Contributions in relation to the actuarially determined contribution	2,096,966	2,112,413	2,389,691	2,522,306	2,697,162
Contribution deficiency (excess)	<u>\$ 385,710</u>	<u>\$ 621,956</u>	<u>\$ 444,017</u>	<u>\$ 531,943</u>	<u>\$ 357,087</u>
Covered payroll	\$ 2,719,370	\$ 2,800,951	\$ 2,919,494	\$ 2,984,419	\$ 3,073,952
Contributions as a percentage of covered payroll	77.11%	75.42%	81.85%	84.52%	87.74%
	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 3,337,911	\$ 3,324,323	\$ 3,261,480	\$ 3,463,347	\$ 3,648,725
Contributions in relation to the actuarially determined contribution	2,547,344	4,205,389	3,261,480	3,463,347	3,648,725
Contribution deficiency (excess)	<u>\$ 790,567</u>	<u>\$ (881,066)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,040,305	\$ 3,092,848	\$ 3,322,439	\$ 3,373,100	\$ 3,450,211
Contributions as a percentage of covered payroll	83.79%	135.97%	98.17%	102.68%	105.75%

Valuation date: Actuarially determined contributions are calculated as of December 31 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	13 years
Asset valuation method	5-year smoothed fair value
Inflation	2.25%
Salary increases	3.75% - 7.30%
Investment rate of return	6.75%
Retirement age	Capped at age 65
Mortality	Mortality rates were based on the Pub-2010 Adjusted for Plan Status, Demographics and Illinois Public Pension Data

City of Galesburg, Illinois

Firefighters' Pension Plan Schedule of Investment Returns Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	5.63%	11.59%	-5.20%	17.18%	11.59%
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Annual money-weighted rate of return, net of investment expense	7.64%	-14.59%	15.36%	10.96%	17.63%

See notes to required supplementary information

City of Galesburg, Illinois

Other Postemployment Benefit Plan - Schedule of Changes in the City's Net OPEB Liability and Related Ratios Last Nine Fiscal Years

	2017	2018	2019
Total OPEB Liability			
Service cost	\$ 574,551	\$ 559,749	\$ 395,016
Interest	626,832	511,066	541,415
Differences between expected and actual experience	-	(1,446,729)	-
Changes of assumptions	1,302,625	(227,643)	1,201,614
Benefit payments, including refunds of member contributions	(1,063,653)	(1,006,877)	(1,087,427)
Administration	(429)	(610)	(847)
Net change in total OPEB liability	1,439,926	(1,611,044)	1,049,771
Total OPEB Liability, Beginning	13,920,078	15,360,004	13,748,960
Total OPEB Liability, Ending	<u>\$ 15,360,004</u>	<u>\$ 13,748,960</u>	<u>\$ 14,798,731</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 1,190,668	\$ 1,137,342	\$ 1,220,587
Net investment income	106,704	(61,778)	197,562
Benefit payments, including refunds of member contributions	(1,063,653)	(1,006,877)	(1,087,427)
Administration	(429)	(610)	(847)
Net change in plan fiduciary net position	233,290	68,077	329,875
Plan Fiduciary Net Position, Beginning	698,934	932,224	1,000,301
Plan Fiduciary Net Position, Ending	<u>\$ 932,224</u>	<u>\$ 1,000,301</u>	<u>\$ 1,330,176</u>
City's Net OPEB Liability, Ending	<u>\$ 14,427,780</u>	<u>\$ 12,748,659</u>	<u>\$ 13,468,555</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.07%	7.28%	8.99%
Covered Payroll	\$ 13,860,508	\$ 14,062,479	\$ 14,554,666
City's Net OPEB Liability as a Percentage of Covered Payroll	104.09%	90.66%	92.54%

Notes To Schedule:

The City implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

2020	2021	2022	2023	2024	2025
\$ 530,708	\$ 743,173	\$ 762,302	\$ 634,135	\$ 663,691	\$ 695,088
395,452	318,982	299,268	541,637	520,791	571,731
(299,490)	-	451,011	-	59,388	-
1,796,429	234,877	(3,437,347)	276,240	25,994	(728,848)
(837,332)	(868,732)	(1,091,446)	(981,305)	(1,039,884)	(1,100,927)
(1,009)	(1,306)	(1,383)	(1,533)	(1,922)	(2,270)
1,584,758	426,994	(3,017,595)	469,174	228,058	(565,226)
14,798,731	16,383,489	16,810,483	13,792,888	14,262,062	14,490,120
<u>\$ 16,383,489</u>	<u>\$ 16,810,483</u>	<u>\$ 13,792,888</u>	<u>\$ 14,262,062</u>	<u>\$ 14,490,120</u>	<u>\$ 13,924,894</u>
\$ 973,397	\$ 1,009,207	\$ 1,231,504	\$ 1,124,328	\$ 1,186,475	\$ 1,251,271
177,974	227,594	(294,646)	310,419	304,603	424,186
(837,332)	(868,732)	(1,091,446)	(981,305)	(1,039,884)	(1,100,927)
(1,009)	(1,306)	(1,383)	(1,533)	(1,922)	(2,270)
313,030	366,763	(155,971)	451,909	449,272	572,260
1,330,176	1,643,206	2,009,969	1,853,998	2,305,907	2,755,179
<u>\$ 1,643,206</u>	<u>\$ 2,009,969</u>	<u>\$ 1,853,998</u>	<u>\$ 2,305,907</u>	<u>\$ 2,755,179</u>	<u>\$ 3,327,439</u>
<u>\$ 14,740,283</u>	<u>\$ 14,800,514</u>	<u>\$ 11,938,890</u>	<u>\$ 11,956,155</u>	<u>\$ 11,734,941</u>	<u>\$ 10,597,455</u>
10.03%	11.96%	13.44%	16.17%	19.01%	23.90%
\$ 15,768,309	\$ 16,320,200	18,011,721	\$ 18,642,133	\$ 18,656,411	\$ 19,309,385
93.48%	90.69%	66.28%	64.14%	62.90%	54.88%

See notes to required supplementary information

City of Galesburg, Illinois

Other Postemployment Benefit Plan - Schedule of Employer Contributions Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 1,039,995	\$ 1,254,235	\$ 1,095,487	\$ 1,087,427	\$ 837,332
Contributions in relation to the actuarially determined contribution	1,024,503	1,190,668	1,137,342	1,220,587	973,397
Contribution deficiency (excess)	<u>\$ 15,492</u>	<u>\$ 63,567</u>	<u>\$ (41,855)</u>	<u>\$ (133,160)</u>	<u>\$ (136,065)</u>
Covered payroll	\$ 14,818,481	\$ 13,860,508	\$ 14,062,479	\$ 14,554,666	\$ 15,768,309
Contributions as a percentage of covered payroll	6.91%	8.59%	8.09%	8.39%	6.17%
	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 868,732	\$ 810,913	\$ 838,282	\$ 895,964	\$ 954,202
Contributions in relation to the actuarially determined contribution	1,009,207	1,231,504	1,124,328	1,186,475	1,251,271
Contribution deficiency (excess)	<u>\$ (140,475)</u>	<u>\$ (420,591)</u>	<u>\$ (286,046)</u>	<u>\$ (290,511)</u>	<u>\$ (297,069)</u>
Covered payroll	\$ 16,320,200	\$ 18,011,721	\$ 18,642,133	\$ 18,656,411	\$ 19,309,385
Contributions as a percentage of covered payroll	6.18%	6.84%	6.03%	6.36%	6.48%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.50%
Investment rate of return	4.83%
Future medical plan participation	50% of Library, Township and City Assessor employees; 75% of Police Officers, Firefighters and Other Municipal employees hired after 2010; 100% of all other employees
Healthcare cost trend rates	6.50% initial, decreasing in increments of 0.25% - 0.50% annually to an ultimate rate of 4.50% for 2029 and after
Mortality	PubS-2010 base rates projected Fully Generationally using scale MP2021 for Police and Fire participants; PubG-2010 base rates projected Fully Generationally using scale MP2021 for other participants

City of Galesburg, Illinois

Other Postemployment Benefit Plan -
Schedule of Investment Returns
Last Nine Fiscal Years

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	15.33%	(6.39)%	16.95%	11.97%	12.96%
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
Annual money-weighted rate of return, net of investment expense	(15.25)%	14.92%	12.04%	13.95%	

Notes to Schedule:

The Plan implemented GASB Statement No. 74 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

City of Galesburg, Illinois

Required Supplementary Information -
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
General Fund
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 8,455,570	\$ 8,455,570	\$ 8,355,075	\$ (100,495)
Other taxes	6,180,065	6,180,065	6,175,076	(4,989)
Intergovernmental	14,030,230	14,030,230	14,091,526	61,296
Licenses and permits	435,380	435,380	454,271	18,891
Charges for services	1,064,695	1,064,695	1,721,107	656,412
Fines and fees	289,260	289,260	351,421	62,161
Use of money and property	850,875	850,875	875,917	25,042
Miscellaneous	44,000	44,000	51,924	7,924
Total revenues	31,350,075	31,350,075	32,076,317	726,242
Expenditures				
Current:				
Mayor and city council	135,900	135,900	129,335	6,565
City manager	508,865	508,865	506,831	2,034
Legal	418,955	418,955	426,082	(7,127)
Human resources and benefits	264,640	264,640	263,175	1,465
City clerk	403,020	403,020	400,979	2,041
Management information systems	657,380	657,380	611,639	45,741
Finance	944,870	944,870	958,897	(14,027)
Planning	138,450	138,450	133,221	5,229
Fire and police commission	47,075	47,075	37,505	9,570
Contracts and subsidies	1,850,245	1,869,755	1,391,520	478,235
Police department	10,003,940	10,048,315	10,683,195	(634,880)
School crossing guards	172,255	172,255	174,670	(2,415)
Communications and records	2,602,800	2,602,800	2,386,444	216,356
Fire department	8,893,110	8,925,915	9,489,099	(563,184)
Emergency services	83,470	83,470	39,642	43,828
Inspection	924,480	924,480	999,834	(75,354)
Engineering	641,965	644,495	535,691	108,804
Motor pool, central garage	556,790	556,790	551,499	5,291
Street and bridge maintenance	2,114,465	2,164,395	1,924,254	240,141
Capital outlay	-	-	96,199	(96,199)
Total expenditures	31,362,675	31,511,825	31,739,711	(227,886)
Excess (deficiency) of revenues over expenditures	(12,600)	(161,750)	336,606	498,356
Other Financing Sources (Uses)				
Proceeds from the sale of assets	5,000	5,000	8,587	3,587
Transfers in	-	-	122,073	122,073
Transfers out	(844,645)	(844,645)	(936,214)	(91,569)
Total other financing sources (uses)	(839,645)	(839,645)	(805,554)	34,091
Net change in fund balance	\$ (852,245)	\$ (1,001,395)	(468,948)	\$ 532,447
Fund Balance, Beginning			11,185,228	
Fund Balance, Ending			\$ 10,716,280	

See notes to required supplementary information

City of Galesburg, Illinois

Required Supplementary Information -
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Economic Development - Major Special Revenue Fund
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Other taxes	\$ 1,155,715	\$ 1,155,715	\$ 1,300,332	\$ 144,617
Use of money and property	255,035	255,035	392,516	137,481
Miscellaneous	-	-	7,398	7,398
Total revenues	<u>1,410,750</u>	<u>1,410,750</u>	<u>1,700,246</u>	<u>289,496</u>
Expenditures				
Current:				
Economic development	559,885	560,470	555,696	4,774
Miscellaneous	1,735,000	1,735,000	1,177,920	557,080
Capital outlay	<u>171,730</u>	<u>171,730</u>	<u>458,445</u>	<u>(286,715)</u>
Total expenditures	<u>2,466,615</u>	<u>2,467,200</u>	<u>2,192,061</u>	<u>275,139</u>
Excess (deficiency) of revenues over expenditures	<u>(1,055,865)</u>	<u>(1,056,450)</u>	<u>(491,815)</u>	<u>564,635</u>
Other Financing Sources (Uses)				
Transfers out	<u>(381,510)</u>	<u>(381,510)</u>	<u>(402,214)</u>	<u>(20,704)</u>
Total other financing sources (uses)	<u>(381,510)</u>	<u>(381,510)</u>	<u>(402,214)</u>	<u>(20,704)</u>
Net change in fund balance	<u>\$ (1,437,375)</u>	<u>\$ (1,437,960)</u>	<u>(894,029)</u>	<u>\$ 543,931</u>
Fund Balance, Beginning			<u>11,554,865</u>	
Fund Balance, Ending			<u>\$ 10,660,836</u>	

See notes to required supplementary information

City of Galesburg, Illinois

Required Supplementary Information -
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Parks and Recreation - Major Special Revenue Fund
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 2,266,700	\$ 2,266,700	\$ 2,206,267	\$ (60,433)
Intergovernmental	2,100,580	2,100,580	2,268,499	167,919
Charges for services	40,000	40,000	42,734	2,734
Use of money and property	1,522,880	1,522,880	1,528,169	5,289
Miscellaneous	39,200	39,200	39,880	680
Total revenues	5,969,360	5,969,360	6,085,549	116,189
Expenditures				
Current:				
Public safety	193,465	193,465	177,389	16,076
Public works	825,340	827,690	819,481	8,209
Culture and recreation	5,388,360	5,451,425	4,705,836	745,589
Capital outlay	-	66,000	280,213	(214,213)
Debt service:				
Principal	-	-	51,616	(51,616)
Interest and fiscal charges	-	-	3,736	(3,736)
Total expenditures	6,407,165	6,538,580	6,038,271	500,309
Excess (deficiency) of revenues over expenditures	(437,805)	(569,220)	47,278	616,498
Other Financing Sources (Uses)				
Lease issuances	-	-	157,338	(157,338)
Transfers in	11,050	11,050	19,110	(8,060)
Transfers out	(697,015)	(697,015)	(683,735)	(13,280)
Total other financing sources (uses)	(685,965)	(685,965)	(507,287)	(178,678)
Net change in fund balances	\$ (1,123,770)	\$ (1,255,185)	(460,009)	\$ 795,176
Fund Balance, Beginning			3,202,608	
Fund Balance, Ending			<u>\$ 2,742,599</u>	

See notes to required supplementary information

City of Galesburg, Illinois

Notes to Required Supplementary Information
Year Ended December 31, 2025

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget is as amended by the City Council. All annual appropriations lapse at fiscal year end.

In October and November, the Finance Director submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to December 31, the budget is legally approved by City Council. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

The City is authorized to change budgeted amounts within any fund; however, revision must be approved by the City Council. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the division level for the General Fund and the fund level for other funds. The appropriated budget is prepared by fund, function, department and division. Line items may exceed budgeted amounts if the budget for the division is equal to or less than the budget amount approved by the City Council. The City Council must approve revisions that alter the total expenditures of any fund.

Excess Expenditures Over Appropriations

Excess expenditures over appropriations are as follows:

<u>Fund</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General	\$ 31,511,825	\$ 31,739,711	\$ 227,886

SUPPLEMENTARY INFORMATION

City of Galesburg, Illinois

Nonmajor Governmental Funds -
Combining Balance Sheet
December 31, 2025

	Special Revenue Funds							
	City Gas Tax	Motor Fuel Tax	Federal Special Enforcement	State Special Enforcement	Stormwater Utility	Foreign Fire	Airport	Property Redevelopment
Assets								
Cash and cash equivalents	\$ 232,891	\$ 2,719,772	\$ 68,026	\$ 461,089	\$ 1,025,171	\$ 206,585	\$ 79,698	\$ 101,158
Investments	-	-	-	-	-	-	-	-
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	878	-
Accounts	45,574	-	-	-	80,577	-	5,103	36,361
Accrued interest	-	-	-	-	453	-	-	-
Due from other governments	-	239,781	-	-	-	-	9,910	-
Due from other funds	-	-	-	-	-	-	116,015	-
Prepaid items	-	-	3,760	1,728	325	74	-	-
Property held for resale	-	-	-	-	-	-	-	164,804
Advances to other funds	-	-	-	-	-	-	-	-
Total assets	<u>\$ 278,465</u>	<u>\$ 2,959,553</u>	<u>\$ 71,786</u>	<u>\$ 462,817</u>	<u>\$ 1,106,526</u>	<u>\$ 206,659</u>	<u>\$ 211,604</u>	<u>\$ 302,323</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)								
Liabilities								
Accounts payable	\$ 33,465	\$ 715,971	\$ 636	\$ 1,383	\$ 2,370	\$ 874	\$ 75,773	\$ 2,761
Accrued liabilities	6,778	-	-	-	9,183	-	2,327	830
Due to other governments	-	123,598	-	10,732	-	-	-	-
Due to other funds	-	25	-	-	95,186	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Unearned revenue	-	-	70,959	-	-	-	4,155	74,574
Total liabilities	<u>40,243</u>	<u>839,594</u>	<u>71,595</u>	<u>12,115</u>	<u>106,739</u>	<u>874</u>	<u>82,255</u>	<u>78,165</u>
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	-	-	10,044	-
Property taxes levied for future periods	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,044</u>	<u>-</u>
Fund Balances (Deficits)								
Nonspendable	-	-	3,760	1,728	325	74	-	-
Restricted	-	2,119,959	-	448,974	999,462	205,711	119,305	-
Committed	238,222	-	-	-	-	-	-	224,158
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	(3,569)	-	-	-	-	-
Total fund balances (deficits)	<u>238,222</u>	<u>2,119,959</u>	<u>191</u>	<u>450,702</u>	<u>999,787</u>	<u>205,785</u>	<u>119,305</u>	<u>224,158</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 278,465</u>	<u>\$ 2,959,553</u>	<u>\$ 71,786</u>	<u>\$ 462,817</u>	<u>\$ 1,106,526</u>	<u>\$ 206,659</u>	<u>\$ 211,604</u>	<u>\$ 302,323</u>

Special Revenue Funds (cont.)						Debt Service Funds		
Public Transportation	Public Transportation Projects	911 Communication	Town of the City of Galesburg	Grants	Community Improvements / Infrastructure	2013A GO Bonds Business District	2016 GO Bonds Debt Service	2023 GO Bonds Debt Service
\$ 580	\$ 74,112	\$ -	\$ 1,521,703	\$ 57,927	\$ 760,449	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	531,000	-	-	-	-	-
-	-	-	-	-	351,432	-	-	-
618,048	-	14,455	15,045	76,895	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	882,662	-	-	-	-
-	-	-	-	-	-	-	-	-
18,711	-	-	-	7,701	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 637,339</u>	<u>\$ 74,112</u>	<u>\$ 14,455</u>	<u>\$ 2,067,748</u>	<u>\$ 1,025,185</u>	<u>\$ 1,111,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 31,688	\$ 4,050	\$ -	\$ 376	\$ 186,201	\$ 264,401	\$ -	\$ -	\$ -
50,907	-	2,111	(11,683)	-	-	-	-	-
-	-	-	-	-	-	-	-	-
520,062	-	12,344	-	662,002	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	194,500	-	-	-	-
<u>602,657</u>	<u>4,050</u>	<u>14,455</u>	<u>(11,307)</u>	<u>1,042,703</u>	<u>264,401</u>	<u>-</u>	<u>-</u>	<u>-</u>
163,475	-	-	-	939,368	121,262	-	-	-
-	-	-	531,000	-	-	-	-	-
<u>163,475</u>	<u>-</u>	<u>-</u>	<u>531,000</u>	<u>939,368</u>	<u>121,262</u>	<u>-</u>	<u>-</u>	<u>-</u>
18,711	-	-	-	7,701	-	-	-	-
-	70,062	-	1,548,055	-	726,218	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(147,504)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(964,587)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(128,793)</u>	<u>70,062</u>	<u>-</u>	<u>1,548,055</u>	<u>(956,886)</u>	<u>726,218</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 637,339</u>	<u>\$ 74,112</u>	<u>\$ 14,455</u>	<u>\$ 2,067,748</u>	<u>\$ 1,025,185</u>	<u>\$ 1,111,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Galesburg, Illinois

Nonmajor Governmental Funds
Combining Balance Sheet (continued)
December 31, 2025

	Capital Projects Funds						
	2013A Business District	2023 GO Bond Capital Expense	Utility Tax Capital Projects	Building Repair & Maintenance	Computer Replacement	Vehicle Replacement	Players Fields
Assets							
Cash and cash equivalents	\$ -	\$ 2,257,851	\$ 1,310,679	\$ 3,425,382	\$ 1,775,580	\$ 4,967,856	\$ 29,492
Investments	-	532,995	-	-	-	-	-
Receivables:							
Property taxes	-	-	-	-	-	-	-
Other taxes	26,131	-	-	-	-	-	-
Accounts	-	-	161,193	-	-	-	-
Accrued interest	-	1,675	1,307	4,542	710	7,023	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	175,265	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	36,415	36,415	-
Total assets	\$ 26,131	\$ 2,792,521	\$ 1,648,444	\$ 3,429,924	\$ 1,812,705	\$ 5,011,294	\$ 29,492
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 44,984	\$ 18,300	\$ 2,526	\$ 240	\$ -
Accrued liabilities	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	182,075	-	-	-	-
Unearned revenue	-	-	50,000	-	-	-	-
Total liabilities	-	-	277,059	18,300	2,526	240	-
Deferred Inflows of Resources							
Unavailable revenue	7,489	-	-	-	-	-	-
Property taxes levied for future periods	-	-	-	-	-	-	-
Total deferred inflows of resources	7,489	-	-	-	-	-	-
Fund Balances (Deficits)							
Nonspendable	-	-	-	-	-	-	-
Restricted	18,642	1,300,032	-	21,268	-	-	-
Committed	-	600,000	230,000	69,146	-	534,575	-
Assigned	-	892,489	1,141,385	3,321,210	1,810,179	4,476,479	29,492
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	18,642	2,792,521	1,371,385	3,411,624	1,810,179	5,011,054	29,492
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 26,131	\$ 2,792,521	\$ 1,648,444	\$ 3,429,924	\$ 1,812,705	\$ 5,011,294	\$ 29,492

Capital Projects Funds (cont.)				Permanent Funds		
Capital Planning	TIF IV	TIF V	Grand Avenue TIF 6	Linwood Cemetery	East Linwood Cemetery	Total Nonmajor Funds
\$ 5,658,384	\$ 1,299,772	\$ 77,981	\$ 174,865	\$ 4,943	\$ 34,136	\$ 28,326,082
-	-	-	-	85,467	590,180	1,208,642
-	377,400	8,530	80,800	-	-	997,730
-	-	-	-	-	-	378,441
-	-	-	-	2,414	16,696	1,072,361
2,146	-	-	-	-	-	17,856
-	-	-	-	-	-	1,132,353
-	-	-	-	-	10,760	302,040
-	-	-	-	-	-	32,299
-	-	-	-	-	-	164,804
-	-	-	-	-	-	72,830
<u>\$ 5,660,530</u>	<u>\$ 1,677,172</u>	<u>\$ 86,511</u>	<u>\$ 255,665</u>	<u>\$ 92,824</u>	<u>\$ 651,772</u>	<u>\$ 33,705,438</u>
\$ 103,052	\$ 18,140	\$ -	\$ -	\$ -	\$ -	\$ 1,507,191
-	-	-	-	-	-	60,453
-	-	-	-	-	-	134,330
-	-	-	-	2,414	16,696	1,308,729
-	-	-	-	-	-	182,075
-	-	-	-	-	-	394,188
<u>103,052</u>	<u>18,140</u>	<u>-</u>	<u>-</u>	<u>2,414</u>	<u>16,696</u>	<u>3,586,966</u>
-	-	-	-	-	-	1,241,638
-	377,400	8,530	80,800	-	-	997,730
-	377,400	8,530	80,800	-	-	2,239,368
-	-	-	-	85,467	590,180	707,946
-	1,281,632	77,981	174,865	4,943	44,896	9,162,005
4,749	-	-	-	-	-	1,900,850
5,552,729	-	-	-	-	-	17,223,963
-	-	-	-	-	-	(1,115,660)
<u>5,557,478</u>	<u>1,281,632</u>	<u>77,981</u>	<u>174,865</u>	<u>90,410</u>	<u>635,076</u>	<u>27,879,104</u>
<u>\$ 5,660,530</u>	<u>\$ 1,677,172</u>	<u>\$ 86,511</u>	<u>\$ 255,665</u>	<u>\$ 92,824</u>	<u>\$ 651,772</u>	<u>\$ 33,705,438</u>

City of Galesburg, Illinois

Nonmajor Governmental Funds -
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2025

	Special Revenue Funds							
	City Gas Tax	Motor Fuel Tax	Federal Special Enforcement	State Special Enforcement	Stormwater Utility	Foreign Fire	Airport	Property Redevelopment
Revenues								
Taxes	\$ 616,093	\$ -	\$ -	\$ -	\$ 751,458	\$ -	\$ 3,208	\$ -
Charges for services	447	-	-	-	-	-	45	382,486
Intergovernmental	-	1,379,997	13,405	8,086	2,797	84,586	50,629	471,301
Fines and fees	-	-	-	1,177	-	-	-	-
Use of money and property	13,920	121,995	2,443	22,459	38,924	7,692	236,666	3,706
Contributions	-	-	-	32	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	630,460	1,501,992	15,848	31,754	793,179	92,278	290,548	857,493
Expenditures								
Current:								
General government	545,554	-	-	-	-	-	372,233	-
Economic development	-	-	-	-	-	-	-	1,210,378
Public safety	-	-	15,847	111,441	-	97,712	-	-
Public works	-	1,598,509	-	-	458,869	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	33,479	54,706	-	-	-	-	9,910	-
Total expenditures	579,033	1,653,215	15,847	111,441	458,869	97,712	382,143	1,210,378
Excess (deficiency) of revenues over expenditures	51,427	(151,223)	1	(79,687)	334,310	(5,434)	(91,595)	(352,885)
Other Financing Sources (Uses)								
Proceeds from the sale of assets	-	-	-	-	-	-	-	438
Lease issuances	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	116,015	323,403
Transfers out	(165,000)	-	-	-	(76,029)	-	(24,420)	-
Total other financing sources (uses)	(165,000)	-	-	-	(76,029)	-	91,595	323,841
Net change in fund balances	(113,573)	(151,223)	1	(79,687)	258,281	(5,434)	-	(29,044)
Fund Balances (Deficits), Beginning	351,795	2,271,182	190	530,389	741,506	211,219	119,305	253,202
Fund Balances (Deficits), Ending	\$ 238,222	\$ 2,119,959	\$ 191	\$ 450,702	\$ 999,787	\$ 205,785	\$ 119,305	\$ 224,158

Special Revenue Funds (cont.)						Debt Service Funds			
Public Transportation	Public Transportation Projects	911 Communication	Town of the City of Galesburg	Grants	Community Improvements / Infrastructure	2013A GO Bonds Business District	2016 GO Bonds Debt Service	2023 GO Bonds Debt Service	2013A Business District
\$ -	\$ -	\$ -	\$ 524,330	\$ -	\$ 1,300,332	\$ -	\$ -	\$ -	\$ 74,594
-	-	-	26,314	-	-	-	-	-	-
1,867,999	-	119,424	93,207	2,786,190	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
96,186	3,910	-	57,351	-	46,458	-	2	2	1,064
-	-	-	-	-	-	-	-	-	-
-	-	-	45,728	-	-	-	-	-	-
1,964,185	3,910	119,424	746,930	2,786,190	1,346,790	-	2	2	75,658
2,607,588	34,445	-	651,004	39,206	448,549	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	119,424	195,513	325,041	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	400,120	-	-	-	-	-
-	-	-	-	-	-	85,000	460,000	485,000	-
-	-	-	-	-	-	35,430	192,031	232,768	-
-	-	-	-	3,418,397	294,199	-	-	-	-
2,607,588	34,445	119,424	846,517	4,182,764	742,748	120,430	652,031	717,768	-
(643,403)	(30,535)	-	(99,587)	(1,396,574)	604,042	(120,430)	(652,029)	(717,766)	75,658
-	5,000	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
479,753	-	-	-	1,182,904	-	120,430	652,029	717,766	-
-	(1,319)	-	-	(122,073)	(842,766)	-	-	-	(76,569)
479,753	3,681	-	-	1,060,831	(842,766)	120,430	652,029	717,766	(76,569)
(163,650)	(26,854)	-	(99,587)	(335,743)	(238,724)	-	-	-	(911)
34,857	96,916	-	1,647,642	(621,143)	964,942	-	-	-	19,553
\$ (128,793)	\$ 70,062	\$ -	\$ 1,548,055	\$ (956,886)	\$ 726,218	\$ -	\$ -	\$ -	\$ 18,642

City of Galesburg, Illinois

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)

Year Ended December 31, 2025

	Capital Projects Funds						
	2023 GO Bond Capital Expense	Utility Tax Capital Projects	Building Repair & Maintenance	Computer Replacement	Vehicle Replacement	Players Fields	Capital Planning
Revenues							
Taxes	\$ -	\$ 1,525,688	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Fines and fees	-	-	-	-	-	-	-
Use of money and property	133,524	93,347	146,935	69,731	206,954	3,418	225,418
Contributions	-	-	-	-	-	-	1,099
Miscellaneous	-	-	-	-	-	-	-
Total revenues	133,524	1,619,035	146,935	69,731	206,954	3,418	226,517
Expenditures							
Current:							
General government	300,000	153,264	-	134,260	47,843	-	-
Economic development	-	-	-	-	-	-	47,387
Public safety	-	-	-	-	-	-	-
Public works	-	-	31,064	-	-	-	-
Culture and recreation	-	-	-	-	-	1,340	-
Miscellaneous	-	-	-	-	-	-	106,067
Debt service:							
Principal	-	-	-	-	56,663	-	-
Interest and fiscal charges	1,500	5,005	-	-	2,532	-	-
Capital outlay	-	286,455	-	-	827,593	-	529,059
Total expenditures	301,500	444,724	31,064	134,260	934,631	1,340	682,513
Excess (deficiency) of revenues over expenditures	(167,976)	1,174,311	115,871	(64,529)	(727,677)	2,078	(455,996)
Other Financing Sources (Uses)							
Proceeds from the sale of assets	-	-	-	-	95,988	-	-
Lease issuances	-	-	-	-	192,296	-	-
Transfers in	-	76,029	71,400	310,320	568,200	-	-
Transfers out	-	(1,298,562)	-	-	-	-	-
Total other financing sources (uses)	-	(1,222,533)	71,400	310,320	856,484	-	-
Net change in fund balances	(167,976)	(48,222)	187,271	245,791	128,807	2,078	(455,996)
Fund Balances (Deficits), Beginning	2,960,497	1,419,607	3,224,353	1,564,388	4,882,247	27,414	6,013,474
Fund Balances (Deficits), Ending	\$ 2,792,521	\$ 1,371,385	\$ 3,411,624	\$ 1,810,179	\$ 5,011,054	\$ 29,492	\$ 5,557,478

Capital Projects Funds (cont.)			Permanent Funds		
TIF IV	TIF V	Grand Avenue TIF 6	Linwood Cemetery	East Linwood Cemetery	Total Nonmajor Funds
\$ 408,936	\$ 11,077	\$ 93,786	\$ -	\$ -	\$ 5,309,502
-	-	-	-	-	409,292
-	-	-	-	-	6,877,621
-	-	-	-	-	1,177
57,925	3,070	3,840	10,852	77,796	1,685,588
-	-	-	-	-	1,131
-	-	-	-	10,760	56,488
466,861	14,147	97,626	10,852	88,556	14,340,799
-	-	-	1,041	8,091	5,343,078
3,943	-	-	-	-	1,261,708
-	-	-	-	-	864,978
-	-	-	-	-	2,088,442
-	-	-	-	-	1,340
106,322	-	-	-	-	612,509
-	-	-	-	-	1,086,663
-	-	-	-	-	469,266
150,000	-	-	-	-	5,603,798
260,265	-	-	1,041	8,091	17,331,782
206,596	14,147	97,626	9,811	80,465	(2,990,983)
-	-	-	-	-	101,426
-	-	-	-	-	192,296
-	-	-	-	-	4,618,249
(111,421)	-	-	(2,414)	(16,696)	(2,737,269)
(111,421)	-	-	(2,414)	(16,696)	2,174,702
95,175	14,147	97,626	7,397	63,769	(816,281)
1,186,457	63,834	77,239	83,013	571,307	28,695,385
\$ 1,281,632	\$ 77,981	\$ 174,865	\$ 90,410	\$ 635,076	\$ 27,879,104

City of Galesburg, Illinois

City Gas Tax Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Other taxes	\$ 630,000	\$ 630,000	\$ 616,093	\$ (13,907)
Charges for services	-	-	447	447
Use of money and property	6,000	6,000	13,920	7,920
Total revenues	636,000	636,000	630,460	(5,540)
Expenditures				
Current:				
General government	652,990	652,990	545,554	107,436
Capital outlay	-	19,600	33,479	(13,879)
Total expenditures	652,990	672,590	579,033	93,557
Excess (deficiency) of revenues over expenditures	(16,990)	(36,590)	51,427	(99,097)
Other Financing Sources (Uses)				
Transfers out	-	(165,000)	(165,000)	-
Total other financing sources (uses)	-	(165,000)	(165,000)	-
Net change in fund balance	<u>\$ (16,990)</u>	<u>\$ (201,590)</u>	(113,573)	<u>\$ 88,017</u>
Fund Balance, Beginning			351,795	
Fund Balance, Ending			<u>\$ 238,222</u>	

City of Galesburg, Illinois

Motor Fuel Tax Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 1,379,997	\$ 179,997
Use of money and property	25,000	25,000	121,995	96,995
Total revenues	1,225,000	1,225,000	1,501,992	276,992
Expenditures				
Current:				
Public works	1,785,000	1,894,150	1,598,509	295,641
Capital outlay	-	446,685	54,706	391,979
Total expenditures	1,785,000	2,340,835	1,653,215	687,620
Excess (deficiency) of revenues over expenditures	(560,000)	(1,115,835)	(151,223)	964,612
Other Financing Sources (Uses)				
Transfers out	(85,750)	(74,910)	-	(74,910)
Total other financing sources (uses)	(85,750)	(74,910)	-	(74,910)
Net change in fund balances	<u>\$ (645,750)</u>	<u>\$ (1,190,745)</u>	(151,223)	<u>\$ 1,039,522</u>
Fund Balance, Beginning			<u>2,271,182</u>	
Fund Balance, Ending			<u>\$ 2,119,959</u>	

City of Galesburg, Illinois

Federal Special Enforcement Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 13,405	\$ 13,405
Use of money and property	-	-	2,443	2,443
	<u>-</u>	<u>-</u>	<u>15,848</u>	<u>15,848</u>
Total revenues	-	-	15,848	15,848
Expenditures				
Current:				
Public safety	-	-	15,847	(15,847)
	<u>-</u>	<u>-</u>	<u>15,847</u>	<u>(15,847)</u>
Total expenditures	-	-	15,847	(15,847)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
Fund Balance, Beginning			<u>190</u>	
Fund Balance, Ending			<u>\$ 191</u>	

City of Galesburg, Illinois

State Special Enforcement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 8,086	\$ 8,086
Fines and fees	2,000	2,000	1,177	(823)
Use of money and property	18,000	18,000	22,459	4,459
Contributions	-	-	32	32
	<u>20,000</u>	<u>20,000</u>	<u>31,754</u>	<u>11,754</u>
Total revenues				
	<u>20,000</u>	<u>20,000</u>	<u>31,754</u>	<u>11,754</u>
Expenditures				
Current:				
Public safety	41,305	41,305	111,441	(70,136)
	<u>41,305</u>	<u>41,305</u>	<u>111,441</u>	<u>(70,136)</u>
Total expenditures				
	<u>41,305</u>	<u>41,305</u>	<u>111,441</u>	<u>(70,136)</u>
Net change in fund balances	<u>\$ (21,305)</u>	<u>\$ (21,305)</u>	<u>(79,687)</u>	<u>\$ (58,382)</u>
Fund Balance, Beginning			<u>530,389</u>	
Fund Balance, Ending			<u>\$ 450,702</u>	

City of Galesburg, Illinois

Stormwater Utility Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 799,805	\$ 799,805	\$ 751,458	\$ (48,347)
Intergovernmental	2,600	2,600	2,797	197
Use of money and property	38,770	38,770	38,924	154
Total revenues	841,175	841,175	793,179	(47,996)
Expenditures				
Current:				
Public works	686,615	686,615	458,869	227,746
Capital outlay	350,000	350,000	-	350,000
Total expenditures	1,036,615	1,036,615	458,869	577,746
Excess (deficiency) of revenues over expenditures	(195,440)	(195,440)	334,310	529,750
Other Financing Sources (Uses)				
Transfers out	-	-	(76,029)	(76,029)
Total other financing sources (uses)	-	-	(76,029)	(76,029)
Net change in fund balances	<u>\$ (195,440)</u>	<u>\$ (195,440)</u>	258,281	<u>\$ 453,721</u>
Fund Balance, Beginning			741,506	
Fund Balance, Ending			<u>\$ 999,787</u>	

City of Galesburg, Illinois

Foreign Fire Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 62,000	\$ 62,000	\$ 84,586	\$ 22,586
Use of money and property	-	-	7,692	7,692
Total revenues	62,000	62,000	92,278	30,278
Expenditures				
Current:				
Public safety	54,225	57,440	97,712	(40,272)
Total expenditures	54,225	57,440	97,712	(40,272)
Net change in fund balances	<u>\$ 7,775</u>	<u>\$ 4,560</u>	(5,434)	<u>\$ (9,994)</u>
Fund Balance, Beginning			211,219	
Fund Balance, Ending			<u>\$ 205,785</u>	

City of Galesburg, Illinois

Airport Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 5,275	\$ 5,275	\$ 3,208	\$ (2,067)
Charges for services	-	-	45	45
Intergovernmental	-	-	50,629	50,629
Use of money and property	230,840	230,840	236,666	5,826
Total revenues	236,115	236,115	290,548	54,433
Expenditures				
Current:				
General government	340,990	340,990	372,233	(31,243)
Capital outlay	-	-	9,910	(9,910)
Total expenditures	340,990	340,990	382,143	(41,153)
Excess (deficiency) of revenues over expenditures	(104,875)	(104,875)	(91,595)	13,280
Other Financing Sources (Uses)				
Transfers in	129,295	129,295	116,015	13,280
Transfers out	(24,420)	(24,420)	(24,420)	-
Total other financing sources (uses)	104,875	104,875	91,595	13,280
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund Balance, Beginning			119,305	
Fund Balance, Ending			<u>\$ 119,305</u>	

City of Galesburg, Illinois

Property Redevelopment Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 471,301	\$ 471,301
Charges for services	500,000	500,000	382,486	(117,514)
Use of money and property	19,000	19,000	3,706	(15,294)
Total revenues	519,000	519,000	857,493	338,493
Expenditures				
Current:				
General government	1,201,885	1,382,315	1,210,378	171,937
Total expenditures	1,201,885	1,382,315	1,210,378	171,937
Excess (deficiency) of revenues over expenditures	(682,885)	(863,315)	(352,885)	510,430
Other Financing Sources (Uses)				
Proceeds from the sale of assets	-	-	438	438
Transfers in	375,000	375,000	323,403	51,597
Total other financing sources (uses)	375,000	375,000	323,841	52,035
Net change in fund balances	<u>\$ (307,885)</u>	<u>\$ (488,315)</u>	(29,044)	<u>\$ 459,271</u>
Fund Balance, Beginning			253,202	
Fund Balance, Ending			<u>\$ 224,158</u>	

City of Galesburg, Illinois

Public Transportation Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 2,328,550	\$ 2,328,550	\$ 1,867,999	\$ (460,551)
Use of money and property	89,200	89,200	96,186	6,986
Total revenues	2,417,750	2,417,750	1,964,185	(453,565)
Expenditures				
Current:				
General government	2,804,615	2,804,615	2,607,588	197,027
Total expenditures	2,804,615	2,804,615	2,607,588	197,027
Excess (deficiency) of revenues over expenditures	(386,865)	(386,865)	(643,403)	(256,538)
Other Financing Sources (Uses)				
Transfers in	386,865	386,865	479,753	(92,888)
Total other financing sources (uses)	386,865	386,865	479,753	(92,888)
Net change in fund balances	\$ -	\$ -	(163,650)	\$ (163,650)
Fund Balance, Beginning			34,857	
Fund Balance (Deficit), Ending			\$ (128,793)	

City of Galesburg, Illinois

Public Transportation Projects Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 3,910	\$ 3,910
Total revenues	-	-	3,910	3,910
Expenditures				
Current:				
General government	10,000	10,000	34,445	(24,445)
Total expenditures	10,000	10,000	34,445	(24,445)
Excess (deficiency) of revenues over expenditures	(10,000)	(10,000)	(30,535)	(20,535)
Other Financing Sources (Uses)				
Proceeds from the sale of assets	10,000	10,000	5,000	5,000
Transfers out	-	-	(1,319)	1,319
Total other financing sources (uses)	10,000	10,000	3,681	6,319
Net change in fund balances	\$ -	\$ -	(26,854)	\$ (26,854)
Fund Balance, Beginning			96,916	
Fund Balance, Ending			<u>\$ 70,062</u>	

City of Galesburg, Illinois

911 Communication Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 136,370	\$ 136,370	\$ 119,424	\$ (16,946)
Total revenues	136,370	136,370	119,424	(16,946)
Expenditures				
Current:				
Public safety	136,370	136,370	119,424	16,946
Total expenditures	136,370	136,370	119,424	16,946
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund Balance, Beginning			-	
Fund Balance, Ending			\$ -	

City of Galesburg, Illinois

Town of the City of Galesburg Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 531,000	\$ 531,000	\$ 524,330	\$ (6,670)
Intergovernmental	109,309	109,309	93,207	(16,102)
Charges for services	25,500	25,500	26,314	814
Use of money and property	79,778	79,778	57,351	(22,427)
Miscellaneous	-	-	45,728	45,728
Total revenues	<u>745,587</u>	<u>745,587</u>	<u>746,930</u>	<u>1,343</u>
Expenditures				
Current:				
General government	1,034,512	1,034,512	651,004	383,508
Public safety	435,441	435,441	195,513	239,928
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>1,499,953</u>	<u>1,499,953</u>	<u>846,517</u>	<u>653,436</u>
Net change in fund balances	<u><u>\$ (754,366)</u></u>	<u><u>\$ (754,366)</u></u>	<u>(99,587)</u>	<u><u>\$ 654,779</u></u>
Fund Balance, Beginning			<u>1,647,642</u>	
Fund Balance, Ending			<u><u>\$ 1,548,055</u></u>	

City of Galesburg, Illinois

Grants Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 2,981,530	\$ 6,688,335	\$ 2,786,190	\$ (3,902,145)
Total revenues	2,981,530	6,688,335	2,786,190	(3,902,145)
Expenditures				
Current:				
General government	-	214,090	39,206	174,884
Public safety	643,970	787,395	325,041	462,354
Miscellaneous	953,310	1,126,565	400,120	726,445
Capital outlay	1,850,000	8,849,840	3,418,397	5,431,443
Total expenditures	3,447,280	10,977,890	4,182,764	6,795,126
Excess (deficiency) of revenues over expenditures	(465,750)	(4,289,555)	(1,396,574)	2,892,981
Other Financing Sources (Uses)				
Transfers in	465,750	1,403,625	1,182,904	220,721
Transfers out	-	-	(122,073)	122,073
Total other financing sources (uses)	465,750	1,403,625	1,060,831	342,794
Net change in fund balances	\$ -	\$ (2,885,930)	(335,743)	\$ 2,550,187
Fund Balance (Deficit), Beginning			(621,143)	
Fund Balance (Deficit), Ending			\$ (956,886)	

City of Galesburg, Illinois

Community Improvements / Infrastructure Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,155,715	\$ 1,155,715	\$ 1,300,332	\$ 144,617
Use of money and property	23,250	23,250	46,458	23,208
Total revenues	1,178,965	1,178,965	1,346,790	167,825
Expenditures				
Current:				
General government	480,200	501,200	448,549	52,651
Capital outlay	650,000	800,000	294,199	505,801
Total expenditures	1,130,200	1,301,200	742,748	558,452
Excess (deficiency) of revenues over expenditures	48,765	(122,235)	604,042	726,277
Other Financing Sources (Uses)				
Transfers out	(718,050)	(968,050)	(842,766)	(125,284)
Total other financing sources (uses)	(718,050)	(968,050)	(842,766)	(125,284)
Net change in fund balances	\$ (669,285)	\$ (1,090,285)	(238,724)	\$ 851,561
Fund Balance, Beginning			964,942	
Fund Balance, Ending			\$ 726,218	

City of Galesburg, Illinois

2013A GO Bonds Business District Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Debt service:				
Principal	85,000	85,000	85,000	-
Interest and fiscal charges	35,480	35,480	35,430	50
Total expenditures	120,480	120,480	120,430	50
Excess (deficiency) of revenues over expenditures	(120,480)	(120,480)	(120,430)	50
Other Financing Sources (Uses)				
Transfers in	120,480	120,480	120,430	(50)
Total other financing sources (uses)	120,480	120,480	120,430	(50)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund Balance, Beginning			-	
Fund Balance, Ending			\$ -	

City of Galesburg, Illinois

2016 G.O. Bonds Debt Service Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 2	\$ 2
Total revenues	-	-	2	2
Expenditures				
Debt service:				
Principal	460,000	460,000	460,000	-
Interest and fiscal charges	192,315	192,315	192,031	284
Total expenditures	652,315	652,315	652,031	284
Excess (deficiency) of revenues over expenditures	(652,315)	(652,315)	(652,029)	286
Other Financing Sources (Uses)				
Transfers in	652,315	652,315	652,029	(286)
Total other financing sources (uses)	652,315	652,315	652,029	(286)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund Balance, Beginning			-	
Fund Balance, Ending			\$ -	

City of Galesburg, Illinois

2023 GO Bonds Debt Service Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 2	\$ 2
Total revenues	-	-	2	2
Expenditures				
Debt service:				
Principal	485,000	485,000	485,000	-
Interest and fiscal charges	233,050	233,050	232,768	282
Total expenditures	718,050	718,050	717,768	282
Excess (deficiency) of revenues over expenditures	(718,050)	(718,050)	(717,766)	284
Other Financing Sources (Uses)				
Transfers in	718,050	718,050	717,766	(284)
Total other financing sources (uses)	718,050	718,050	717,766	(284)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund Balance, Beginning			-	
Fund Balance, Ending			\$ -	

City of Galesburg, Illinois

2013A Business District Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 50,135	\$ 50,135	\$ 74,594	\$ 24,459
Use of money and property	570	570	1,064	494
Total revenues	50,705	50,705	75,658	24,953
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	50,705	50,705	75,658	24,953
Other Financing Sources (Uses)				
Transfers out	(43,970)	(43,970)	(76,569)	(32,599)
Total other financing sources (uses)	(43,970)	(43,970)	(76,569)	(32,599)
Net change in fund balances	<u>\$ 6,735</u>	<u>\$ 6,735</u>	(911)	<u>\$ (7,646)</u>
Fund Balance, Beginning			19,553	
Fund Balance, Ending			<u>\$ 18,642</u>	

City of Galesburg, Illinois

2023 GO Bond Capital Expense Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Use of money and property	\$ 191,430	\$ 191,430	\$ 133,524	\$ (57,906)
Total revenues	191,430	191,430	133,524	(57,906)
Expenditures				
Current:				
General government	-	-	300,000	(300,000)
Debt service:				
Interest and fiscal charges	2,100	2,100	1,500	600
Capital outlay	2,569,945	2,569,945	-	2,569,945
Total expenditures	2,572,045	2,572,045	301,500	2,270,545
Net change in fund balances	<u>\$ (2,380,615)</u>	<u>\$ (2,380,615)</u>	(167,976)	<u>\$ 2,212,639</u>
Fund Balance, Beginning			<u>2,960,497</u>	
Fund Balance, Ending			<u>\$ 2,792,521</u>	

City of Galesburg, Illinois

Utility Tax Capital Projects Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,614,195	\$ 1,614,195	\$ 1,525,688	\$ (88,507)
Use of money and property	69,510	69,510	93,347	23,837
Total revenues	<u>1,683,705</u>	<u>1,683,705</u>	<u>1,619,035</u>	<u>(64,670)</u>
Expenditures				
Current:				
General government	700,085	700,085	153,264	546,821
Debt service:				
Interest and fiscal charges	5,005	5,005	5,005	-
Capital outlay	-	472,955	286,455	186,500
Total expenditures	<u>705,090</u>	<u>1,178,045</u>	<u>444,724</u>	<u>733,321</u>
Excess (deficiency) of revenues over expenditures	<u>978,615</u>	<u>505,660</u>	<u>1,174,311</u>	<u>668,651</u>
Other Financing Sources (Uses)				
Transfers in	-	16,730	76,029	59,299
Transfers out	<u>(1,002,315)</u>	<u>(1,324,610)</u>	<u>(1,298,562)</u>	<u>26,048</u>
Total other financing sources (uses)	<u>(1,002,315)</u>	<u>(1,307,880)</u>	<u>(1,222,533)</u>	<u>85,347</u>
Net change in fund balances	<u>\$ (23,700)</u>	<u>\$ (802,220)</u>	<u>(48,222)</u>	<u>\$ 753,998</u>
Fund Balance, Beginning			<u>1,419,607</u>	
Fund Balance, Ending			<u>\$ 1,371,385</u>	

City of Galesburg, Illinois

Building Repair and Maintenance Fund -
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Use of money and property	\$ 99,900	\$ 99,900	\$ 146,935	\$ 47,035
Total revenues	99,900	99,900	146,935	47,035
Expenditures				
Current:				
Public works	37,500	37,500	31,064	6,436
Capital outlay	55,120	55,120	-	55,120
Total expenditures	92,620	92,620	31,064	61,556
Excess (deficiency) of revenues over expenditures	7,280	7,280	115,871	108,591
Other Financing Sources (Uses)				
Transfers in	71,400	71,400	71,400	-
Total other financing sources (uses)	71,400	71,400	71,400	-
Net change in fund balances	<u>\$ 78,680</u>	<u>\$ 78,680</u>	187,271	<u>\$ 108,591</u>
Fund Balance, Beginning			<u>3,224,353</u>	
Fund Balance, Ending			<u>\$ 3,411,624</u>	

City of Galesburg, Illinois

Computer Replacement Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive Negative
Revenues				
Use of money and property	\$ 43,290	\$ 43,290	\$ 69,731	\$ 26,441
Total revenues	43,290	43,290	69,731	26,441
Expenditures				
Current:				
General government	160,100	160,100	134,260	25,840
Capital outlay	175,000	175,000	-	175,000
Total expenditures	335,100	335,100	134,260	200,840
Excess (deficiency) of revenues over expenditures	(291,810)	(291,810)	(64,529)	227,281
Other Financing Sources (Uses)				
Transfers in	310,320	310,320	310,320	-
Total other financing sources (uses)	310,320	310,320	310,320	-
Net change in fund balances	\$ 18,510	\$ 18,510	245,791	\$ 227,281
Fund Balance, Beginning			1,564,388	
Fund Balance, Ending			\$ 1,810,179	

City of Galesburg, Illinois

Vehicle Replacement Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Use of money and property	\$ 139,955	\$ 139,955	\$ 206,954	\$ 66,999
Total revenues	139,955	139,955	206,954	66,999
Expenditures				
Current:				
General government	126,000	126,000	47,843	78,157
Debt service:				
Principal	-	-	56,663	(56,663)
Interest and fiscal charges	-	-	2,532	(2,532)
Capital outlay	487,000	1,083,410	827,593	255,817
Total expenditures	613,000	1,209,410	934,631	274,779
Excess (deficiency) of revenues over expenditures	(473,045)	(1,069,455)	(727,677)	341,778
Other Financing Sources (Uses)				
Proceeds from the sale of assets	-	-	95,988	(95,988)
Lease issuances	-	-	192,296	(192,296)
Transfers in	568,200	568,200	568,200	-
Total other financing sources (uses)	568,200	568,200	856,484	(288,284)
Net change in fund balances	\$ 95,155	\$ (501,255)	128,807	\$ 630,062
Fund Balance, Beginning			4,882,247	
Fund Balance, Ending			\$ 5,011,054	

City of Galesburg, Illinois

Players Fields Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Use of money and property	\$ 4,600	\$ 4,600	\$ 3,418	\$ (1,182)
Total revenues	<u>4,600</u>	<u>4,600</u>	<u>3,418</u>	<u>(1,182)</u>
Expenditures				
Current:				
Culture and recreation	<u>4,600</u>	<u>4,600</u>	<u>1,340</u>	<u>3,260</u>
Total expenditures	<u>4,600</u>	<u>4,600</u>	<u>1,340</u>	<u>3,260</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>2,078</u>	<u>\$ 2,078</u>
Fund Balance, Beginning			<u>27,414</u>	
Fund Balance, Ending			<u>\$ 29,492</u>	

City of Galesburg, Illinois

Capital Planning Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Use of money and property	\$ 154,770	\$ 154,770	\$ 225,418	\$ 70,648
Contributions	-	-	1,099	1,099
Total revenues	154,770	154,770	226,517	71,747
Expenditures				
Current:				
Economic development	25,000	31,885	47,387	(15,502)
Miscellaneous	230,650	269,595	106,067	163,528
Capital outlay	-	619,525	529,059	90,466
Total expenditures	255,650	921,005	682,513	238,492
Net change in fund balances	<u>\$ (100,880)</u>	<u>\$ (766,235)</u>	(455,996)	<u>\$ 310,239</u>
Fund Balance, Beginning			<u>6,013,474</u>	
Fund Balance, Ending			<u>\$ 5,557,478</u>	

City of Galesburg, Illinois

TIF IV Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 352,850	\$ 352,850	\$ 408,936	\$ 56,086
Use of money and property	4,895	4,895	57,925	53,030
Total revenues	357,745	357,745	466,861	109,116
Expenditures				
Current:				
General government	377,700	387,365	3,943	383,422
Miscellaneous	90,000	240,000	106,322	133,678
Capital outlay	150,000	160,540	150,000	10,540
Total expenditures	617,700	787,905	260,265	527,640
Excess (deficiency) of revenues over expenditures	(259,955)	(430,160)	206,596	636,756
Other Financing Sources (Uses)				
Transfers out	-	-	(111,421)	(111,421)
Total other financing sources (uses)	-	-	(111,421)	(111,421)
Net change in fund balances	\$ (259,955)	\$ (430,160)	95,175	\$ 525,335
Fund Balance, Beginning			1,186,457	
Fund Balance, Ending			\$ 1,281,632	

City of Galesburg, Illinois

TIF V Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Taxes	\$ 8,470	\$ 8,470	\$ 11,077	\$ 2,607
Use of money and property	<u>370</u>	<u>370</u>	<u>3,070</u>	<u>2,700</u>
Total revenues	<u>8,840</u>	<u>8,840</u>	<u>14,147</u>	<u>5,307</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 8,840</u>	<u>\$ 8,840</u>	14,147	<u>\$ 5,307</u>
Fund Balance, Beginning			<u>63,834</u>	
Fund Balance, Ending			<u>\$ 77,981</u>	

City of Galesburg, Illinois

Grand Avenue TIF 6 Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Taxes	\$ 40,400	\$ 40,400	\$ 93,786	\$ 53,386
Use of money and property	<u>330</u>	<u>330</u>	<u>3,840</u>	<u>3,510</u>
Total revenues	<u>40,730</u>	<u>40,730</u>	<u>97,626</u>	<u>56,896</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 40,730</u>	<u>\$ 40,730</u>	97,626	<u>\$ 56,896</u>
Fund Balance, Beginning			<u>77,239</u>	
Fund Balance, Ending			<u>\$ 174,865</u>	

City of Galesburg, Illinois

Linwood Cemetery Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Use of money and property	\$ 1,950	\$ 1,950	\$ 10,852	\$ 8,902
Total revenues	1,950	1,950	10,852	8,902
Expenditures				
Current:				
General government	900	900	1,041	(141)
Total expenditures	900	900	1,041	(141)
Excess (deficiency) of revenues over expenditures	1,050	1,050	9,811	8,761
Other Financing Sources (Uses)				
Transfers out	(1,050)	(1,050)	(2,414)	(1,364)
Total other financing sources (uses)	(1,050)	(1,050)	(2,414)	(1,364)
Net change in fund balances	\$ -	\$ -	7,397	\$ 7,397
Fund Balance, Beginning			83,013	
Fund Balance, Ending			\$ 90,410	

City of Galesburg, Illinois

East Linwood Cemetery Fund -

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Use of money and property	\$ 14,980	\$ 14,980	\$ 77,796	\$ 62,816
Miscellaneous	9,400	9,400	10,760	1,360
Total revenues	24,380	24,380	88,556	64,176
Expenditures				
Current:				
General government	6,500	6,500	8,091	(1,591)
Total expenditures	6,500	6,500	8,091	(1,591)
Excess (deficiency) of revenues over expenditures	17,880	17,880	80,465	62,585
Other Financing Sources (Uses)				
Transfers out	(10,000)	(10,000)	(16,696)	(6,696)
Total other financing sources (uses)	(10,000)	(10,000)	(16,696)	(6,696)
Net change in fund balances	\$ 7,880	\$ 7,880	63,769	\$ 55,889
Fund Balance, Beginning			571,307	
Fund Balance, Ending			\$ 635,076	

City of Galesburg, Illinois

Component Unit -

Statement of Net Position and Governmental Funds Combining Balance Sheet

December 31, 2025

	Galesburg Public Library	Galesburg Public Library Foundation	Total	Adjustments	Statement of Net Position
Assets and Deferred Outflows of Resources					
Assets					
Cash and cash equivalents	\$ 463,690	\$ 261,239	\$ 724,929	\$ -	\$ 724,929
Investments	-	2,838,980	2,838,980	-	2,838,980
Receivables (net):					
Property tax receivable	2,023,275	-	2,023,275	-	2,023,275
Accounts	11,755	3,037	14,792	-	14,792
Prepaid items	35,866	-	35,866	-	35,866
Capital assets not being depreciated	-	-	-	1,592,412	1,592,412
Capital assets being depreciated, net of accumulated depreciation	-	762	762	18,614,916	18,615,678
Total assets	2,534,586	3,104,018	5,638,604	20,207,328	25,845,932
Deferred Outflows of Resources					
Deferred outflows related to pensions	-	-	-	353,143	353,143
Deferred outflows related to OPEB	-	-	-	4,016	4,016
Total deferred outflows of resources	-	-	-	357,159	357,159
Liabilities, Deferred Inflows of Resources and Fund Balance / Net Position					
Liabilities					
Current liabilities:					
Accounts payable	39,388	5,053	44,441	-	44,441
Accrued liabilities	41,832	-	41,832	-	41,832
Payroll taxes payable	-	2,061	2,061	-	2,061
Due to other governments	5,176	-	5,176	-	5,176
Due to component unit	172	-	172	-	172
Advances from primary government	302,420	-	302,420	-	302,420
Noncurrent liabilities:					
Due within one year	-	-	-	78,517	78,517
Due in more than one year	-	-	-	650,491	650,491
Total liabilities	388,988	7,114	396,102	729,008	1,125,110
Deferred Inflows of Resources					
Property taxes levied for future periods	2,023,275	-	2,023,275	-	2,023,275
Deferred inflows related to pensions	-	-	-	10,696	10,696
Deferred inflows related to OPEB	-	-	-	7,892	7,892
Total deferred inflows of resources	2,023,275	-	2,023,275	18,588	2,041,863
Fund Balance / Net Position					
Net investment in capital assets	-	-	-	20,208,090	20,208,090
Nonspendable	35,866	-	35,866	(35,866)	-
Unassigned/Unrestricted	86,457	3,096,904	3,183,361	(355,333)	2,828,028
Total fund balance/net position	\$ 122,323	\$ 3,096,904	\$ 3,219,227	\$ 19,816,891	\$ 23,036,118

City of Galesburg, Illinois

Component Unit -

Statement of Activities and Governmental Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances/Net Position

Year Ended December 31, 2025

	Galesburg Public Library	Galesburg Public Library Foundation	Total	Adjustments	Statement of Activities
Revenues					
Property taxes	\$ 1,923,575	\$ -	\$ 1,923,575	\$ -	\$ 1,923,575
Intergovernmental	84,327	-	84,327	-	84,327
Licenses and permits	2,682	-	2,682	-	2,682
Charges for services	2,188	-	2,188	-	2,188
Fines and fees	106	-	106	-	106
Use of money and property	36,077	259,382	295,459	-	295,459
Miscellaneous	245,779	336,866	582,645	-	582,645
Total revenues	<u>2,294,734</u>	<u>596,248</u>	<u>2,890,982</u>	<u>-</u>	<u>2,890,982</u>
Expenditures/Expenses					
Current:					
Culture and recreation	2,088,274	1,334,454	3,422,728	485,193	3,907,921
Debt service:					
Interest and fiscal charges	21,803	-	21,803	-	21,803
Total expenditures/expenses	<u>2,110,077</u>	<u>1,334,454</u>	<u>3,444,531</u>	<u>485,193</u>	<u>3,929,724</u>
Excess (deficiency) of revenues over expenditures	<u>184,657</u>	<u>(738,206)</u>	<u>(553,549)</u>	<u>(485,193)</u>	<u>(1,038,742)</u>
Other Financing Sources (Uses)					
Transfers in	1,511,525	-	1,511,525	(1,511,525)	-
Transfers out	<u>(1,511,525)</u>	<u>-</u>	<u>(1,511,525)</u>	<u>1,511,525</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance/net position	184,657	(738,206)	(553,549)	(485,193)	(1,038,742)
Fund Balance/Net Position, Beginning (Deficit)	<u>(62,334)</u>	<u>3,835,110</u>	<u>3,772,776</u>	<u>20,302,084</u>	<u>24,074,860</u>
Fund Balance/Net Position, Ending	<u>\$ 122,323</u>	<u>\$ 3,096,904</u>	<u>\$ 3,219,227</u>	<u>\$ 19,816,891</u>	<u>\$ 23,036,118</u>

The statistical section of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

Contents	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	153 - 162
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	163 - 171
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	172 - 174
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	175 - 178
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	179 - 182

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

City of Galesburg, Illinois

Statistical Section

Comments Relative to Statistical Section

The following statistical table recommended by the National Council on Governmental Accounting is not included for the reason stated below.

The table showing legal debt margin is omitted because as a "Home Rule" unit established by the 1970 Illinois Constitution, the Sample City has no statutory debt limit. Nonhome Rule units in Illinois may issued bonds up to 8.625 percent of Assessed Valuation. Some Types of General Obligation Bonds may be issued up to 5 percent of Assessed Valuation.

City of Galesburg, Illinois

Net Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2016	2017	2018*	2019
Governmental activities:				
Net investment in capital assets	\$ 63,792,831	\$ 65,500,187	\$ 66,126,310	\$ 70,078,243
Restricted	10,624,226	11,440,849	9,382,619	8,796,867
Unrestricted	(21,878,584)	(26,361,249)	(44,150,644)	(50,444,236)
Total governmental activities net position	<u>\$ 52,538,473</u>	<u>\$ 50,579,787</u>	<u>\$ 31,358,285</u>	<u>\$ 28,430,874</u>
Business-type activities:				
Net investment in capital assets	\$ 17,947,204	\$ 18,662,529	\$ 18,786,318	\$ 19,486,089
Restricted	1,931,899	115,195	-	-
Unrestricted	8,585,924	10,233,257	9,563,406	9,478,377
Total business-type activities net position	<u>\$ 28,465,027</u>	<u>\$ 29,010,981</u>	<u>\$ 28,349,724</u>	<u>\$ 28,964,466</u>
Primary government:				
Net investment in capital assets	\$ 81,740,035	\$ 84,162,716	\$ 84,912,628	\$ 89,564,332
Restricted	12,556,125	11,556,044	9,382,619	8,796,867
Unrestricted	(13,292,660)	(16,127,992)	(34,587,238)	(40,965,859)
Total primary government net position	<u>\$ 81,003,500</u>	<u>\$ 79,590,768</u>	<u>\$ 59,708,009</u>	<u>\$ 57,395,340</u>

*The City implemented GASB Statement No. 75 in 2018. Prior years have not been restated.

2020	2021	2022	2023	2024	2025
\$ 70,812,000	\$ 71,628,870	\$ 74,342,164	\$ 76,426,334	\$ 78,092,456	\$ 80,548,669
8,464,898	8,556,462	14,029,551	11,445,414	11,669,450	11,171,151
(56,479,267)	(57,474,570)	(54,193,129)	(47,543,806)	(44,082,749)	(40,270,799)
<u>\$ 22,797,631</u>	<u>\$ 22,710,762</u>	<u>\$ 34,178,586</u>	<u>\$ 40,327,942</u>	<u>\$ 45,679,157</u>	<u>\$ 51,449,021</u>
\$ 21,470,231	\$ 22,398,727	\$ 23,302,567	\$ 23,345,738	\$ 23,389,769	\$ 23,449,410
-	-	1,065,999	-	-	-
8,400,225	8,943,695	8,733,821	11,708,385	14,128,979	19,375,563
<u>\$ 29,870,456</u>	<u>\$ 31,342,422</u>	<u>\$ 33,102,387</u>	<u>\$ 35,054,123</u>	<u>\$ 37,518,748</u>	<u>\$ 42,824,973</u>
\$ 92,282,231	\$ 94,027,597	\$ 97,644,731	\$ 99,772,072	\$ 101,482,225	\$ 103,998,079
8,464,898	8,556,462	15,095,550	11,445,414	11,669,450	11,171,151
(48,079,042)	(48,530,875)	(45,459,308)	(35,835,421)	(29,953,770)	(20,895,236)
<u>\$ 52,668,087</u>	<u>\$ 54,053,184</u>	<u>\$ 67,280,973</u>	<u>\$ 75,382,065</u>	<u>\$ 83,197,905</u>	<u>\$ 94,273,994</u>

City of Galesburg, Illinois

Changes In Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	\$ 8,248,902	\$ 9,306,471	\$ 10,992,849	\$ 10,651,157
Economic development	2,268,500	2,008,950	3,389,260	1,967,235
Public safety	18,224,515	22,072,437	21,413,721	24,782,293
Public works	6,973,467	6,710,310	6,658,379	6,272,794
Culture and recreation	3,641,663	4,224,280	4,566,350	3,970,192
Interest on long-term debt	430,255	425,771	395,346	362,007
Total governmental activities expenses	39,787,302	44,748,219	47,415,905	48,005,678
Business-Type Activities				
Water	5,419,955	5,920,927	6,076,418	6,381,984
Refuse	2,305,095	2,391,562	2,530,820	2,579,990
Total business-type activities expenses	7,725,050	8,312,489	8,607,238	8,961,974
Total primary government expenses	47,512,352	53,060,708	56,023,143	56,967,652
Program Revenue				
Governmental activities:				
Charges for services:				
General government	2,398,183	2,575,497	2,801,320	2,935,246
Economic development	5,990	5,310	3,798	39,030
Public safety	1,189,755	1,246,902	1,193,653	1,204,958
Public works	43,562	75,899	66,469	84,673
Culture and recreation	909,345	879,680	887,535	865,211
Operating grants and contributions:				
General government	1,362,415	2,982,046	3,647,909	4,851,809
Public safety	62,545	504,469	138,824	67,221
Public works	-	-	-	-
Capital grants and contributions:				
General government	380,165	1,757,054	849,360	58,973
Public works	1,903,931	420,860	108,545	2,058,593
Total governmental activities program revenue	8,255,891	10,447,717	9,697,413	12,165,714
Business-Type Activities				
Charges for services:				
Water	6,042,198	6,154,575	6,599,837	6,678,978
Refuse	2,358,692	2,468,372	2,528,662	2,599,519
Operating grants and contributions:				
Water	-	-	-	30,599
Total business-type activities program revenues	8,400,890	8,622,947	9,128,499	9,309,096
Total primary government program revenues	16,656,781	19,070,664	18,825,912	21,474,810
Net (Expense) Revenue				
Governmental activities	(31,531,411)	(34,300,502)	(37,718,492)	(35,839,964)
Business-type activities	675,840	310,458	521,261	347,122
Total primary government net expense	(30,855,571)	(33,990,044)	(37,197,231)	(35,492,842)

2020	2021	2022	2023	2024	2025
\$ 11,550,509	\$ 12,231,634	\$ 9,560,432	\$ 12,712,002	\$ 12,301,845	\$12,024,767
2,089,501	1,737,407	2,730,864	4,623,157	2,934,661	3,331,149
26,287,931	24,473,488	20,772,599	19,968,692	20,814,296	18,890,196
6,348,081	6,522,596	8,037,839	6,290,111	6,650,721	8,378,169
4,596,048	3,849,239	4,209,597	4,570,406	4,956,499	6,289,012
337,940	322,655	298,940	568,455	348,220	385,683
51,210,010	49,137,019	45,610,271	48,732,823	48,006,242	49,298,976
6,431,060	5,348,804	5,604,925	5,895,026	5,926,275	7,389,120
2,688,662	2,794,057	2,821,965	2,867,189	3,179,198	3,313,904
9,119,722	8,142,861	8,426,890	8,762,215	9,105,473	10,703,024
60,329,732	57,279,880	54,037,161	57,495,038	57,111,715	60,002,000
2,906,591	3,436,233	3,535,118	3,838,760	3,717,807	\$4,201,004
287,559	19,853	186,116	658,724	72,666	384,606
1,132,756	1,362,274	1,301,104	1,397,930	1,495,830	1,454,273
73,722	475,806	56,567	48,520	227,550	42,908
642,741	868,407	1,070,820	1,316,160	1,377,067	1,394,465
6,468,193	5,683,340	8,317,332	5,659,175	4,608,868	5,533,417
82,279	102,839	157,712	277,525	54,964	140,915
19,507	2,584	70	636	323	584
289,396	125,379	235,354	428,396	116,783	258,492
1,202,371	710,749	2,338,896	107,234	431,663	242,588
13,105,115	12,787,464	17,199,089	13,733,060	12,103,521	13,653,252
7,203,364	6,776,659	7,149,257	7,426,343	7,599,359	7,961,805
2,686,297	2,812,322	2,902,703	3,083,941	3,229,069	3,304,665
776	-	-	-	-	-
9,890,437	9,588,981	10,051,960	10,510,284	10,828,428	11,266,470
22,995,552	22,376,445	27,251,049	24,243,344	22,931,949	24,919,722
(38,104,895)	(36,349,555)	(28,411,182)	(34,999,763)	(35,902,721)	(35,645,724)
770,715	1,446,120	1,625,070	1,748,069	1,722,955	563,446
(37,334,180)	(34,903,435)	(26,786,112)	(33,251,694)	(34,179,766)	(35,082,278)

(Continued)

City of Galesburg, Illinois

Changes In Net Position (Continued)

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	2016	2017	2018	2019
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 9,033,770	\$ 9,541,732	\$ 9,419,335	\$ 9,665,453
State income tax	3,874,965	3,757,675	4,051,395	4,540,628
Sales taxes	9,138,074	9,138,895	9,446,869	9,476,544
Local utility taxes	2,218,708	2,228,891	2,431,396	2,332,084
Other taxes	4,817,168	4,995,660	4,885,938	5,199,506
Franchise fees	418,674	422,760	403,957	393,739
Investment earnings	299,277	446,537	714,247	923,548
Miscellaneous	607,617	1,809,666	887,002	381,051
Transfers	-	-	-	-
Total governmental activities	30,408,253	32,341,816	32,240,139	32,912,553
Business-type activities:				
Investment earnings	67,068	99,641	202,127	267,620
Miscellaneous	68,469	135,855	77,729	-
Transfers	-	-	-	-
Special items	-	-	-	-
Total business-type activities	135,537	235,496	279,856	267,620
Total primary government	30,543,790	32,577,312	32,519,995	33,180,173
Changes in net position:				
Governmental activities	(1,123,158)	(1,958,686)	(5,478,353)	(2,927,411)
Business-type activities	811,377	545,954	801,117	614,742
Total primary government	\$ (311,781)	\$ (1,412,732)	\$ (4,677,236)	\$ (2,312,669)

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 9,654,393	\$ 9,570,695	\$ 9,645,775	\$ 9,028,485	\$ 9,381,410	\$ 9,617,327
4,982,939	5,507,912	6,152,641	6,001,710	6,238,510	5,712,118
10,024,794	11,947,870	11,845,330	12,600,846	13,555,457	14,868,643
2,155,282	2,366,807	2,600,963	2,274,200	2,245,457	2,277,146
4,381,227	6,001,666	8,056,559	7,322,889	6,281,990	6,074,104
379,892	385,366	372,904	335,368	276,622	236,311
437,168	137,747	660,743	2,646,435	2,797,929	2,175,230
455,957	344,623	544,091	577,533	476,561	454,709
-	-	-	361,653	-	-
<u>32,471,652</u>	<u>36,262,686</u>	<u>39,879,006</u>	<u>41,149,119</u>	<u>41,253,936</u>	<u>41,415,588</u>
128,670	24,742	138,802	565,320	741,670	765,650
6,605	1,104	(3,907)	-	-	-
-	-	-	(361,653)	-	-
-	-	-	-	-	3,977,129
<u>135,275</u>	<u>25,846</u>	<u>134,895</u>	<u>203,667</u>	<u>741,670</u>	<u>4,742,779</u>
<u>32,606,927</u>	<u>36,288,532</u>	<u>40,013,901</u>	<u>41,352,786</u>	<u>41,995,606</u>	<u>46,158,367</u>
(5,633,243)	(86,869)	11,467,824	6,149,356	5,351,215	5,769,864
905,990	1,471,966	1,759,965	1,951,736	2,464,625	5,306,225
<u>\$ (4,727,253)</u>	<u>\$ 1,385,097</u>	<u>\$ 13,227,789</u>	<u>\$ 8,101,092</u>	<u>\$ 7,815,840</u>	<u>\$ 11,076,089</u>

(Concluded)

City of Galesburg, Illinois

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund				
Nonspendable	\$ 314,201	\$ 363,528	\$ 293,356	\$ 266,254
Restricted	29,889	12,795	12,795	12,795
Committed	232,553	209,009	199,801	199,650
Unassigned	<u>6,573,454</u>	<u>6,991,851</u>	<u>8,272,593</u>	<u>9,626,180</u>
Total general fund	<u>7,150,097</u>	<u>7,577,183</u>	<u>8,778,545</u>	<u>10,104,879</u>
All Other Governmental Funds				
Nonspendable	495,305	506,234	539,799	547,179
Restricted	17,784,956	14,294,156	9,638,418	8,026,131
Committed	8,789,239	9,737,039	10,350,686	10,190,597
Assigned	12,105,602	12,397,721	12,931,691	13,530,588
Unassigned	<u>(1,199,351)</u>	<u>(1,229,928)</u>	<u>(1,598,320)</u>	<u>(1,297,267)</u>
Total all other government funds	<u>\$ 37,975,751</u>	<u>\$ 35,705,222</u>	<u>\$ 31,862,274</u>	<u>\$ 30,997,228</u>

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 380,886	\$ 1,057,855	\$ 1,039,485	\$ 985,530	\$ 985,899	\$ 660,165
12,792	12,795	12,795	12,795	12,795	12,795
222,856	260,206	627,065	580,948	149,142	132,248
<u>11,312,598</u>	<u>12,253,147</u>	<u>11,235,783</u>	<u>10,753,599</u>	<u>10,037,392</u>	<u>9,911,072</u>
 <u>11,929,132</u>	 <u>13,584,003</u>	 <u>12,915,128</u>	 <u>12,332,872</u>	 <u>11,185,228</u>	 <u>10,716,280</u>
 644,250	 681,797	 753,851	 822,335	 692,517	 725,791
7,423,477	7,715,696	7,332,468	10,857,164	10,666,447	10,182,049
9,914,430	11,278,469	15,093,042	11,481,506	11,169,731	10,255,421
14,127,134	14,760,350	17,636,575	22,816,868	21,555,881	21,234,938
<u>(2,079,200)</u>	<u>(1,286,643)</u>	<u>(1,261,915)</u>	<u>(430,579)</u>	<u>(631,718)</u>	<u>(1,115,660)</u>
 <u>\$ 30,030,091</u>	 <u>\$ 33,149,669</u>	 <u>\$ 39,554,021</u>	 <u>\$ 45,547,294</u>	 <u>\$ 43,452,858</u>	 <u>\$ 41,282,539</u>

City of Galesburg, Illinois

Changes In Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	2016	2017	2018	2019
Revenues				
Property taxes	\$ 9,033,770	\$ 9,541,732	\$ 9,419,335	\$ 9,665,453
Other taxes	9,955,260	10,235,859	10,566,961	10,660,820
Intergovernmental	14,044,207	17,247,795	16,044,387	18,493,997
Licenses and permits	311,327	329,799	338,115	363,599
Charges for services	966,862	1,057,294	1,220,539	1,108,239
Fines and fees	344,590	419,615	447,782	407,934
Use of money and property	2,005,080	2,133,287	2,422,328	2,598,159
Other, primarily contributions	440,584	723,846	266,926	268,736
Total revenues	37,101,680	41,689,227	40,726,373	43,566,937
Expenditures				
General government	6,945,661	6,714,688	7,329,243	7,779,109
Economic development	794,240	717,245	2,391,827	1,029,517
Public safety	15,118,405	16,384,103	16,407,314	17,150,554
Public works	5,416,330	4,738,099	4,749,904	4,235,111
Culture and recreation	3,342,100	3,625,399	3,751,977	3,419,021
Other	1,427,368	2,567,311	3,177,276	3,104,994
Debt service:				
Principal	1,210,000	1,225,000	1,275,000	1,280,000
Interest and fiscal agent fees	477,632	470,249	433,749	393,092
Capital outlay	1,801,654	7,098,520	4,518,683	4,725,897
Total expenditures	36,533,390	43,540,614	44,034,973	43,117,295
Excess of revenues (under) expenditures	568,290	(1,851,387)	(3,308,600)	449,642
Other Financing Sources (Uses)				
Issuance of long-term debt	9,600,000	-	-	-
Lease issuances	-	-	-	-
Proceeds from sale of capital assets	2,243	7,944	43,239	11,646
Bond premium	307,450	-	-	-
Transfers in	2,209,391	2,638,340	3,710,458	4,931,368
Transfers out	(2,209,391)	(2,638,340)	(3,086,683)	(4,931,368)
Total other financing sources (uses)	9,909,693	7,944	667,014	11,646
Net changes in fund balance	\$ 10,477,983	\$ (1,843,443)	\$ (2,641,586)	\$ 461,288
Debt service as a percentage of noncapital expenditures	4.86%	4.65%	4.32%	4.36%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 9,654,393	\$ 9,570,695	\$ 9,645,775	\$ 9,028,485	\$ 9,381,410	\$ 9,617,327
10,351,443	12,264,603	12,792,002	13,097,085	13,813,706	13,728,925
20,080,853	23,090,773	27,673,238	23,722,879	22,106,892	23,237,646
299,889	387,349	414,252	441,907	447,872	454,271
1,341,266	1,270,663	1,442,403	2,078,707	1,367,911	2,173,133
329,410	409,238	368,295	340,971	390,113	352,598
1,801,196	1,910,734	2,672,003	4,882,140	4,986,043	4,482,190
422,934	242,792	217,521	306,730	278,966	156,821
<u>44,281,384</u>	<u>49,146,847</u>	<u>55,225,489</u>	<u>53,898,904</u>	<u>52,772,913</u>	<u>54,202,911</u>
8,612,597	8,879,242	8,301,225	9,017,289	11,405,673	10,202,262
1,577,452	447,032	1,665,848	3,702,393	1,957,744	1,817,404
17,887,688	18,088,721	22,269,607	21,819,222	23,212,915	24,815,251
4,480,544	4,854,619	6,426,486	4,275,232	4,841,968	5,919,367
2,992,771	3,691,776	4,082,207	4,139,747	4,654,474	4,707,176
2,983,306	4,249,018	2,372,214	4,093,425	2,236,284	1,790,429
710,000	735,000	838,790	875,880	850,666	1,138,279
361,859	345,182	320,101	413,871	692,437	473,002
3,832,577	3,086,723	3,252,007	5,948,672	6,228,688	6,438,655
<u>43,438,794</u>	<u>44,377,313</u>	<u>49,528,485</u>	<u>54,285,731</u>	<u>56,080,849</u>	<u>57,301,825</u>
<u>842,590</u>	<u>4,769,534</u>	<u>5,697,004</u>	<u>(386,827)</u>	<u>(3,307,936)</u>	<u>(3,098,914)</u>
-	-	-	4,920,000	-	-
-	-	-	-	-	349,634
14,526	4,915	8,873	15,508	50,581	110,013
-	-	-	500,683	-	-
4,935,333	4,576,963	11,392,665	9,124,359	5,146,474	4,759,432
<u>(4,935,333)</u>	<u>(4,576,963)</u>	<u>(11,363,065)</u>	<u>(8,762,706)</u>	<u>(5,131,199)</u>	<u>(4,759,432)</u>
<u>14,526</u>	<u>4,915</u>	<u>38,473</u>	<u>5,797,844</u>	<u>65,856</u>	<u>459,647</u>
<u>\$ 857,116</u>	<u>\$ 4,774,449</u>	<u>\$ 5,735,477</u>	<u>\$ 5,411,017</u>	<u>\$ (3,242,080)</u>	<u>\$ (2,639,267)</u>
2.71%	2.62%	2.50%	2.67%	3.10%	3.17%

City of Galesburg, Illinois

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	City Direct Rates					Total Direct
	General Fund	Fire	Illinois Municipal Retirement Fund	Galesburg Public Library	Township	
2016	1.14933	0.95001	0.19566	0.43784	0.15741	2.890
2017	1.13822	1.04243	0.11957	0.44612	0.15277	2.899
2018	1.04070	1.11756	0.11835	0.44154	0.15121	2.869
2019	1.05148	1.12237	0.08200	0.42971	0.14715	2.833
2020	0.98996	1.14671	0.08010	0.43792	0.14375	2.798
2021	1.00803	1.08071	0.07832	0.43334	0.14601	2.746
2022	1.07382	1.04282	0.07743	0.44449	0.14437	2.783
2023	1.00907	0.93226	0.07180	0.43228	0.13324	2.579
2024	0.99710	0.92348	0.06841	0.45481	0.12717	2.571
2025	0.95500	0.92272	0.06509	0.44424	0.12126	2.508

Source: City records and Knox County Circuit Clerk

Notes: Overlapping rates are those of local and county governments that apply to property owners within the City.

Overlapping Rates

Galesburg School District #205	Knox County	Galesburg Sanitary District	Carl Sandburg College District #518
4.70178	1.32510	0.31862	0.60345
4.95759	1.33005	0.31028	0.66725
4.83436	1.36373	0.29861	0.65244
4.83436	1.31864	0.30602	0.64308
4.88974	1.31560	0.30571	0.65943
4.90212	1.28832	0.31007	0.64292
4.73987	1.29043	0.31338	0.60442
4.70658	1.29769	0.30355	0.59083
4.94398	1.26419	0.29855	0.62082
4.60798	1.23816	0.29581	0.62805

City of Galesburg, Illinois

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railway Property	Total Taxable Assessed Value
2016	\$ 175,275,760	\$ 116,346,621	\$ 8,612,190	\$ 852,010	\$ 23,605,742	\$ 324,692,323
2017	178,282,965	121,543,671	8,666,130	866,090	25,180,759	334,539,615
2018	178,538,545	123,177,891	8,668,670	884,350	26,744,789	338,014,245
2019	184,772,310	124,243,111	8,744,150	934,940	28,629,168	347,323,679
2020	186,888,191	127,571,276	8,846,430	987,470	31,257,896	355,551,263
2021	191,369,364	126,559,736	9,225,150	1,039,930	35,519,728	363,713,908
2022	190,597,156	126,524,606	9,462,180	1,092,900	40,242,145	367,918,987
2023	205,340,082	137,125,759	9,462,180	1,161,630	43,895,366	396,985,017
2024	227,637,814	133,082,355	9,404,850	1,236,340	45,301,145	416,662,504
2025	241,720,562	141,763,958	9,935,460	1,291,590	43,037,409	437,748,979

Source: City Assessor's Office

Total Gross Assessed Value	Total Direct Tax Rate	Total Estimated Actual Value	Value as a Percentage of Actual Value	
\$ 397,944,982	2.899	\$ 1,193,834,946	33.33	%
409,290,589	2.869	1,227,871,767	33.33	
412,320,399	2.833	1,236,961,197	33.33	
423,201,708	2.798	1,269,605,124	33.33	
430,529,946	2.746	1,291,589,838	33.33	
440,893,148	2.783	1,322,679,444	33.33	
446,459,765	2.579	1,339,379,295	33.33	
472,258,356	2.579	1,416,775,068	33.33	
506,842,239	2.571	1,520,526,717	33.33	
521,637,459	2.508	1,564,912,377	33.33	

City of Galesburg, Illinois

Principal Property Taxpayers
Current Year and Ten Years Ago
(Unaudited)

Taxpayer	2025		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Burlington Northern/Santa Fe	\$ 45,302,815	1	10.87%
OSF Healthcare	8,001,960	2	1.92%
Seminary Manor, Seminary Estates & Hawthorne Inn & Achievement Unlimited	5,854,800	3	1.41%
Wal-Mart	4,577,590	4	1.10%
HyVee Food Stores Inc	3,099,310	5	0.74%
Y & O Galesburg LLC et al	3,058,470	6	0.73%
Phoenix Galesburg Industrial	2,846,820	7	0.68%
Lowes Home Centers	2,575,260	8	0.62%
Rural Rentals LLC	2,143,250	9	0.51%
United Facilities	2,081,350	10	0.50%
Total	<u>\$ 79,541,625</u>		<u>19.08%</u>

Taxpayer	2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Burlington Northern/Santa Fe	\$ 23,605,742	1	7.38%
Galesburg Hospital Corp	7,165,080	2	2.24%
Seminary Manor, Seminary Estates & Hawthorne Inn & Achievement Unlimited	4,568,450	3	1.43%
Wal-Mart	4,055,460	4	1.27%
OSF Healthcare	3,787,270	5	1.18%
Menard Inc	3,035,810	6	0.95%
HyVee Food Stores Inc	2,901,060	8	0.91%
The Villas at Carl Sanburg LLC	2,450,290	7	0.77%
Lowes Home Centers	2,250,080	9	0.70%
United Facilities	1,956,550	10	0.61%
Total	<u>\$ 55,775,792</u>		<u>17.44%</u>

Source: City Assessor's Office

City of Galesburg, Illinois

Property Tax Levies And Collections

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended	Tax Year	Taxes Levied for the Tax Year	Total Fiscal Year Collection		Collections in Subsequent Years	Total Current Year Levy Collection	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2016	2015	\$ 8,873,322	\$ 8,870,039	99.96	\$ 511	\$ 8,869,528	99.96 %
2017	2016	9,187,595	9,188,337	100.01	4,910	9,183,427	99.95
2018	2017	9,187,734	9,136,055	99.44	(3,035)	9,139,090	99.47
2019	2018	9,327,586	9,321,849	99.94	20,592	9,301,257	99.72
2020	2019	9,438,819	9,424,130	99.84	3,305	9,420,825	99.81
2021	2020	9,458,051	9,431,536	99.72	(3,371)	9,434,908	99.76
2022	2021	9,707,763	9,705,937	99.98	53,417	9,652,520	99.43
2023	2022	9,707,911	9,587,181	98.76	(52,313)	9,639,494	99.30
2024	2023	10,182,398	10,087,407	99.07	(17,477)	10,104,884	99.24
2025	2024	10,452,588	10,321,916	98.75	(119,267)	10,441,182	99.89

Source: Knox County Circuit Clerk

Note: Collections in Subsequent years include taxes received as well as abatements deducted for prior years

City of Galesburg, Illinois

Taxable Sales by Category
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019
General merchandise	\$ 1,143,338	\$ 1,119,726	\$ 1,155,822	\$ 1,176,875
Food	839,231	844,909	887,874	922,281
Drinking and eating places	584,949	588,154	601,763	623,848
Apparel	48,951	41,999	41,051	41,812
Furniture, H.H. and radio	118,568	106,393	95,384	91,477
Lumber, bldg, hardware	561,379	551,685	553,147	588,515
Automotive and filling stations	1,141,555	1,244,062	1,274,273	1,239,553
Drugs and misc retail	700,735	695,764	725,894	780,583
Agriculture and all others	291,533	365,289	368,029	296,518
Manufacturers	55,836	(4,388)	28,236	28,407
Total	<u>\$ 5,486,074</u>	<u>\$ 5,553,593</u>	<u>\$ 5,731,473</u>	<u>\$ 5,789,868</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%
Number of taxpayers	754	765	723	730

Source: Illinois Department of Revenue

* Due to a new Illinois law regarding tax collection by remote retailers, the number of taxpayers increased significantly.

2020	2021	2022	2023	2024	2025
\$ 1,136,015	\$ 1,223,851	\$ 1,237,855	\$ 1,280,932	\$ 1,426,191	\$1,410,583
1,225,462	990,136	1,042,657	1,054,178	1,081,416	1,092,871
557,267	670,960	696,592	745,783	759,841	789,784
29,809	47,729	34,853	31,527	31,331	57,654
89,894	107,324	92,449	86,738	87,720	84,227
689,217	719,818	719,177	704,680	690,902	735,470
1,106,763	1,409,305	1,330,122	1,338,450	1,350,305	993,234
880,485	1,201,690	1,188,987	1,272,690	1,348,529	1,906,784
340,245	529,606	461,509	476,397	504,481	804,289
57,732	21,280	43,037	45,682	48,366	164,170
<u>\$ 6,112,887</u>	<u>\$ 6,921,699</u>	<u>\$ 6,847,238</u>	<u>\$ 7,037,057</u>	<u>\$ 7,329,082</u>	<u>\$ 8,039,066</u>
1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
702	2,545*	3,301	4,046	4,886	9,295

City of Galesburg, Illinois

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Knox County	State of Illinois	Total
2016	1.00000	1.50000	6.25000	8.75000
2017	1.00000	1.50000	6.25000	8.75000
2018	1.00000	1.50000	6.25000	8.75000
2019	1.00000	1.50000	6.25000	8.75000
2020	1.00000	1.50000	6.25000	8.75000
2021	1.00000	1.50000	6.25000	8.75000
2022	1.00000	1.50000	6.25000	8.75000
2023	1.25000	1.50000	6.25000	9.00000
2024	1.25000	1.50000	6.25000	9.00000
2025	1.25000	1.50000	6.25000	9.00000

Source: City records and Illinois Department of Revenue

City of Galesburg, Illinois

Ratios of Net General Bonded Debt Outstanding by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities			Leases	Debt Per Capita
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt		
2016	\$ 14,608,908	\$ -	\$ 14,608,908	\$ -	\$ 715.86
2017	13,339,503	-	13,339,503	-	968.94
2018	12,026,203	-	12,026,203	-	897.88
2019	10,715,222	-	10,715,222	-	820.38
2020	9,981,369	-	9,981,369	-	790.95
2021	9,223,874	-	9,223,874	-	743.11
2022	8,427,791	-	8,427,791	121,546	694.56
2023	13,018,881	-	13,018,881	55,666	817.51
2024	12,063,912	-	12,063,912	-	817.51
2025	11,149,395	-	11,149,395	241,355	682.72

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements. As a Home Rule entity, under the State of Illinois Constitution, the City has no statutory debt limit.

* Personal income not available for 2025

Business-Type Activities			Total Primary Government	Percentage of Actual Property Value	Percentage of Personal Income	Per Capita
General Obligation Bonds	Revenue Bonds	Notes Payable				
\$ 8,080,920	\$ 8,728,140	\$ 621,086	\$ 32,039,054	2.68	1.708	\$ 1,010.82
16,473,747	-	579,680	30,392,930	2.48	1.620	987.78
15,600,530	-	538,274	28,165,007	2.28	1.451	915.37
14,705,090	-	496,869	25,917,181	2.04	0.133	836.42
13,788,161	-	455,463	24,224,993	1.88	1.123	806.10
12,855,524	-	414,058	22,493,456	1.70	0.958	757.05
11,891,596	-	372,652	20,813,585	1.55	0.897	711.45
10,902,231	-	331,246	24,308,024	1.72	0.993	830.90
9,887,596	-	289,840	22,241,348	1.46	0.878	763.52
8,846,694	-	248,434	20,485,878	1.31	*	699.44

City of Galesburg, Illinois

Direct and Overlapping Governmental Activities Debt
For the Year Ended December 31, 2025
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to City (1)</u>	<u>Estimated Share of Overlapping Debt (2)</u>
Knox County	\$ 9,460,000	38.47 %	\$ 3,639,262
Community Unit School District #205	78,320,000	84.74	66,368,368
Carl Sandburg College, Dist No 518	29,948,637	16.65	<u>4,986,448</u>
Subtotal, overlapping debt			74,994,078
City Direct Debt	11,390,750	100.00	<u>11,390,750</u>
Total direct and overlapping debt			<u>\$ 86,384,828</u>

Sources: Knox County County Clerk, Knox County Treasurer, Community School District #205
Annual Report, Carl Sandburg College Annual Report and City Records

(1) The percentage of overlap is based on assessed property values.

(2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

City of Galesburg, Illinois

Demographic and Economic Statistics

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Population (2)	Personal Income (1) (000's)	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2016	31,696	\$ 1,876,021	\$ 36,518	40.4	4,475	6.4 %
2017	30,769	1,875,716	36,699	40.8	4,365	5.4
2018	30,769	1,941,161	38,377	41.1	4,294	5.7
2019	30,986	1,948,704	38,735	40.3	4,203	5.0
2020	30,052	2,149,773	43,169	41.2	3,931	8.6
2021	29,712	2,344,929	47,519	41.2	3,895	6.6
2022	29,255	2,285,624	46,991	41.2	3,902	5.2
2023	29,130	2,405,153	49,682	42.2	3,871	5.5
2024	29,130	2,532,967	51,995	41.6	3,416	5.2
2025	29,289	*	*	40.8	3,838	5.5

Sources:

- (1) Information received from U.S. Department of Commerce, Bureau of Economic Analysis
- (2) Information received from the U.S. Census Bureau
- (3) Information received from Galesburg Community School District #205
- (4) Information received from Illinois Department of Employment Security

Note:

* Information not available

City of Galesburg, Illinois

Principal Employers
Current Year and Ten Years Ago
(Unaudited)

Employer	2025		
	Employees	Rank	Percentage of Total County Employment
Burlington Northern	1,031	1	5.09 %
OSF Healthcare	880	2	4.34
Dick Blick Company	555	3	2.74
School District #205	515	4	2.54
Knox College	448	5	2.21
Knox County	414	6	2.04
Carl Sandburg College	356	7	1.76
Henry C Hill Correctional Center	336	8	1.66
Western Smokehouse Partners	325	9	1.60
City of Galesburg	251	10	1.24
	<u>5,111</u>		<u>25.22 %</u>

Employer	2015		
	Employees	Rank	Percentage of Total County Employment
Burlington Northern	1,115	1	5.11 %
OSF Healthcare	1,100	2	5.04
School District #205	594	3	2.72
HyVee	574	4	2.63
Dick Blick Company	530	5	2.43
Galesburg Cottage Hospital	500	6	2.29
Bridgeway	450	7	2.06
Carl Sandburg College	430	8	1.97
Knox County	420	9	1.93
Knox College	407	10	1.87
	<u>6,120</u>		<u>28.05 %</u>

Sources:

The Knox County Area Partnership's website
<http://www.knoxpartnership.com/top-employers/>
IDES - Local Area Unemployment Statistics

Note:

The 2015 total county employment was 21812
The 2025 total county employment was 20268

City of Galesburg, Illinois

Full-Time Equivalent City Government Employees By Functions/Programs
Last Ten Fiscal Years
(Unaudited)

	Full-Time Equivalent Employees			
	2025	2024	2023	2022
Functions/Program				
General Government:				
Legislative	8	8.00	8.00	8.00
City manager	4.8	3.80	4.20	4.20
City clerk	4	4.00	4.00	4.00
City treasurer	0	-	-	-
Finance	6.8	6.80	6.80	6.80
Information services	3	2.70	2.70	2.70
Legal	0	-	0.50	0.50
Community development	1.2	0.70	0.70	0.70
Transit*	20.25	21.00	20.00	20.00
Economic Development	1.2	2.20	0.80	0.80
Public Safety:				
Police officers	53	51.00	51.00	51.00
Firefighters and officers	46	45.00	46.00	42.00
Civilians	31.4	31.00	29.00	29.00
Inspections	6.7	7.60	5.60	5.60
Public Works:				
Buildings and grounds	2	2.00	2.00	2.00
Engineering	6.5	6.50	6.50	6.50
Street and traffic maintenance	12.75	12.80	10.75	10.75
Stormwater utility	4.3	4.75	4.30	4.30
Fleet services	3.75	4.00	4.00	4.00
Airport	0.7	0.75	0.75	0.70
Cemetery	0.5	0.50	0.50	0.50
Parks and Recreation:				
Park and recreation administration	1	1.00	1.00	0.95
Park	9.8	10.75	10.75	10.85
Recreation	3	3.00	3.00	2.00
Forestry	3	2.00	2.00	2.00
Golf Course(s)	3	3.00	2.00	2.00
Water	23.1	22.90	22.90	21.90
Refuse	0.25	0.25	0.25	0.25
Total	260.00	258.00	250.00	244.00

Source: City Departments

Note:

* In 2020, Galesburg Transit was absorbed by the City & Transit separated from Community Development

Full-Time Equivalent Employees (cont.)

2021	2020	2019	2018	2017	2016
8.00	8.00	8.00	8.00	8.00	8.00
4.20	4.20	4.20	4.40	4.80	4.80
4.00	4.00	4.00	4.00	4.00	4.00
-	-	-	-	-	2.00
6.80	6.80	7.00	7.00	8.50	8.50
2.70	2.70	2.00	2.00	2.00	2.00
0.50	0.50	0.50	0.90	0.90	1.00
0.70	1.05	8.70	9.25	9.95	10.15
18.00	18.50	-	-	-	-
0.80	1.15	0.95	0.95	0.95	0.65
49.00	47.00	49.10	50.00	50.00	50.00
42.00	43.00	42.00	42.00	43.00	42.00
27.00	25.00	24.90	24.00	25.00	27.00
6.60	6.90	6.70	4.70	4.70	3.40
1.00	1.00	1.00	1.00	1.00	1.00
6.50	6.60	6.40	6.30	6.30	8.00
10.75	10.75	10.60	10.60	11.95	16.00
4.30	4.30	4.45	5.00	4.20	4.15
4.00	4.00	4.00	4.00	4.00	4.00
0.70	0.70	0.50	-	-	-
0.50	0.50	0.50	1.00	1.00	1.00
0.95	0.95	1.00	1.00	1.00	2.00
9.85	10.85	11.00	11.00	11.00	10.00
2.00	2.00	2.00	2.00	2.00	3.00
2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00
21.90	21.80	23.25	23.25	22.80	21.50
0.25	0.25	0.25	-	-	-
237.00	236.50	227.00	226.35	231.05	238.15

City of Galesburg, Illinois

Operating Indicators By Function/Program
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019
Function/Program				
General government:				
Handivan riders	19,065	18,441	20,036	18,388
Transit riders	155,857	139,400	129,795	154,367
Police:				
Physical arrests	2,208	2,140	2,580	3,045
Traffic violations	2,209	2,539	3,616	2,965
Service calls	43,193	39,928	44,037	45,364
Property loss	923,509	420,652	844,413	100,271
Fire:				
Total actual fires	106	107	86	63
Total of all fire department calls	4,289	4,408	4,845	4,849
Building safety:				
Total building permits	429	348	305	298
Total value all permits	9,305,584	16,468,496	21,854,303	6,766,680
Parks and recreation:				
Golf rounds played	24,220	23,164	21,151	20,624
Number of trees trimmed	652	501	231	375
Number of daily camp sites rented	2,105	3,355	2,880	3,668
Recreation classes offered**	152	437	302	273
Aquatic general admissions*	12,459	16,148	15,311	16,264
Sports field participation (teams)	215	271	242	218
Sports field participation (participants)*	*	*	*	*
Recreation facility rentals	811	926	1,663	1,964
Public works:				
Total airport acres mowed	265	265	265	265
Total lineal feet of runways maintained	9,394	9,394	9,394	9,394
Number of runway & taxiway lights & signs	511	511	511	511
Total cemetery acres maintained	68	68	68	68
Number of cemetery plots sold	60	44	37	49
Number of grave openings	73	77	64	78
Refuse:				
Refuse collected (ton)	9,352	9,004	9,081	9,741
Yard waste collected (ton)	2,735	2,034	2,076	2,590
Recycle collected (ton)	1,537	1,431	1,475	1,447
Water:				
Number of water services	12,472	12,659	12,547	12,536

Source: Various city departments

Note:

* In 2022 Sports field participation changed from teams to participants

**New software more accurately tracked offered classes, including changing the method used in counting group classes such as swim lessons

During 2020, some services were severely impacted due to the Covid-19 coronavirus pandemic.

2020	2021	2022	2023	2024	2025
11,790	9,774	13,108	15,696	15,947	19364
87,192	64,189	83,603	87,542	104,668	99825
2,072	2,570	2,446	2,072	2,129	2072
1,658	1,393	1,659	2,985	2,511	3012
44,120	48,879	46,302	49,731	53,632	53963
767,396	203,907	1,817,968	n/a	n/a	n/a
72	93	68	97	75	85
4,376	5,110	5,168	4,978	5,520	5404
247	231	324	258	329	376
3,535,821	9,352,432	119,086	41,788,145	65,232,086	53321763
23,648	27,826	29,144	32,807	33,203	31174
304	284	125	191	149	504
3,211	4,340	4,024	4,636	1,763	1430
237	300	377	460	546	596
3,599	11,256	16,619	16,415	16,228	16590
76	53	*	269	248	258
*	2,874	2,776	2,875	2,880	3090
999	923	2,269	2,283	2,042	2187
265	265	265	265	265	265
9,394	9,394	9,394	9,394	9,394	9394
511	511	511	511	511	511
68	68	68	68	68	68
63	67	50	48	34	750
74	92	87	57	68	68
9,311	9,925	9,046	8,409	8,528	8524
2,473	2,185	2,037	1,528	1,811	1821
1,431	1,509	1,701	1,583	1,689	1751
12,608	12,545	12,409	12,384	12,339	12335

City of Galesburg, Illinois

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

(Unaudited)

	2016	2017	2018	2019
Function/Program				
Police:				
Stations	1	1	1	1
Fire:				
Stations	3	3	3	3
Parks and recreation:				
Acreage	748	748	748	748
Parks	26	26	26	26
Golf course	1	1	1	1
Baseball/softball diamonds	13	13	13	13
Soccer/football fields	2	2	2	2
Basketball courts	12	12	12	12
Outdoor tennis courts	10	10	10	10
Parks with playground equipment	19	19	19	16
Public works:				
Miles of streets	176	176	176	176
Miles of sidewalks	122	122	122	122
Number of traffic signal heads maintained	476	476	503	503
Total number of street lights owned and maintained	581	858	879	879
Total number of street lights rented	3,415	3,415	3,406	3,409
Number of vehicles and equipment maintained	240	250	252	252
Total miles of water mains	203	203	203	203
Number of fire hydrants	1,420	1,420	1,420	1,420
Number of water valves	1,930	1,930	1,930	1,930

Source: Various city departments

2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
3	3	3	3	3	3
748	748	748	748	750	750
27	27	27	27	28	28
1	1	1	1	1	1
13	13	13	13	13	13
2	2	2	2	2	2
12	12	12	12	13	13
10	10	10	10	8	8
16	16	16	16	16	17
177	177	177	177	177	177
123	123	123	123	124	124
503	503	503	503	503	503
879	879	903	903	903	903
3,410	3,410	3,396	3,396	3,396	3396
252	252	256	256	269	294
203	203	203	203	203	203
1,449	1,449	1,449	1,449	1,449	1449
2,239	2,239	2,239	2,239	2,239	2239