

Town of the City of Galesburg

Financial Statements

December 31, 2024

Independent Auditors' Report

To the Town of the City of Galesburg Board of
Town of the City of Galesburg

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of the City of Galesburg (the Town), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town as of December 31, 2024 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 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.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

In performing an audit in accordance with GAAS, 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 Town'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 Town'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.

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

Baker Tilly US, LLP

Oak Brook, Illinois
June 11, 2025

Town of the City of Galesburg

Statement of Net Position

December 31, 2024

	Governmental Activities
Assets and Deferred Outflows of Resources	
Assets	
Cash and cash equivalents	\$ 1,627,867
Receivables (net):	
Property taxes receivable	531,000
Other receivables	15,552
Capital assets:	
Capital assets, net of accumulated depreciation	<u>204,656</u>
Total assets	<u>2,379,075</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	<u>228,982</u>
Total deferred outflows of resources	<u>228,982</u>
Total assets and deferred outflows of resources	<u><u>\$ 2,608,057</u></u>
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 331
Payroll tax payable	(4,554)
Noncurrent liabilities:	
Due within one year	7,318
Due in more than one year	<u>31,463</u>
Total liabilities	<u>34,558</u>
Deferred Inflows of Resources	
Property taxes levied for future periods	<u>531,000</u>
Total deferred inflows of resources	<u>531,000</u>
Net Position	
Net investment in capital assets	204,656
Restricted for:	
General assistance	570,326
Social security	77,025
IMRF	125,191
Liability insurance	30,672
Audit	60,791
Unrestricted	<u>973,838</u>
Total net position	<u>2,042,499</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 2,608,057</u></u>

See notes to financial statements

Town of the City of Galesburg

Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Governmental Activities
Primary Government			
Governmental activities:			
General government	\$ 631,494	\$ -	\$ (631,494)
Health and welfare	191,809	33,375	(158,434)
Total governmental activities	823,303	33,375	(789,928)
Total primary government	<u>\$ 823,303</u>	<u>\$ 33,375</u>	<u>(789,928)</u>
General revenues:			
Property taxes			524,879
Replacement taxes			109,152
Investment income			86,132
Miscellaneous			28,140
Total general revenues			<u>748,303</u>
Change in net position			(41,625)
Net position, beginning			<u>2,084,124</u>
Net position, ending			<u>\$ 2,042,499</u>

See notes to financial statements

Town of the City of Galesburg

Balance Sheet - Governmental Funds

December 31, 2024

	Major Funds		Total
	General Town	General Assistance	Governmental Funds
Assets			
Cash and cash equivalents	\$ 1,251,808	\$ 376,059	\$ 1,627,867
Receivables (net):			
Property taxes receivable	368,000	163,000	531,000
Other receivables	14,052	1,500	15,552
Due from other funds	-	188,145	188,145
Total assets	<u>\$ 1,633,860</u>	<u>\$ 728,704</u>	<u>\$ 2,362,564</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 331	\$ -	\$ 331
Payroll tax payable	68	(4,622)	(4,554)
Due to other funds	188,145	-	188,145
Total liabilities	<u>188,544</u>	<u>(4,622)</u>	<u>183,922</u>
Deferred Inflows of Resources			
Property taxes levied for future periods	<u>368,000</u>	<u>163,000</u>	<u>531,000</u>
Total deferred inflows of resources	<u>368,000</u>	<u>163,000</u>	<u>531,000</u>
Fund Balances			
Restricted for:			
General assistance	-	570,326	570,326
Social security	77,025	-	77,025
Liability insurance	30,672	-	30,672
Audit	60,791	-	60,791
IMRF	156,654	-	156,654
Unassigned	<u>752,174</u>	<u>-</u>	<u>752,174</u>
Total fund balances	<u>1,077,316</u>	<u>570,326</u>	<u>1,647,642</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,633,860</u>	<u>\$ 728,704</u>	<u>\$ 2,362,564</u>

See notes to financial statements

Town of the City of Galesburg

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2024

Total Fund Balances - Governmental Funds

\$ 1,647,642

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	\$ 671,938
Accumulated depreciation	<u>(467,282)</u>

204,656

Deferred outflows of resources related to pensions do not relate
to current financial resources and are not reported in the
governmental funds.

228,982

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	(7,318)
Net pension liability	<u>(31,463)</u>

(38,781)

Net Position of Governmental Activities

\$ 2,042,499

Town of the City of Galesburg

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2024

	Major Funds		Total
	General Town	General Assistance	Governmental Funds
Revenues			
Property tax	\$ 363,416	\$ 161,463	\$ 524,879
Replacement tax	109,152	-	109,152
Intergovernmental	-	33,375	33,375
Reimbursements	-	17,001	17,001
Investment income	56,513	29,619	86,132
Other revenue	4,139	7,000	11,139
Total revenues	533,220	248,458	781,678
Expenditures			
Current:			
General government	511,217	126,699	637,916
Public health and welfare	-	191,809	191,809
Total expenditures	511,217	318,508	829,725
Net change in fund balances	22,003	(70,050)	(48,047)
Fund Balances, Beginning	1,055,313	640,376	1,695,689
Fund Balances, Ending	\$ 1,077,316	\$ 570,326	\$ 1,647,642

See notes to financial statements

Town of the City of Galesburg

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund

Balances of Governmental Funds to Statement of Activities

Year Ended December 31, 2024

Net change in total governmental fund balances	\$	(48,047)
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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.

Depreciation	\$	(22,746)	
			(22,746)

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.

Net pension liability	121,252	
Deferred outflows of resources related to pensions	(96,730)	
Deferred inflows of resources related to pensions	4,646	
		29,168

Change in Net Position of Governmental Activities	\$	(41,625)
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Town of the City of Galesburg

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December 31, 2024

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Town of the City of Galesburg

Notes to Financial Statements
December 31, 2024

1. Summary of Significant Accounting Policies

The Town of the City of Galesburg, Illinois (the Town) was incorporated in 1867. The Town, located in Knox County, Illinois, operates under a trustee-supervisor form of government and provides services related to welfare assistance, property assessment, building and maintaining rural roads, and preventing the spread of communicable disease.

The accounting policies of the Town 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 Town. The reporting entity for the Town 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 Town has not identified any organizations that meet this criteria.

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. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town 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 Town 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 statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Town 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 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 fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.

Town of the City of Galesburg

Notes to Financial Statements

December 31, 2024

- c. In addition, any other governmental fund that the Town believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

General Fund

General Fund accounts for the Town'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 Fund

General Assistance Fund is used to account for and report taxes and other local revenues legally restricted or committed to supporting expenditures related to home assistance and relief programs.

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.

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 Village 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 Town is entitled to the resources and the amounts are available. Amounts owed to the Town 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.

Town of the City of Galesburg

Notes to Financial Statements
December 31, 2024

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, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

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

Illinois Statutes authorize the Town 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.

The Town has not adopted an investment policy.

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 2024 attaches as an enforceable lien on January 1, 2024, 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 2024 are prepared by Knox County and issued on or about May 1, 2025 and August 1, 2025, and are payable in two installments, on or about June 1, 2025 and September 1, 2025 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2024 property tax levy is recognized as a receivable and deferred inflows in fiscal 2024, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2024, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2024 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.

Town of the City of Galesburg

Notes to Financial Statements
December 31, 2024

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, buildings, vehicles, plant and equipment, and infrastructure are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets and service concession arrangements are recorded at their estimated acquisition value at the date of donation.

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

Buildings	39 Years
Furniture and Equipment	5-10 Years

Fund Financial Statements

The 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.

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.

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 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, 2024, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

The Town does not have any long-term obligations.

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 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 Town'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 (resolution) of the Town Board. 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 Town Board 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 Board may take official action to assign amounts. 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.

Town of the City of Galesburg

Notes to Financial Statements
December 31, 2024

The Town 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 Town would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

2. Detailed Notes on All Funds

Deposits and Investments

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

	Carrying Value	Statement Balances
Deposits	\$ 41,091	\$ 56,522
Illinois Funds	1,586,353	1,586,353
Petty cash	<u>423</u>	<u>-</u>
Total deposits and investments	<u>\$ 1,627,867</u>	<u>\$ 1,642,875</u>
Reconciliation to financial statements		
Per statement of net position:		
Cash and cash equivalents	<u>\$ 1,627,867</u>	
Total deposits and investments	<u>\$ 1,627,867</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 noninterest-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.

Custodial Credit Risk

Deposits

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

The Town does not have any deposits 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, 2024, the Town's investments were rated as follows:

Investment Type	Fitch Ratings
Illinois Funds	AAAmmf

Town of the City of Galesburg

Notes to Financial Statements

December 31, 2024

Receivables

All of the receivables on the balance sheet are expected to be collected within one year.

Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets being depreciated:				
Buildings	\$ 492,495	\$ -	\$ -	\$ 492,495
Furniture & equipment	<u>179,443</u>	<u>-</u>	<u>-</u>	<u>179,443</u>
Total capital assets being depreciated	<u>671,938</u>	<u>-</u>	<u>-</u>	<u>671,938</u>
Less accumulated depreciation for:				
Buildings	300,337	12,628	-	312,965
Furniture & equipment	<u>144,199</u>	<u>10,118</u>	<u>-</u>	<u>154,317</u>
Total accumulated depreciation	<u>444,536</u>	<u>22,746</u>	<u>-</u>	<u>467,282</u>
Net capital assets being depreciated	<u>227,402</u>	<u>(22,746)</u>	<u>-</u>	<u>204,656</u>
Total governmental activities capital assets, net	<u>\$ 227,402</u>	<u>\$ (22,746)</u>	<u>\$ -</u>	<u>\$ 204,656</u>

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 Assistance	General Town	\$ 188,145
Total		<u>\$ 188,145</u>

All amounts are due within one year.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2024, 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					
Other liabilities:					
Compensated absences (net change)	\$ 7,318	\$ -	\$ -	\$ 7,318	\$ 7,318
Net pension liability	<u>152,715</u>	<u>-</u>	<u>121,252</u>	<u>31,463</u>	<u>-</u>
Total other liabilities	<u>160,033</u>	<u>-</u>	<u>121,252</u>	<u>38,781</u>	<u>7,318</u>
Total governmental activities long-term liabilities	<u>\$ 160,033</u>	<u>\$ -</u>	<u>\$ 121,252</u>	<u>\$ 38,781</u>	<u>\$ 7,318</u>

Town of the City of Galesburg

Notes to Financial Statements
December 31, 2024

The Town is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 2.875% of the most recent available equalized assessed valuation of the Town. As of December 31, 2024, the statutory debt limit for the Town was \$11,979,047, providing a debt margin of \$11,979,047.

3. Other Information

Employees' Retirement System

The Town contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for the plan is governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. 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.

Illinois Municipal Retirement Fund

Plan Description

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. 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 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 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.

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.

Plan Membership

At December 31, 2023, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	10
Inactive, non-retired members	1
Active members	<u>9</u>
Total	<u><u>20</u></u>

Town of the City of Galesburg

Notes to Financial Statements
December 31, 2024

Contributions

As set by statute, employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Town to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The actuarially determined contribution rate for the calendar year ending December 31, 2023 was 2.42% of annual covered payroll for IMRF. The Town 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 liability/(asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability/(asset), 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 liability for IMRF was determined by actuarial valuations performed as of December 31, 2023 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 non-disabled 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.

Town of the City of Galesburg

Notes to Financial Statements

December 31, 2024

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	34.50 %	6.35 %	5.00 %
International equities	18.00	8.00	6.35
Fixed income	24.50	4.85	4.75
Real estate	10.50	6.30	6.00
Alternatives	11.50		
Private equity		12.35	8.65
Commodities		7.20	6.05
Cash equivalents	1.00	3.80	3.80

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.

Town of the City of Galesburg

Notes to Financial Statements

December 31, 2024

Discount Rate Sensitivity

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability/(asset)	\$ 306,514	\$ 31,463	\$ (201,373)

Changes in Net Pension Liability/(Asset)

The changes in net pension liability/(asset) for the calendar year ended December 31, 2023 were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/(Asset) (a) - (b)</u>
Balances at December 31, 2022	\$ 2,753,137	\$ 2,600,422	\$ 152,715
Service cost	32,750	-	32,750
Interest on total pension liability	195,118	-	195,118
Differences between expected and actual experience of the total pension liability	50,488	-	50,488
Change of assumptions	563	-	563
Benefit payments, including refunds of employee contributions	(156,453)	(156,453)	-
Contributions, employer	-	8,927	(8,927)
Contributions, employee	-	16,601	(16,601)
Net investment income	-	294,671	(294,671)
Other (net transfer)	-	79,972	(79,972)
Balances at December 31, 2023	<u>\$ 2,875,603</u>	<u>\$ 2,844,140</u>	<u>\$ 31,463</u>

Plan fiduciary net position as a percentage of
the total pension liability 98.91 %

Town of the City of Galesburg

Notes to Financial Statements
December 31, 2024

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

For the year ended December 31, 2024, pension expense was \$(7,705). Deferred outflows and inflows of resources related to pension were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 54,232	\$ -
Assumption changes	335	-
Net difference between projected and actual earnings on pension plan investments	152,951	-
Contributions subsequent to the measurement date	<u>21,464</u>	<u>-</u>
Total	<u>\$ 228,982</u>	<u>\$ -</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 liability/(asset) for the year ending December 31, 2025. The remaining amounts reported as deferred outflows and inflows of resources related to pensions is \$207,518. Amounts will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 58,620
2026	60,634
2027	109,863
2028	<u>(21,599)</u>
Total	<u>\$ 207,518</u>

Risk Management

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

Public Entity Risk Pool

IRMA

The Town participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois that have formed an association under the Illinois Intergovernmental Co-operations Statute to pool their risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

Town of the City of Galesburg

Notes to Financial Statements
December 31, 2024

The Town's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Town does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the bylaws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to any membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

Other Postemployment Benefits

The Town, as a component unit of the City of Galesburg, participates in the same health care plan as the City. As a result, employees who retire from the Town and are eligible under IMRF may elect to continue health coverage under the group insurance plan administered by the City. The portion of the net OPEB liability related to Town employees and retirees is insignificant.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

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

REQUIRED SUPPLEMENTARY INFORMATION

Town of the City of Galesburg

Required Supplementary Information

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

Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property tax	\$ 368,000	\$ 363,416	\$ (4,584)
Replacement tax	201,437	109,152	(92,285)
Investment income	48,737	56,513	7,776
Other revenue	-	4,139	4,139
Total revenues	618,174	533,220	(84,954)
Expenditures			
Admininstration:			
Personnel:			
Salaries - elected officials	115,600	118,514	(2,914)
Contractual services:			
Legal services	16,600	-	16,600
Other expenditures:			
Maintenance - building	20,000	1,460	18,540
Town hall	2,000	13,062	(11,062)
Office supplies and postage	3,500	2,113	1,387
Maintenance agreement	4,000	5,757	(1,757)
Bonds	1,000	100	900
Miscellaneous	2,700	7,947	(5,247)
Contingencies	20,000	6,800	13,200
Total other expenditures:	53,200	37,239	15,961
Total admininstration:	185,400	155,753	29,647
Assessor:			
Personnel:			
Salaries - office employees	195,000	166,039	28,961
Health insurance	90,000	95,608	(5,608)
Total personnel:	285,000	261,647	23,353
Contractual services:			
Maintenance service - vehicle	3,500	214	3,286
Maintenance service - equipment	4,000	3,150	850
Travel expense - assessor	10,000	6,850	3,150
Travel and training - office	2,000	-	2,000
Total contractual services:	19,500	10,214	9,286
Commodities:			
Office supplies and storage	6,000	3,698	2,302

See notes to required supplementary information

Town of the City of Galesburg

Required Supplementary Information

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

Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Other expenditures:			
Other postemployment benefits	\$ 300	\$ 100	\$ 200
IMRF contribution	-	21,464	(21,464)
Social security and Medicare contribution	-	28,603	(28,603)
Unemployment insurance	-	1,217	(1,217)
Liability insurance	-	9,521	(9,521)
Audit	-	19,000	(19,000)
Total other expenditures:	<u>300</u>	<u>79,905</u>	<u>(79,605)</u>
 Total assessor:	<u>310,800</u>	<u>355,464</u>	<u>(44,664)</u>
 Capital outlay	<u>20,000</u>	<u>-</u>	<u>20,000</u>
 Total expenditures	<u>516,200</u>	<u>511,217</u>	<u>4,983</u>
 Net change in fund balance	<u>\$ 101,974</u>	<u>22,003</u>	<u>\$ (89,937)</u>
 Fund Balance, Beginning of Year		<u>1,055,313</u>	
 Fund Balance, End of Year		<u>\$ 1,077,316</u>	

See notes to required supplementary information

Town of the City of Galesburg

Required Supplementary Information

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

Assistance

Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property tax	\$ 163,000	\$ 161,463	\$ (1,537)
Intergovernmental	21,000	33,375	12,375
Reimbursements	-	17,001	17,001
Investment income	25,352	29,619	4,267
Other revenue	-	7,000	7,000
Total revenues	209,352	248,458	39,106
Expenditures			
Admininstration:			
Personnel			
Salaries - elected officials	133,088	112,557	20,531
Health insurance	-	1,474	(1,474)
Total personnel	133,088	114,031	19,057
Contractual services:			
Legal services	200	-	200
Travel and training	1,000	1,107	(107)
Total contractual services:	1,200	1,107	93
Commodities:			
Maintenance agreement	2,500	3,468	(968)
Office supplies and postage	5,000	6,681	(1,681)
Total commodities:	7,500	10,149	(2,649)
Other expenditures:			
Contingencies	5,000	300	4,700
Miscellaneous	1,300	1,112	188
Other postemployment benefits	100	-	100
Payroll benefits	-	120	(120)
Total other expenditures:	6,400	1,532	4,868
Total admininstration:	148,188	126,819	21,369
Home relief:			
Contractual services:			
Medical and dental services	10,000	-	10,000
Shelter	55,000	56,386	(1,386)
Utilities	27,500	14,109	13,391
Funeral and burial services	4,000	-	4,000
Ambulance service	1,500	-	1,500
Total contractual services:	98,000	70,495	27,505

See notes to required supplementary information

Town of the City of Galesburg

Required Supplementary Information

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

Assistance

Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Commodities:			
Food	\$ 44,000	\$ 19,664	\$ 24,336
Insurance/laundry/misc.	5,000	8,720	(3,720)
Personal and household incidentals	30,000	19,633	10,367
Total commodities:	<u>79,000</u>	<u>48,017</u>	<u>30,983</u>
Other expenditures:			
Miscellaneous charges	1,000	177	823
Emergency rent	50,000	32,580	17,420
Emergency utilities	50,000	40,420	9,580
Emergency miscellaneous	4,000	-	4,000
Total other expenditures:	<u>105,000</u>	<u>73,177</u>	<u>31,823</u>
Total home relief:	<u>282,000</u>	<u>191,689</u>	<u>90,311</u>
Capital outlay	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>440,188</u>	<u>318,508</u>	<u>121,680</u>
Net change in fund balance	<u>\$ (230,836)</u>	<u>(70,050)</u>	<u>\$ 160,786</u>
Fund Balance, Beginning of Year		<u>640,376</u>	
Fund Balance, End of Year		<u>\$ 570,326</u>	

See notes to required supplementary information

Town of the City of Galesburg

Illinois Municipal Retirement Fund

Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios

Last Ten Fiscal Years

	2014	2015	2016	2017
Total Pension Liability				
Service cost	\$ 39,545	\$ 38,846	\$ 39,565	\$ 36,130
Interest changes of benefit terms	125,673	135,982	147,450	159,334
Differences between expected and actual experience	(46,822)	57,357	81,275	31,466
Changes of assumptions	81,489	2,169	(2,299)	(74,508)
Benefit payments, including refunds of member contributions	(58,570)	(65,588)	(92,773)	(124,101)
Net change in total pension liability	141,315	168,766	173,218	28,321
Total Pension Liability, Beginning	1,685,146	1,826,461	1,995,227	2,168,445
Total Pension Liability, Ending	<u>\$ 1,826,461</u>	<u>\$ 1,995,227</u>	<u>\$ 2,168,445</u>	<u>\$ 2,196,766</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 42,037	\$ 27,432	\$ 85,180	\$ 29,373
Employee contributions	14,518	15,109	14,754	15,496
Net investment income	115,377	9,931	120,744	390,255
Benefit payments, including refunds of member contributions	(58,570)	(65,588)	(92,773)	(124,101)
Other (net transfer)	-	-	-	-
Net change in plan fiduciary net position	105,261	(45,213)	125,699	268,506
Plan Fiduciary Net Position, Beginning	1,892,437	1,997,698	1,952,485	2,078,184
Plan Fiduciary Net Position, Ending	<u>\$ 1,997,698</u>	<u>\$ 1,952,485</u>	<u>\$ 2,078,184</u>	<u>\$ 2,346,690</u>
Net Pension Liability (Asset), Ending	<u>\$ (171,237)</u>	<u>\$ 42,742</u>	<u>\$ 90,261</u>	<u>\$ (149,924)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	109.38%	97.86%	95.84%	106.82%
Covered Payroll	\$ 322,617	\$ 335,770	\$ 327,860	\$ 344,345
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-53.08%	12.73%	27.53%	-43.54%

See notes to required supplementary information

2018	2019	2020	2021	2022	2023
\$ 37,441 161,356	\$ 41,784 167,692	\$ 38,008 172,660	\$ 37,308 183,140	\$ 31,155 182,294	\$ 32,750 195,118
32,820 57,544	3,258 -	110,107 (19,517)	(20,922) -	169,274 -	50,488 563
<u>(128,149)</u> 161,012	<u>(131,367)</u> 81,367	<u>(153,264)</u> 147,994	<u>(159,447)</u> 40,079	<u>(256,804)</u> 125,919	<u>(156,453)</u> 122,466
<u>2,196,766</u>	<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>\$ 2,357,778</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>
\$ 34,574 17,023 (149,226)	\$ 23,000 17,279 427,878	\$ 31,127 16,440 365,840	\$ 28,280 16,792 494,153	\$ 21,199 14,543 (432,052)	\$ 8,927 16,601 294,671
(128,149) -	(131,367) -	(153,264) -	(159,447) -	(256,804) -	(156,453) 79,972
(176,477)	352,349	290,429	368,501	(581,070)	243,718
<u>2,346,690</u>	<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>\$ 2,170,213</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>\$ 187,565</u>	<u>\$ (83,417)</u>	<u>\$ (225,852)</u>	<u>\$ (554,274)</u>	<u>\$ 152,715</u>	<u>\$ 31,463</u>
92.04%	103.42%	108.73%	121.10%	94.45%	98.91%
\$ 378,277	\$ 383,980	\$ 365,341	\$ 376,544	\$ 323,167	\$ 368,908
49.58%	-21.72%	-61.82%	-147.20%	47.26%	8.53%

See notes to required supplementary information

Town of the City of Galesburg

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

	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 42,037	\$ 27,432	\$ 25,180	\$ 29,373	\$ 34,575
Contributions in relation to the actuarially determined contribution	42,037	27,432	85,180	29,373	34,574
Contribution deficiency (excess)	\$ -	\$ -	\$ (60,000)	\$ -	\$ 1
Covered payroll	\$ 322,617	\$ 335,770	\$ 327,860	\$ 344,345	\$ 378,277
Contributions as a percentage of covered payroll	13.03%	8.17%	25.98%	8.53%	9.14%
	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 23,000	\$ 31,127	\$ 28,542	\$ 21,200	\$ 8,928
Contributions in relation to the actuarially determined contribution	23,000	31,127	28,280	21,199	8,927
Contribution deficiency (excess)	\$ -	\$ -	\$ 262	\$ 1	\$ 1
Covered payroll	\$ 383,980	\$ 365,341	\$ 376,544	\$ 323,167	\$ 368,908
Contributions as a percentage of covered payroll	5.99%	8.52%	7.51%	6.56%	2.42%

Notes to Schedule:

N/A - Fiscal year 2024 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	21 years
Asset valuation method	5-year smoothed market, 20% corridor
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010

See notes to required supplementary information

Town of the City of Galesburg

Notes to Required Supplementary Information
Year Ended December 31, 2024

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Budget amounts are as originally adopted by the Township Board. All annual appropriations lapse at fiscal year end.

Prior to December 31, the Town Supervisor submits to the Township Board a proposed annual budget and appropriation 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. After the public hearing, the budget is legally enacted through passage of an ordinance.

The Town is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the Township Board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The Town Supervisor is authorized to transfer budget amounts between objects within any fund; however, the Township Board must approve revisions that alter the total expenditures of any fund.