

CITY OF BREESE, ILLINOIS  
AUDITED FINANCIAL STATEMENTS  
APRIL 30, 2023

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
City of Breese, Illinois  
Breese, Illinois

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Breese, Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Breese, Illinois's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Breese, Illinois, as of April 30, 2023, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter - Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in note 1, and for determining that the modified cash of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***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 auditor's 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Breese, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Breese, Illinois' ability to continue as a going concern for a reasonable period of time.

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules and related notes, combining statements, and schedules of assessed valuation 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 August 28, 2023 on our consideration of the City of Breese, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Breese, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Breese, Illinois' internal control over financial reporting and compliance.

*Fick, Eggemeyer & Williamson, CPAs*

Fick, Eggemeyer & Williamson, CPAs  
Columbia, Illinois  
August 28, 2023

CITY OF BREESE, ILLINOIS  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
APRIL 30, 2023

ASSETS	Governmental Activities	Business-Type Activities	Total
Current assets			
Cash and cash equivalents	\$ 3,016,877	\$ 3,792,659	\$ 6,809,536
Certificates of deposit	60,888	2,017,539	2,078,427
Interfund receivable	9,000	-	9,000
Inventory	56,858	411,301	468,159
Notes receivable	12,000	-	12,000
Total current assets	<u>3,155,623</u>	<u>6,221,499</u>	<u>9,377,122</u>
Noncurrent assets			
Capital assets, net of depreciation	12,544,708	15,633,348	28,178,056
Total noncurrent assets	<u>12,544,708</u>	<u>15,633,348</u>	<u>28,178,056</u>
Total assets	<u>\$ 15,700,331</u>	<u>\$ 21,854,847</u>	<u>\$ 37,555,178</u>
LIABILITIES			
Current liabilities			
Interfund payable	\$ -	\$ 9,000	\$ 9,000
Gift cards payable	-	14,855	14,855
Current portion of long-term liabilities	128,749	268,034	396,783
Total current liabilities	<u>128,749</u>	<u>291,889</u>	<u>420,638</u>
Noncurrent liabilities			
Notes payable	832,450	1,891,812	2,724,262
Total noncurrent liabilities	<u>832,450</u>	<u>1,891,812</u>	<u>2,724,262</u>
Total liabilities	<u>\$ 961,199</u>	<u>\$ 2,183,701</u>	<u>\$ 3,144,900</u>
NET POSITION			
Net investment in capital assets	\$ 11,583,509	\$ 13,473,502	\$ 25,057,011
Restricted for:			
Motor fuel tax	672,950	-	672,950
Tax increment financing #2	88,336	-	88,336
Tax Increment Financing #5	15	-	15
Business District - New Highway 50	74,561	-	74,561
Business District - Downtown	109,639	-	109,639
Business District - Old Highway 50	197,185	-	197,185
Police drug prevention	32,435	-	32,435
Electric	-	-	-
Water system	-	-	-
Unrestricted	1,980,502	6,197,644	8,178,146
Total net position	<u>\$ 14,739,132</u>	<u>\$ 19,671,146</u>	<u>\$ 34,410,278</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BREESE, ILLINOIS  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government							
Governmental activities							
General government	\$ 952,822	\$ 119,979	\$ 934	\$ -	\$ (831,909)	\$ -	\$ (831,909)
Public safety	940,848	12,686	-	-	(928,162)	-	(928,162)
Roads and streets	1,152,661	-	-	-	(1,152,661)	-	(1,152,661)
Economic development	763,386	-	-	-	(763,386)	-	(763,386)
Health/EMS	953,142	584,214	500	-	(368,428)	-	(368,428)
Culture and recreation	563,318	63,111	10,866	-	(489,341)	-	(489,341)
Interest on long-term debt	34,770	-	-	-	(34,770)	-	(34,770)
Total governmental activities	5,360,947	779,990	12,300	-	(4,568,657)	-	(4,568,657)
Business-type activities							
Electric	5,761,779	6,570,748	-	-	-	808,969	808,969
Water	1,448,737	1,710,135	-	-	-	261,398	261,398
Sewer	637,089	549,756	-	-	-	(87,333)	(87,333)
Municipal golf course	477,561	486,027	-	-	-	8,466	8,466
Total business-type activities	8,325,166	9,316,666	-	-	-	991,500	991,500
Total primary government	\$ 13,686,113	\$ 10,096,656	\$ 12,300	\$ -	(4,568,657)	991,500	(3,577,157)
General revenues							
Taxes							
Property tax					3,231,081	-	3,231,081
Replacement tax					52,806	-	52,806
Intergovernmental tax					3,259,164	-	3,259,164
Gaming income					109,973	-	109,973
Interest income					57,321	30,762	88,083
Miscellaneous					27,469	343,738	371,207
Gain on sale of asset					8,006	-	8,006
Transfers between funds					(5,235)	5,235	-
Total general revenue and transfers					6,740,585	379,735	7,120,320
Changes in net position					2,171,928	1,371,235	3,543,163
Net position - beginning					12,567,204	18,299,911	30,867,115
Net position - ending					\$ 14,739,132	\$ 19,671,146	\$ 34,410,278

The notes to the financial statements are an integral part of this statement.

CITY OF BREESE, ILLINOIS  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
APRIL 30, 2023

	Major Funds			Nonmajor Funds	
				Other	
	General	Ambulance Service	Tax Increment Financing #1	Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,865,879	\$ -	\$ -	\$ 1,150,998	\$ 3,016,877
Certificate of deposit	50,495	-	-	10,393	60,888
Interfund receivable	509,041	-	-	3,531	512,572
Inventory	43,800	-	-	13,058	56,858
Notes receivable	12,000	-	-	-	12,000
Total assets	<u>\$ 2,481,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,177,980</u>	<u>\$ 3,659,195</u>
<b>LIABILITIES</b>					
Interfund payable	\$ 1,030	\$ 399,455	\$ -	\$ 103,087	\$ 503,572
Total liabilities	<u>1,030</u>	<u>399,455</u>	<u>-</u>	<u>103,087</u>	<u>503,572</u>
<b>FUND BALANCES</b>					
Nonspendable	43,800	-	-	13,058	56,858
Restricted for:					
Motor fuel tax	-	-	-	659,892	659,892
Tax increment financing #2	-	-	-	88,336	88,336
Tax Increment Financing #5	-	-	-	15	15
Business District - New Highway 50	-	-	-	74,561	74,561
Business District - Downtown	-	-	-	109,639	109,639
Business District - Old Highway 50	-	-	-	197,185	197,185
Police drug prevention	-	-	-	32,435	32,435
Assigned	266,468	-	-	-	266,468
Unassigned	2,169,917	(399,455)	-	(100,228)	1,670,234
Total fund balances	<u>2,480,185</u>	<u>(399,455)</u>	<u>-</u>	<u>1,074,893</u>	<u>3,155,623</u>
Total liabilities and fund balances	<u>\$ 2,481,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,177,980</u>	<u>\$ 3,659,195</u>

The notes to the financial statements are an integral part of this statement.



CITY OF BREESE, ILLINOIS  
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS -  
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
APRIL 30, 2023

Total fund balance - total governmental funds	\$ 3,155,623
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of depreciation, used in governmental activities are not financial resources, and therefore are not reported in the governmental funds statement of assets, liabilities, and fund balances - modified cash basis.	12,544,708
Long-term notes payable are not due and payable in the current period and are not reported in the governmental funds statement of assets, liabilities, and fund balances - modified cash basis	<u>(961,199)</u>
Net position of governmental activities per the statement of net position - modified cash basis - government wide	<u><u>\$ 14,739,132</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF BREESE, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	Major Funds			Nonmajor Funds	
	General	Ambulance Service	Tax Increment Financing #1	Other Governmental Funds	Total
REVENUES					
Property tax	\$ 1,041,656	\$ -	\$ 1,762,678	\$ 426,747	\$ 3,231,081
Replacement tax	52,806	-	-	-	52,806
Intergovernmental tax	2,249,855	262,570	-	746,739	3,259,164
Franchise fees	57,244	-	-	-	57,244
Fines and forfeitures	10,393	-	-	2,293	12,686
Charges for services	84,633	584,214	-	-	668,847
Licenses and permits	41,213	-	-	-	41,213
Gaming income	109,973	-	-	-	109,973
Grants and donations	11,800	500	-	-	12,300
Interest income	39,016	14	706	17,585	57,321
Miscellaneous	12,841	14,628	-	-	27,469
Total revenues	<u>3,711,430</u>	<u>861,926</u>	<u>1,763,384</u>	<u>1,193,364</u>	<u>7,530,104</u>
EXPENDITURES					
Current					
General government	922,387	-	-	-	922,387
Public safety	897,029	-	-	4,967	901,996
Roads and streets	727,902	-	-	181,400	909,302
Economic development	-	-	408,487	354,899	763,386
Health/EMS	-	906,638	-	-	906,638
Culture and recreation	460,381	-	-	-	460,381
Capital outlay	114,206	-	1,797,601	481,016	2,392,823
Debt service					
Principal	65,891	-	-	62,142	128,033
Interest	15,236	-	-	19,534	34,770
Total expenditures	<u>3,203,032</u>	<u>906,638</u>	<u>2,206,088</u>	<u>1,103,958</u>	<u>7,419,716</u>
Excess (deficiency) of revenue over expenditures	<u>508,398</u>	<u>(44,712)</u>	<u>(442,704)</u>	<u>89,406</u>	<u>110,388</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of asset	1,006	-	-	7,000	8,006
Transfers between funds	125,004	-	(1,700,462)	1,570,223	(5,235)
Total other financing sources (uses)	<u>126,010</u>	<u>-</u>	<u>(1,700,462)</u>	<u>1,577,223</u>	<u>2,771</u>
Net changes in fund balances	634,408	(44,712)	(2,143,166)	1,666,629	113,159
Fund balances - beginning	<u>1,845,777</u>	<u>(354,743)</u>	<u>2,143,166</u>	<u>(591,736)</u>	<u>3,042,464</u>
Fund balances - ending	<u>\$ 2,480,185</u>	<u>\$ (399,455)</u>	<u>\$ -</u>	<u>\$ 1,074,893</u>	<u>\$ 3,155,623</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BREESE, ILLINOIS  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL  
 FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
 FOR THE FISCAL YEAR ENDED APRIL 30, 2023

Net change in fund balances - total governmental funds	\$ 113,159
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Amounts reported for governmental activities in the statement of activities - modified cash basis are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities - modified cash basis, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,930,736
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The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items:

Principal payments on long-term debt	<div style="border-top: 1px solid black; display: inline-block;">128,033</div>
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Change in net position of governmental activities per the statement of activities - modified cash basis - government wide	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ 2,171,928</div>
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The notes to the financial statements are an integral part of this statement.

CITY OF BREESE, ILLINOIS  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
APRIL 30, 2023

	Electric	Water System	Sewer System	Municipal Golf Course	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 2,966,217	\$ 618,624	\$ 101,713	\$ 106,105	\$ 3,792,659
Certificates of deposit	1,777,918	-	239,621	-	2,017,539
Interfund receivable	973,600	-	-	-	973,600
Inventory	344,190	34,459	6,885	25,767	411,301
Total current assets	<u>6,061,925</u>	<u>653,083</u>	<u>348,219</u>	<u>131,872</u>	<u>7,195,099</u>
Noncurrent assets					
Capital assets, net of depreciation	2,814,922	9,791,968	2,518,126	508,332	15,633,348
Total noncurrent assets	<u>2,814,922</u>	<u>9,791,968</u>	<u>2,518,126</u>	<u>508,332</u>	<u>15,633,348</u>
Total assets	<u>\$ 8,876,847</u>	<u>\$ 10,445,051</u>	<u>\$ 2,866,345</u>	<u>\$ 640,204</u>	<u>\$ 22,828,447</u>
<b>LIABILITIES</b>					
Current liabilities					
Interfund payable	\$ -	\$ 557,350	\$ 270,250	\$ 155,000	\$ 982,600
Gift cards payable	-	-	-	14,855	14,855
Current portion of notes payable	-	217,359	29,097	21,578	268,034
Total current liabilities	<u>-</u>	<u>774,709</u>	<u>299,347</u>	<u>191,433</u>	<u>1,265,489</u>
Noncurrent liabilities					
Notes payable	-	1,362,410	465,725	63,677	1,891,812
Total noncurrent liabilities	<u>-</u>	<u>1,362,410</u>	<u>465,725</u>	<u>63,677</u>	<u>1,891,812</u>
Total liabilities	<u>\$ -</u>	<u>\$ 2,137,119</u>	<u>\$ 765,072</u>	<u>\$ 255,110</u>	<u>\$ 3,157,301</u>
<b>NET POSITION</b>					
Net investment in capital assets	2,814,922	8,212,199	2,023,304	423,077	13,473,502
Unrestricted	6,061,925	95,733	77,969	(37,983)	6,197,644
Total net position	<u>\$ 8,876,847</u>	<u>\$ 8,307,932</u>	<u>\$ 2,101,273</u>	<u>\$ 385,094</u>	<u>\$ 19,671,146</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BREESE, ILLINOIS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	Electric Light	Water System	Sewer System	Municipal Golf Course	Total
OPERATING REVENUES					
Charges for services	\$ 6,300,811	\$ 1,662,204	\$ 543,848	\$ -	\$ 8,506,863
Fees and other sales	269,937	47,931	5,908	486,027	809,803
Total operating revenues	<u>6,570,748</u>	<u>1,710,135</u>	<u>549,756</u>	<u>486,027</u>	<u>9,316,666</u>
OPERATING EXPENSES					
Cost of sales and service	5,422,692	1,063,880	522,164	429,132	7,437,868
Depreciation	339,087	384,857	114,925	48,429	887,298
Total operating expenses	<u>5,761,779</u>	<u>1,448,737</u>	<u>637,089</u>	<u>477,561</u>	<u>8,325,166</u>
Operating income (loss)	<u>808,969</u>	<u>261,398</u>	<u>(87,333)</u>	<u>8,466</u>	<u>991,500</u>
NON-OPERATING REVENUES (EXPENSES)					
Miscellaneous	-	-	305,034	38,704	343,738
Interest income	28,679	1,628	258	197	30,762
Total non-operating revenues (expenses)	<u>28,679</u>	<u>1,628</u>	<u>305,292</u>	<u>38,901</u>	<u>374,500</u>
Changes in net position before transfers	837,648	263,026	217,959	47,367	1,366,000
Transfers between funds	<u>(95,004)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>130,239</u>	<u>5,235</u>
Change in net position	742,644	248,026	202,959	177,606	1,371,235
Net position - beginning	<u>8,134,203</u>	<u>8,059,906</u>	<u>1,898,314</u>	<u>207,488</u>	<u>18,299,911</u>
Net position - ending	<u>\$ 8,876,847</u>	<u>\$ 8,307,932</u>	<u>\$ 2,101,273</u>	<u>\$ 385,094</u>	<u>\$ 19,671,146</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BREESE, ILLINOIS  
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	Electric Light	Water System	Sewer System	Municipal Golf Course	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 6,570,748	\$ 1,710,135	\$ 549,756	\$ 492,202	\$ 9,322,841
Cash paid to suppliers	(4,802,140)	(683,943)	(282,343)	(256,012)	(6,024,438)
Cash paid to employees	(612,180)	(375,992)	(240,131)	(171,241)	(1,399,544)
Net cash provided (used) by operating activities	<u>1,156,428</u>	<u>650,200</u>	<u>27,282</u>	<u>64,949</u>	<u>1,898,859</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers between funds	(95,004)	(15,000)	(15,000)	130,239	5,235
Miscellaneous revenue	-	-	305,034	38,705	343,739
Net cash provided (used) by noncapital financing activities	<u>(95,004)</u>	<u>(15,000)</u>	<u>290,034</u>	<u>168,944</u>	<u>348,974</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on borrowings	-	(426,700)	(28,591)	64,511	(390,780)
Proceeds from interfund borrowings	-	-	-	(130,239)	(130,239)
Purchases of capital assets	(359,709)	(268,967)	(70,078)	(198,200)	(896,954)
Disposal of capital assets	4,794	-	-	49,500	54,294
Net cash provided (used) by capital and related financing activities	<u>(354,915)</u>	<u>(695,667)</u>	<u>(98,669)</u>	<u>(214,428)</u>	<u>(1,363,679)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest income	28,679	1,628	258	197	30,762
Certificates of deposit	293,184	-	(239,621)	-	53,563
Net cash provided (used) by investing activities	<u>321,863</u>	<u>1,628</u>	<u>(239,363)</u>	<u>197</u>	<u>84,325</u>
Net increase (decrease) in cash and cash equivalents	1,028,372	(58,839)	(20,716)	19,662	968,479
Cash and cash equivalents - beginning of year	1,937,845	677,463	122,429	86,443	2,824,180
Cash and cash equivalents - end of year	<u>\$ 2,966,217</u>	<u>\$ 618,624</u>	<u>\$ 101,713</u>	<u>\$ 106,105</u>	<u>\$ 3,792,659</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 808,969	\$ 261,398	\$ (87,333)	\$ 8,466	\$ 991,500
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	339,087	384,857	114,925	48,429	887,298
Change in assets and liabilities					
Inventory	(9,628)	3,945	(310)	1,879	(4,114)
Interfund receivable	18,000	-	-	-	18,000
Credit card payable	-	-	-	6,175	6,175
Net cash provided (used) by operating activities	<u>\$ 1,156,428</u>	<u>\$ 650,200</u>	<u>\$ 27,282</u>	<u>\$ 64,949</u>	<u>\$ 1,898,859</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BREESE, ILLINOIS  
STATEMENT OF FIDUCIARY NET POSITION  
MODIFIED CASH BASIS  
FIDUCIARY FUND  
APRIL 30, 2023

ASSETS

Cash and cash equivalents	\$ 93,152
Certificate of deposit	<u>26,650</u>
Total assets	<u><u>\$ 119,802</u></u>

LIABILITIES AND NET POSITION

LIABILITIES

None	<u>\$ -</u>
Total liabilities	<u><u>\$ -</u></u>

NET POSITION

Held in trust for pension benefits and other purposes	<u>\$ 119,802</u>
Total net position	<u><u>\$ 119,802</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF BREESE, ILLINOIS  
STATEMENT OF CHANGES NET POSITION  
MODIFIED CASH BASIS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

ADDITIONS

Participant contributions	\$ 42,033
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Total additions	<u>42,033</u>
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DEDUCTIONS

Plan distributions	<u>18,898</u>
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Total deductions	<u>18,898</u>
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Change in net position	23,135
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Net position - beginning of year	<u>96,667</u>
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Net position - end of year	<u><u>\$ 119,802</u></u>
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The notes to the financial statements are an integral part of this statement.



CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Breese, Illinois (the City), was incorporated under the laws of the State of Illinois on January 19, 1905. The City is a Non-Home Rule Unit governed by an elected Mayor and City Council and provides the following services as authorized by its charter: public safety (police protection), roads and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. The City provides utility services through its electric energy system, the treated water supply system, and wastewater treatment system. The City also owns and operates a municipal golf course.

These financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by the modified cash basis of accounting and used by the City are discussed below:

Reporting Entity

These financial statements present the City (the primary government). The City does not have any component units. As defined by GASB No. 14, component units are legally separate entities that are included in the reporting entity because of the significance of their operating or financial relationships with the City.

Modified Cash Basis

In the government-wide statement of net position - modified cash basis and statement of activities - modified cash basis, both governmental and business-like activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide financial statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

The modifications to the cash basis include certificates of deposit, inventory, notes receivable, capital assets, interfund balances, gift cards payable, notes payable, and bonds payable.

Basis of Presentation

*Government-wide Financial Statements*

The Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis report information on all of the non-fiduciary activities of the City. The statements distinguish between governmental and business-type activities. As a general rule, the effect of interfund activity has been removed from these statements.

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- A. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least ten percent of the corresponding total for all funds of that category or type; and
- B. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or proprietary fund are at least five percent of the corresponding total for all governmental and proprietary funds combined.
- C. Or, it is specifically designated by the City as a major fund.

Fund Accounting - Financial activities of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. The funds of the financial reporting entity are described below:

Governmental Funds

*General Fund*

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

*Special Revenue Funds*

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expend funds for certain purposes.

Proprietary Funds

Proprietary funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds

Fiduciary funds, which are not included in government-wide statements, account for assets held by the City in a purely custodial capacity. These activities are financed by participant and employer contributions for health insurance.

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Major**

Below are the descriptions of the major funds:

Governmental Funds:

General - See above for a description

Ambulance Service - This fund is a special revenue fund that accounts for EMS/ambulance service for the City and other nearby communities.

Tax Increment Financing #1 - This fund is a special revenue fund that accounts for the proceeds of specific revenue sources that are restricted to expenditure for the specified purpose of making improvements within the redevelopment project area.

Proprietary Funds:

Electric - Accounts for the operation of the City's electric activities.

Water System - Accounts for the operation of the City's water system activities.

Sewer System - Accounts for the operation of the City's sewer treatment plant, sewage pumping stations, and collection systems.

Municipal Golf Course - Accounts for the operation of the City's nine-hole golf course, driving range, clubhouse, and pavilion for the use of the public.

Governmental Fund Balances

Fund balance is the difference between assets and liabilities in a Governmental Fund. In accordance with Government Accounting Standards Board 54, Fund Balance Reporting, and Government Fund Type Definitions, the following types of fund balances are presented in the Governmental Funds Balance Sheet:

Nonspendable - the portion of a Governmental Fund's balance that is not available to be spent, either short-term or long-term, in either form or through legal restrictions. The following accounts fund balances are reported in the General and Motor Fuel Tax Funds. The nonspendable portion is inventory.

Restricted - the portion of a Governmental Fund's balance that is subject to external enforceable legal restrictions by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law. The following accounts fund balance is reported in the Motor Fuel Tax, Tax Increment Financing #2, Tax Increment Financing #5, Business District - New Highway 50, Business District - Downtown, Business District - Old Highway 50, and Police Drug Prevention Funds.

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Committed - the portion of a Governmental Fund's balance sheet that represents amounts that can be used for specific purposes pursuant to constraints imposed by formal actions of the Board. There were no committed fund balances as of April 30, 2023.

Assigned - the portion of a Governmental Fund's balance sheet that represents amounts the City intends to be used for specific purposes but are neither restricted nor committed. The following accounts fund balances is reported in the General Fund.

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose. This is the residual classification of the General Fund. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned. The following accounts comprise the unassigned fund balance: General, Ambulance Service, Tax Increment Financing #3, Tax Increment Financing #4, and Tax Increment Financing #6 Funds.

The City uses restricted amounts first when both restricted and unassigned fund balances are available unless there are legal contracts that prohibit doing this.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. In the government-wide Statement of net position - modified cash basis and the statement of activities - modified cash basis, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

Governmental activities and business-type activities in the government-wide financial statements and the governmental funds' financial statements are presented on the modified cash basis of accounting. This differs from the accounting principles generally accepted in the United States of America of recording revenues and expenditures of governmental funds when they become measurable and available and when the related liability is incurred.

Cash, Cash Equivalents, and Investments

The City considers all demand and savings accounts and certificates of deposit with an original maturity of three months or less to be cash and cash equivalents.

Certificates of deposit held at local banks with an original maturity of more than three months are valued at cost and labeled as certificates of deposit in the financial statements.

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on the use of assets, either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

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.

Common Bank Account

Separate bank accounts are not maintained for all City funds, instead, certain funds maintain their uninvested cash balances in a common check account with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally, certain funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures, which have been approved by the City Council. As of April 30, 2023, there were no funds that had an overdraft balance.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) would be 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 - modified cash basis.

Inventory

Inventory is stated at cost on a first-in, first-out basis under the purchase method of accounting. Under this method, inventory is expensed when purchased. Inventory in the governmental fund consists of expendable street department supplies held for consumption. Inventory held in the business-type fund consists of electric, waterworks, sewer, golf maintenance, and clubhouse supplies. Fiscal counts are taken at year-end and inventory is adjusted accordingly.

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally designated resources are reported as general revenues rather than as program revenues.

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital Assets

The accounting treatment of property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

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

<u>Class</u>	<u>Useful Lives</u>	<u>Asset Threshold</u>
Building and improvements	20 - 40 years	\$10,000
Land improvements	20 - 50 years	\$5,000 - \$10,000
Infrastructure	20 - 50 years	\$5,000 - \$50,000
Equipment and furnishings	5 - 20 years	\$1,000 - \$5,000

*Government-wide Statement*

In government-wide financial statements, capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

*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 as in the government-wide statements.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities - modified cash basis, all interfund transfers between individual governmental funds have been eliminated.

Use of Estimates

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

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Long-Term Liabilities

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. Consistent with the modified cash basis of accounting, long-term liabilities only consist of notes payable and bonds payable.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

Operating and Non-Operating Revenues and Expenses - Proprietary Funds

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or 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.

Statement of Cash Flows

For purposes of the proprietary fund's statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**NOTE 2 - NOTES RECEIVABLE**

Notes receivable of the governmental activities consist of loans made to local businesses to support economic development in the community. Notes receivable detail as of April 30, 2023, follows:

	Governmental Activities	Business-type Activities	Total
Notes receivable	\$ 12,000	\$ -	\$ 12,000
Allowance for doubtful accounts	-	-	-
Notes receivable, net	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ 12,000</u>

**NOTE 3 - DEFICIT BALANCES**

The government-wide statement of net position reflects an unrestricted net position deficit of \$199,978. The Ambulance Service, Tax Increment Financing #3, Tax Increment Financing #4, and Tax Increment Financing #6 Funds had deficit fund balances in the amounts of \$399,455, \$96,735, \$534, and \$2,959, respectively. These deficits will be offset by future revenues.

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 4 - RISK MANAGEMENT**

The City is exposed to the risk of loss from normal items typically applicable to all Municipalities. These include workers' injury, property damage, and others too numerous to mention. To reduce the City's risk of loss from damages and claims, the City is a participant in the Illinois Municipal League Risk Management Association. For an annual contribution, the League provides insurance coverage for property and liability claims. The League has more than 600 Illinois Municipalities in the pool. There is no indication from the League or the City that there are any claims either existing or implied that would result in an additional liability to the City as of April 30, 2023. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 5 - DEPOSITS AND INVESTMENTS**

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Illinois or political subdivision debt obligations, or surety bonds.

The City requires that its invested funds meet the requirements of the Public Funds Investment Act (30 ILCS 235/2).

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's investment policy requires all investments to be made in accordance with applicable legal requirements with consideration of investment safety. Accordingly, the City maintains collateral agreements with its financial institutions. As of April 30, 2023, cash and certificates of deposit with the City's various municipal depositories were \$9,007,765 (including \$93,152 of fiduciary cash, and \$26,650 of fiduciary certificate of deposit), and the related bank balances totaled \$8,980,876. Of the bank balances, including demand deposits, \$717,739 was insured by the Federal Deposit Insurance Corporation (FDIC), \$2,789,797 was held in the Illinois Funds Money Market, and \$5,473,340 was secured by pledged collateral held by the banks as of April 30, 2023.

Some deposits made by the City consist of participants in the "Illinois Fund," a local government public treasurers' investment pool, and Goldman Sachs Treasury Shares (GTS). Both the Illinois Funds and GTS are investments that are not subject to risk categorization. Investments in both are stated at fair value. The Illinois Fund is considered to be a 2a7-like-pool that operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pool is not registered with the SEC as an investment company.



CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended April 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 583,525	\$ -	\$ -	\$ 583,525
Construction in progress	865,927	2,148,350	82,240	2,932,037
Total capital assets not being depreciated	<u>1,449,452</u>	<u>2,148,350</u>	<u>82,240</u>	<u>3,515,562</u>
Capital assets being depreciated:				
Building and improvements	2,072,105	33,419	-	2,105,524
Land improvements	1,634,353	69,470	-	1,703,823
Equipment and furnishings	2,726,152	98,849	-	2,825,001
Infrastructure	7,618,663	83,925	-	7,702,588
Total capital assets being depreciated	<u>14,051,273</u>	<u>285,663</u>	<u>-</u>	<u>14,336,936</u>
Less accumulated depreciation for:				
Building and improvements	1,083,418	54,277	-	1,137,695
Land improvements	877,391	68,243	-	945,634
Equipment and furnishings	1,718,326	183,326	-	1,901,652
Infrastructure	1,207,618	115,191	-	1,322,809
Total accumulated depreciation	<u>4,886,753</u>	<u>421,037</u>	<u>-</u>	<u>5,307,790</u>
Capital assets being depreciated, net	<u>9,164,520</u>	<u>(135,374)</u>	<u>-</u>	<u>9,029,146</u>
Governmental activity capital assets, net	<u>\$ 10,613,972</u>	<u>\$ 2,012,976</u>	<u>\$ 82,240</u>	<u>\$ 12,544,708</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 30,435
Public safety	38,852
Roads and streets	202,309
Culture and recreation	102,937
Health/EMS	46,504
Total Governmental activities	<u>\$ 421,037</u>

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 6 - CAPITAL ASSETS** (continued)

Capital asset activity for business-type activities for the year ended April 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 473,673	\$ 67,443	\$ -	\$ 541,116
Construction in progress	192,523	77,353	96,521	173,355
Total capital assets not being depreciated	<u>666,196</u>	<u>144,796</u>	<u>96,521</u>	<u>714,471</u>
Capital assets being depreciated:				
Building and improvements	1,571,218	-	-	1,571,218
Land improvements	28,328,852	232,729	-	28,561,581
Equipment and furnishings	3,519,611	615,950	115,986	4,019,575
Infrastructure	29,827	-	-	29,827
Total capital assets being depreciated	<u>33,449,508</u>	<u>848,679</u>	<u>115,986</u>	<u>34,182,201</u>
Less accumulated depreciation for:				
Building and improvements	1,006,653	36,167	-	1,042,820
Land improvements	15,282,461	576,069	-	15,858,530
Equipment and furnishings	2,123,360	274,800	61,692	2,336,468
Infrastructure	25,244	262	-	25,506
Total accumulated depreciation	<u>18,437,718</u>	<u>887,298</u>	<u>61,692</u>	<u>19,263,324</u>
Capital assets being depreciated, net	<u>15,011,790</u>	<u>(38,619)</u>	<u>54,294</u>	<u>14,918,877</u>
Business-type activities capital assets, net	<u>\$ 15,677,986</u>	<u>\$ 106,177</u>	<u>\$ 150,815</u>	<u>\$ 15,633,348</u>

Depreciation expense was charged to business-type activities as follows:

Business-type activities	
Electric	\$ 339,087
Water	384,857
Sewer	114,925
Golf Course	48,429
Total Business-type activities	<u>\$ 887,298</u>

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 7 - TRANSFERS**

Operating transfers during the year ended April 30, 2023, were as follows:

Fund	Transfer In	Transfer Out	Net Transfers
General	\$ 125,004	\$ -	\$ 125,004
Tax Increment Financing #1	120,000	1,820,462	(1,700,462)
Tax Increment Financing #3	774,911	-	774,911
Tax Increment Financing #5	951,396	-	951,396
Tax Increment Financing #6	26,678	-	26,678
Business District - New Highway 50	-	62,762	(62,762)
Business District Downtown	-	100,000	(100,000)
Business District - Old Highway 50	-	20,000	(20,000)
Electric	-	95,004	(95,004)
Water System	-	15,000	(15,000)
Sewer System	-	15,000	(15,000)
Municipal Golf Course	130,239	-	130,239
Total	<u>\$ 2,128,228</u>	<u>\$ 2,128,228</u>	<u>\$ -</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 8 - INTERFUND RECEIVABLES/PAYABLES**

The composition of interfund balances as of April 30, 2023, was as follows:

	Interfund Receivable	Interfund Payable
General	\$ 509,041	\$ 1,030
Ambulance Service	-	399,455
Tax Increment Financing #2	3,531	-
Tax Increment Financing #3	-	99,556
Tax Increment Financing #4	-	534
Tax Increment Financing #6	-	2,997
Electric	973,600	-
Water System	-	557,350
Sewer System	-	270,250
Municipal Golf Course	-	155,000
Total	<u>1,486,172</u>	<u>1,486,172</u>

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 8 - INTERFUND RECEIVABLES/PAYABLES (continued)**

The interfund balances relate to amounts loaned among the funds that are expected to be repaid within the next year. Any debt due to other funds is shown on the respective government funds or proprietary funds balance sheet. The net amount due between governmental funds and proprietary funds is \$9,000 as of April 30, 2023.

**NOTE 9 - PROPERTY TAXES**

The City's property tax is levied each year on all taxable real property located in the City. The property taxes attach as an enforceable lien on property as of January 1 and are payable in installments. The City received significant distributions of tax receipts during July and October of 2022. Property tax collections reflected in the City's financial statements for the fiscal year ended April 30, 2023 represent taxes received for the 2021 tax levy.

**NOTE 10 - LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities for the year ended April 30, 2023, are as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Amount Due Within One Year
Governmental activities:					
Note payable - Soccer Park	\$ 168,759	\$ -	\$ 20,375	\$ 148,384	\$ 21,310
Note payable - Street Department	270,886	-	45,516	225,370	43,273
Note payable - TIF 1	649,587	-	62,142	587,445	64,166
Total governmental activities	<u>\$ 1,089,232</u>	<u>\$ -</u>	<u>\$ 128,033</u>	<u>\$ 961,199</u>	<u>\$ 128,749</u>
Business-type activities:					
IL Environmental Protection Agency	\$ 2,006,469	\$ -	\$ 426,700	\$ 1,579,769	\$ 217,359
Note payable - Golf Course	20,743	-	20,743	-	-
Note payable - Golf Course	-	90,530	5,275	85,255	21,578
Note payable - Sewer Lift Station	523,413	-	28,591	494,822	29,097
Total business-type activities	<u>\$ 2,550,625</u>	<u>\$ 90,530</u>	<u>\$ 481,309</u>	<u>\$ 2,159,846</u>	<u>\$ 268,034</u>

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 10 - LONG-TERM LIABILITIES** (continued)

Governmental Activities:

Notes Payable - Soccer Park

The City obtained a note of \$375,000 to finance the purchase of 17 acres of land (3 acres gifted) and the development of a park. The note was refinanced on June 5, 2019. The note requires monthly installments of \$2,305, maturing June 5, 2029, and an interest rate of 4.5% paid semi-annually.

Payments due on the note are as follows:

Year Ending April 30,	Principal	Interest	Total
2024	\$ 21,310	\$ 6,345	\$ 27,655
2025	22,319	5,336	27,655
2026	23,359	4,296	27,655
2027	24,447	3,208	27,655
2028	25,581	2,073	27,654
2029-2030	31,368	919	32,287
Total	<u>\$ 148,384</u>	<u>\$ 22,177</u>	<u>\$ 170,561</u>

Notes Payable - Street Department

The City obtained a note of \$270,886 to finance the purchase of equipment for the street department. The note requires monthly installments of \$4,113, maturing April 25, 2028, and an interest rate of 2.95% paid monthly.

Payments due on the note are as follows:

Year Ending April 30,	Principal	Interest	Total
2024	\$ 43,273	\$ 6,085	\$ 49,358
2025	44,586	4,772	49,358
2026	45,920	3,439	49,359
2027	47,293	2,066	49,359
2028	44,298	652	44,950
Total	<u>\$ 225,370</u>	<u>\$ 17,014</u>	<u>\$ 242,384</u>

Notes Payable - Tax Increment Financing #1

The City obtained a note of \$700,000 to finance the development of a local business within the redevelopment district. The note requires monthly installments of \$6,806, maturing June 28, 2031, and an interest rate of 3.10% paid monthly.

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 10 - LONG-TERM LIABILITIES** (continued)

Payments due on the note are as follows:

Year Ending April 30,	Principal	Interest	Total
2024	\$ 64,166	\$ 17,510	\$ 81,676
2025	66,392	15,284	81,676
2026	68,480	13,196	81,676
2027	70,633	11,043	81,676
2028	72,854	8,822	81,676
2029-2032	244,920	12,474	257,394
Total	<u>\$ 587,445</u>	<u>\$ 78,329</u>	<u>\$ 665,774</u>

Business-Type Activities:

Note Payable - Illinois Environmental Protection Agency

In September 2004, the City entered into an agreement with the Illinois Environmental Protection Agency to assist with funding a new water treatment plant. The final loan amount as of February 2, 2007, was \$7,283,530. The note requires semi-annual principal payments of \$269,283 to \$237,106, a maturity date of November 1, 2026, and an interest rate of 2.5% paid semi-annually.

Payments due on the note are as follows:

Year Ending April 30,	Principal	Interest	Total
2024	\$ 217,359	\$ 19,747	\$ 237,106
2025	442,901	31,311	474,212
2026	454,044	20,168	474,212
2027	465,465	8,747	474,212
Total	<u>\$ 1,579,769</u>	<u>\$ 79,973</u>	<u>\$ 1,659,742</u>

Note Payable - Golf Course

On January 19, 2018, the City entered into an agreement to finance and purchase new golf carts and two mowers. The note requires monthly principal payments of \$3,079, maturing November 21, 2022, and an interest rate of 3.85% paid monthly. As of April 30, 2023, the amount owed on the note was \$0.

Note Payable - Golf Course

On July 15, 2022, the City entered into an agreement to finance and purchase equipment for the golf course. The note requires monthly principal payments of \$2,040, maturing January 15, 2027, and an interest rate of 3.85% paid monthly.

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 10 - LONG-TERM LIABILITIES** (continued)

Payments due on the note are as follows:

Year Ending April 30,	Principal	Interest	Total
2024	\$ 21,578	\$ 2,904	\$ 24,482
2025	22,423	2,059	24,482
2026	23,302	1,180	24,482
2027	17,952	288	18,240
Total	<u>\$ 85,255</u>	<u>\$ 6,431</u>	<u>\$ 91,686</u>

Notes Payable - Sewer Lift Station

In January 2019, the City obtained a note of \$628,472 to finance the purchase of a sewer lift station. The note requires semi-annual installments of \$18,839, maturing April 8, 2038, and an interest rate of 1.76% paid semi-annually.

Payments due on the note are as follows:

Year Ending April 30,	Principal	Interest	Total
2024	\$ 29,097	\$ 8,581	\$ 37,678
2025	29,611	8,067	37,678
2026	30,134	7,544	37,678
2027	30,667	7,011	37,678
2028	31,209	6,469	37,678
2029-2033	164,519	23,871	188,390
2034-2038	179,585	8,805	188,390
Total	<u>\$ 494,822</u>	<u>\$ 70,348</u>	<u>\$ 565,170</u>

The City's legal debt margin is limited to 8.625% of the most recent assessed valuation as follows:

Total valuation of 2022 Levy year	<u>\$ 111,136,876</u>
Statutory Debt Limitation - 8.625% of Assessed Valuation	\$ 9,585,556
Less: Outstanding Debt	
None	<u>-</u>
Legal Debt Margin	<u>\$ 9,585,556</u>

CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 11 - RETIREMENT FUND COMMITMENTS**

Illinois Municipal Retirement Fund

Plan Description: The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and their beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

*Funding Policy:* As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2022 was 9.91%. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute. For plans year 2020, 2021 and 2022, the City contributed \$385,503, \$382,005, and \$312,411, respectively, as required.

Social Security

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The City paid \$237,834, the total required contribution for the current year.

Section 457 Retirement Plan

The City initiated a Section 457 Retirement Plan on February 20, 2007. This plan was started mainly to assist policemen who do not participate in the social security system. The City matches the policemen's contribution which is 6.2% of salary. The City contributions for the year ended April 30, 2023, were \$36,759. Lord Abbett Retirement Services administers the plan and accounts for the money by each participant. The value of these accounts is not included in these financial statements.

**NOTE 12 - CONSTRUCTION IN PROGRESS**

Downtown Revitalization

The Downtown business area, within the Tax Increment Financing District #1, of the City will undergo ADA compliance enhancements for businesses within the downtown area, as well as enhancements to City sewer mains and Lighting structures. The City spent \$209,377 during the fiscal year ended April 30, 2023, bringing the total cost of the project to \$881,246. This project was completed in June 2023.



CITY OF BREESE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2023

**NOTE 12 - CONSTRUCTION IN PROGRESS (continued)**

North Cherry Street

During fiscal 2023, the City continued the project for North Cherry Street. The City spent \$1,900,705, during the fiscal year ended April 30, 2023, bringing the total cost of the project to \$1,966,317. This project was completed in June 2023.

Mine Street

During fiscal 2023, the City continued the project for Mine Street. The City spent \$38,268 during the fiscal year ended April 30, 2023, bringing the total cost of the project to \$84,474. The project is estimated to be completed in fiscal year 2024.

Sewer System - Engineering Study/Wastewater Treatment Plant Improvements

In 2007, an engineering study was developed for improvements to the waste-water treatment plant. As of April 30, 2023, the total cost of the project is \$126,484. The sewer system meets EPA requirements and capacity presently, however, it is thought that improvements will need to begin near-term, as the sewer plant is near hydraulic capacity.

**NOTE 13 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 28, 2023, the date which the financial statements were available for issue, and noted no reportable events.

## Other Information

CITY OF BREESE, ILLINOIS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Property tax	\$ 846,156	\$ 846,156	\$ 1,041,656	\$ 195,500
Replacement tax	22,000	22,000	52,806	30,806
Intergovernmental tax	1,948,000	1,948,000	2,249,855	301,855
Franchise fees	63,337	63,337	57,244	(6,093)
Fines and forfeitures	6,400	6,400	10,393	3,993
Charges for services	89,580	89,580	84,633	(4,947)
Licenses and permits	48,600	48,600	41,213	(7,387)
Gaming income	83,700	83,700	109,973	26,273
Grants and donations	6,500	6,500	11,800	5,300
Interest income	1,193	1,193	39,016	37,823
Miscellaneous	-	-	12,841	12,841
Total revenues	<u>3,115,466</u>	<u>3,115,466</u>	<u>3,711,430</u>	<u>595,964</u>
Expenditures				
Current				
General government	949,011	949,011	922,387	26,624
Public safety	963,255	963,255	897,029	66,226
Roads and streets	717,138	717,138	727,902	(10,764)
Culture and recreation	233,953	233,953	460,381	(226,428)
Capital outlay	136,000	136,000	114,206	21,794
Debt service				
Principal	65,873	65,873	65,891	(18)
Interest	15,254	15,254	15,236	18
Total expenditures	<u>3,080,484</u>	<u>3,080,484</u>	<u>3,203,032</u>	<u>(122,548)</u>
Excess (deficiency) of revenues over expenditures	<u>34,982</u>	<u>34,982</u>	<u>508,398</u>	<u>473,416</u>
Other financing sources (uses)				
Proceeds from sale of asset	7,000	7,000	1,006	(5,994)
Transfers between funds	125,004	125,004	125,004	-
Total other financing sources (uses)	<u>132,004</u>	<u>132,004</u>	<u>126,010</u>	<u>(5,994)</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ 166,986</u>	<u>\$ 166,986</u>	634,408	<u>\$ 467,422</u>
Fund balance - beginning			<u>1,845,777</u>	
Fund balance - ending			<u>\$ 2,480,185</u>	

CITY OF BREESE, ILLINOIS  
BUDGETARY COMPARISON SCHEDULE  
AMBULANCE SERVICE  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental tax	\$ 248,023	\$ 248,023	\$ 262,570	\$ 14,547
Charges for services	457,855	457,855	584,214	126,359
Grants and donations	-	-	500	500
Interest income	100	100	14	(86)
Miscellaneous	18,050	18,050	14,628	(3,422)
Total revenues	<u>724,028</u>	<u>724,028</u>	<u>861,926</u>	<u>137,898</u>
Expenditures				
Current				
Health/EMS	904,420	904,420	906,638	(2,218)
Capital outlay	18,000	18,000	-	18,000
Total expenditures	<u>922,420</u>	<u>922,420</u>	<u>906,638</u>	<u>15,782</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (198,392)</u>	<u>\$ (198,392)</u>	(44,712)	<u>\$ 153,680</u>
Fund balance - beginning			<u>(354,743)</u>	
Fund balance - ending			<u>\$ (399,455)</u>	

CITY OF BREESE, ILLINOIS  
BUDGETARY COMPARISON SCHEDULE  
TAX INCREMENT FINANCING #1  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Property tax	\$ 1,650,000	\$ 1,650,000	\$ 1,762,678	\$ 112,678
Interest income	500	500	706	206
Total revenues	<u>1,650,500</u>	<u>1,650,500</u>	<u>1,763,384</u>	<u>112,884</u>
Expenditures				
Current				
Economic development	372,985	372,985	408,487	(35,502)
Capital outlay	<u>1,953,085</u>	<u>1,953,085</u>	<u>1,797,601</u>	<u>155,484</u>
Total expenditures	<u>2,326,070</u>	<u>2,326,070</u>	<u>2,206,088</u>	<u>119,982</u>
Excess (deficiency) of revenues over expenditures	<u>(675,570)</u>	<u>(675,570)</u>	<u>(442,704)</u>	<u>232,866</u>
Other financing sources (uses)				
Transfers between funds	<u>261,773</u>	<u>261,773</u>	<u>(1,700,462)</u>	<u>(1,962,235)</u>
Total other financing sources (uses)	<u>261,773</u>	<u>261,773</u>	<u>(1,700,462)</u>	<u>(1,962,235)</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ (413,797)</u>	<u>\$ (413,797)</u>	<u>(2,143,166)</u>	<u>\$ (1,729,369)</u>
Fund balance - beginning			<u>2,143,166</u>	
Fund balance - ending			<u>\$ -</u>	

CITY OF BREESE, ILLINOIS  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
APRIL 30, 2023

**NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING**

The budget for all governmental fund types and for the expendable trust fund is prepared on the modified cash basis of accounting.

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

1. Prior to May 1, the City Clerk submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. Prior to enactment, a public hearing is held on the proposed budget to obtain citizen comments.
3. Subsequent to the public hearing and prior to May 1, the budget is enacted by passage in a City Council meeting.
4. Amendments may be made by the Council during the year by the same procedures required for its original adoption.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Fiduciary Funds, and Proprietary Funds.
6. Appropriations lapse at the end of each fiscal year.

**NOTE 2 - EXPENDITURES IN EXCESS OF BUDGET**

	<u>Budget</u>	<u>Actual</u>
General Fund	\$ 3,080,484	\$ 3,203,032

CITY OF BREESE, ILLINOIS  
COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
MODIFIED CASH BASIS  
NONMAJOR SPECIAL REVENUE FUNDS  
APRIL 30, 2023

	Motor Fuel Tax	Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5	Tax Increment Financing #6	Business District - New Highway 50	Business District Downtown	Business District - Old Highway 50	Police Drug Prevention	Total
<b>ASSETS</b>											
Cash and cash equivalents	\$ 659,892	\$ 84,805	\$ 2,821	\$ -	\$ 15	\$ 38	\$ 74,561	\$ 109,639	\$ 197,185	\$ 22,042	\$ 1,150,998
Certificates of deposit	-	-	-	-	-	-	-	-	-	10,393	10,393
Interfund receivable	-	3,531	-	-	-	-	-	-	-	-	3,531
Inventory	13,058	-	-	-	-	-	-	-	-	-	13,058
Total assets	<u>\$ 672,950</u>	<u>\$ 88,336</u>	<u>\$ 2,821</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 38</u>	<u>\$ 74,561</u>	<u>\$ 109,639</u>	<u>\$ 197,185</u>	<u>\$ 32,435</u>	<u>\$ 1,177,980</u>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES</b>											
Interfund payable	\$ -	\$ -	\$ 99,556	\$ 534	\$ -	\$ 2,997	\$ -	\$ -	\$ -	\$ -	\$ 103,087
Total liabilities	<u>-</u>	<u>-</u>	<u>99,556</u>	<u>534</u>	<u>-</u>	<u>2,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,087</u>
<b>FUND BALANCES</b>											
Nonspendable	13,058	-	-	-	-	-	-	-	-	-	13,058
Restricted	659,892	88,336	-	-	15	-	74,561	109,639	197,185	32,435	1,162,063
Unassigned	-	-	(96,735)	(534)	-	(2,959)	-	-	-	-	(100,228)
Total fund balances (deficit)	<u>672,950</u>	<u>88,336</u>	<u>(96,735)</u>	<u>(534)</u>	<u>15</u>	<u>(2,959)</u>	<u>74,561</u>	<u>109,639</u>	<u>197,185</u>	<u>32,435</u>	<u>1,074,893</u>
Total liabilities and fund balances	<u>\$ 672,950</u>	<u>\$ 88,336</u>	<u>\$ 2,821</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 38</u>	<u>\$ 74,561</u>	<u>\$ 109,639</u>	<u>\$ 197,185</u>	<u>\$ 32,435</u>	<u>\$ 1,177,980</u>

CITY OF BREESE, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	Motor Fuel Tax	Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5	Tax Increment Financing #6	Business District - New Highway 50	Business District Downtown	Business District - Old Highway 50	Police Drug Prevention	Total
REVENUES											
Property taxes	\$ -	\$ 233,034	\$ 36,204	\$ 141,054	\$ 16,417	\$ 38	\$ -	\$ -	\$ -	\$ -	\$ 426,747
Intergovernmental tax	233,953	-	-	-	-	-	77,372	116,789	318,625	-	746,739
Fines and forfeitures	-	-	-	-	-	-	-	-	-	2,293	2,293
Interest income	17,096	104	-	-	-	-	43	55	168	119	17,585
Total revenues	251,049	233,138	36,204	141,054	16,417	38	77,415	116,844	318,793	2,412	1,193,364
EXPENDITURES											
Current											
Public safety	-	-	-	-	-	-	-	-	-	4,967	4,967
Roads and streets	181,400	-	-	-	-	-	-	-	-	-	181,400
Economic development	-	216,877	55,649	7,548	16,402	2,779	-	34,375	21,269	-	354,899
Capital outlay	8,739	-	160	134,002	-	1,253	-	-	336,862	-	481,016
Debt service:											
Principal	-	-	62,142	-	-	-	-	-	-	-	62,142
Interest	-	-	19,534	-	-	-	-	-	-	-	19,534
Total expenditures	190,139	216,877	137,485	141,550	16,402	4,032	-	34,375	358,131	4,967	1,103,958
Excess (deficiency) of revenues over expenditures	60,910	16,261	(101,281)	(496)	15	(3,994)	77,415	82,469	(39,338)	(2,555)	89,406
Other financing sources (uses)											
Proceeds from sale of asset	-	-	-	-	-	-	-	-	-	7,000	7,000
Transfers between funds	-	-	774,911	-	951,396	26,678	(62,762)	(100,000)	(20,000)	-	1,570,223
Total other financing sources (uses)	-	-	774,911	-	951,396	26,678	(62,762)	(100,000)	(20,000)	7,000	1,577,223
Excess (deficiency) of revenues over expenditures, and other uses	60,910	16,261	673,630	(496)	951,411	22,684	14,653	(17,531)	(59,338)	4,445	1,666,629
Fund balances - beginning	612,040	72,075	(770,365)	(38)	(951,396)	(25,643)	59,908	127,170	256,523	27,990	(591,736)
Fund balances - ending	\$ 672,950	\$ 88,336	\$ (96,735)	\$ (534)	\$ 15	\$ (2,959)	\$ 74,561	\$ 109,639	\$ 197,185	\$ 32,435	\$ 1,074,893



CITY OF BREESE, ILLINOIS  
SCHEDULE OF ASSESSED VALUATIONS - TAX RATES,  
TAXES EXTENDED, AND COLLECTED FOR 2020, 2021, AND 2022  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	<u>2020</u>	<u>2021</u>	<u>2022</u>
ASSESSED VALUATION			
	<u>\$ 77,469,777</u>	<u>\$ 81,620,637</u>	<u>\$ 111,136,876</u>
RATES PER \$100 ASSESSED VALUATION:			
General corporate	0.24568	0.25491	0.24789
Police	0.07370	0.07647	0.07437
Park	0.24568	0.25491	0.24789
Insurance	0.10611	0.10120	0.08994
Retirement	0.18007	0.17153	0.15021
FICA	0.09260	0.08331	0.07430
Audit service	0.01801	0.01715	0.02429
Street lighting	0.04914	0.05098	0.04958
Total tax rates	<u>1.01099</u>	<u>1.01046</u>	<u>0.95846</u>
EXTENSIONS:			
General corporate	\$ 191,014	\$ 204,052	\$ 275,604
Police	57,301	61,215	82,684
Park	191,014	204,052	275,604
Insurance	82,500	82,600	99,995
Retirement	140,003	139,996	167,003
FICA	71,996	67,998	82,607
Audit service	14,003	13,998	26,994
Street lighting	38,206	40,810	55,123
Total extensions	<u>\$ 786,037</u>	<u>\$ 814,721</u>	<u>\$ 1,065,614</u>
COLLECTIONS:			
General corporate	\$ 189,915	\$ 203,068	
Police	56,994	60,920	
Park	189,992	203,068	
Insurance	82,058	82,202	
Retirement	139,254	139,321	
FICA	71,610	67,670	
Audit service	13,928	13,930	
Street lighting	38,001	40,614	
Total collections	<u>781,752</u>	<u>810,793</u>	
% COLLECTED ON THOSE EXTENDED:	<u>99.45%</u>	<u>99.52%</u>	

CITY OF BREESE, ILLINOIS  
SCHEDULE OF ASSESSED VALUATION - TAX RATES,  
TAXES EXTENDED, AND COLLECTED FOR 2020, 2021, AND 2022  
TAX INCREMENT FINANCING DISTRICT'S #1 AND #2  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

<b>TAX INCREMENT FINANCING #1</b>			
<b>TAX YEAR</b>			
	<b>2020</b>	<b>2021</b>	<b>2022</b>
ASSESSED VALUATION	<u>\$ 20,470,588</u>	<u>\$ 23,087,332</u>	<u>\$ -</u>
RATES PER \$100 ASSESSED VALUATION:			
TIF District	<u>0.07833</u>	<u>0.07661</u>	<u>-</u>
	<u>0.07833</u>	<u>0.07661</u>	<u>-</u>
EXTENSIONS:			
TIF District	<u>1,603,371</u>	<u>1,768,769</u>	<u>-</u>
	<u>\$ 1,603,371</u>	<u>\$ 1,768,769</u>	<u>\$ -</u>
COLLECTIONS	<u>\$ 1,591,132</u>	<u>\$ 1,762,678</u>	
% COLLECTED ON THOSE EXTENDED:	<u>99.24%</u>	<u>99.66%</u>	

<b>TAX INCREMENT FINANCING #2</b>			
<b>TAX YEAR</b>			
	<b>2020</b>	<b>2021</b>	<b>2022</b>
ASSESSED VALUATION	<u>\$ 2,372,952</u>	<u>\$ 3,041,743</u>	<u>\$ 3,283,913</u>
RATES PER \$100 ASSESSED VALUATION:			
TIF District	<u>0.07833</u>	<u>0.07661</u>	<u>0.07324</u>
	<u>0.07833</u>	<u>0.07661</u>	<u>0.07324</u>
EXTENSIONS:			
TIF District	<u>185,863</u>	<u>233,034</u>	<u>240,520</u>
	<u>\$ 185,863</u>	<u>\$ 233,034</u>	<u>\$ 240,520</u>
COLLECTIONS	<u>\$ 185,863</u>	<u>\$ 233,034</u>	
% COLLECTED ON THOSE EXTENDED:	<u>100.00%</u>	<u>100.00%</u>	

CITY OF BREESE, ILLINOIS  
SCHEDULE OF ASSESSED VALUATION - TAX RATES  
TAXES EXTENDED AND COLLECTED FOR 2020, 2021, AND 2022  
TAX INCREMENT FINANCING DISTRICT'S #3 AND #4  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

<b>TAX INCREMENT FINANCING #3</b>			
<b>TAX YEAR</b>			
	<b>2020</b>	<b>2021</b>	<b>2022</b>
ASSESSED VALUATION	<u>\$ 453,660</u>	<u>\$ 472,630</u>	<u>\$ 542,590</u>
RATES PER \$100 ASSESSED VALUATION:			
TIF District	<u>0.07833</u>	<u>0.07661</u>	<u>0.07324</u>
	<u>0.07833</u>	<u>0.07661</u>	<u>0.07324</u>
COLLECTIONS:			
TIF District	<u>35,533</u>	<u>36,209</u>	<u>39,740</u>
	<u>\$ 35,533</u>	<u>\$ 36,209</u>	<u>\$ 39,740</u>
TAXES COLLECTED	<u>\$ 35,530</u>	<u>\$ 36,204</u>	
% COLLECTED ON THOSE EXTENDED:	<u>99.99%</u>	<u>99.99%</u>	

<b>TAX INCREMENT FINANCING #4</b>			
<b>TAX YEAR</b>			
	<b>2020</b>	<b>2021</b>	<b>2022</b>
ASSESSED VALUATION	<u>\$ 1,764,650</u>	<u>\$ 1,841,140</u>	<u>\$ 1,940,570</u>
RATES PER \$100 ASSESSED VALUATION:			
TIF District	<u>0.07833</u>	<u>0.07661</u>	<u>0.07324</u>
	<u>0.07833</u>	<u>0.07661</u>	<u>0.07324</u>
EXTENSIONS:			
TIF District	<u>138,217</u>	<u>141,054</u>	<u>142,131</u>
	<u>\$ 138,217</u>	<u>\$ 141,054</u>	<u>\$ 142,131</u>
COLLECTIONS:	<u>\$ 138,217</u>	<u>\$ 141,054</u>	
% COLLECTED ON THOSE EXTENDED:	<u>100.00%</u>	<u>100.00%</u>	

CITY OF BREESE, ILLINOIS  
SCHEDULE OF ASSESSED VALUATION - TAX RATES  
TAXES EXTENDED AND COLLECTED FOR 2020, 2021, AND 2022  
TAX INCREMENT FINANCING DISTRICT'S #5 AND #6  
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

<b>TAX INCREMENT FINANCING #5</b>			
<b>TAX YEAR</b>			
	<b>2020</b>	<b>2021</b>	<b>2022</b>
ASSESSED VALUATION	<u>\$ 279,503</u>	<u>\$ 290,703</u>	<u>\$ 725,583</u>
RATES PER \$100 ASSESSED VALUATION:			
TIF District	<u>0.07832</u>	<u>0.07661</u>	<u>0.07324</u>
	<u>0.07832</u>	<u>0.07661</u>	<u>0.07324</u>
COLLECTIONS:			
TIF District	<u>21,892</u>	<u>22,271</u>	<u>53,143</u>
	<u>\$ 21,892</u>	<u>\$ 22,271</u>	<u>\$ 53,143</u>
TAXES COLLECTED	<u>\$ 21,892</u>	<u>\$ 16,417</u>	
% COLLECTED ON THOSE EXTENDED:	<u>100.00%</u>	<u>73.71%</u>	

<b>TAX INCREMENT FINANCING #6</b>			
<b>TAX YEAR</b>			
	<b>2020</b>	<b>2021</b>	<b>2022</b>
ASSESSED VALUATION	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 620</u>
RATES PER \$100 ASSESSED VALUATION:			
TIF District	<u>-</u>	<u>0.07600</u>	<u>0.07258</u>
	<u>-</u>	<u>0.07600</u>	<u>0.07258</u>
COLLECTIONS:			
TIF District	<u>-</u>	<u>38</u>	<u>45</u>
	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 45</u>
TAXES COLLECTED	<u>\$ -</u>	<u>\$ 38</u>	
% COLLECTED ON THOSE EXTENDED:	<u>0.00%</u>	<u>100.00%</u>	

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS*

Honorable Mayor and City Council  
City of Breese, Illinois  
Breese, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Breese, Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise City of Breese, Illinois' basic financial statements, and have issued our report thereon dated August 28, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Breese, Illinois' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Breese, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Breese, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Breese, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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

*Fick, Eggemeyer & Williamson, CPAs*

Fick, Eggemeyer & Williamson, CPAs  
Columbia, Illinois  
August 28, 2023

CITY OF BREESE, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2023

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified \_\_\_\_\_ Yes      X   No

Significant deficiencies identified that are not considered to be material weaknesses \_\_\_\_\_ Yes      X   No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

**Federal Awards - N/A**

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ Yes    \_\_\_\_\_ No

Reportable conditions identified that are not considered to be material weaknesses \_\_\_\_\_ Yes    \_\_\_\_\_ No

Type of auditors' report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance \_\_\_\_\_ Yes    \_\_\_\_\_ No

**Identification of major programs:**

*CFDA Numbers*

*Name of Federal Program or Cluster*

None

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes    \_\_\_\_\_ No

CITY OF BREESE, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED APRIL 30, 2023

**Section II - Financial Statement Findings**

There are no reportable conditions to disclose.

**Section III - Federal Award Findings**

There are no federal award findings to disclose.

CITY OF BREESE, ILLINOIS  
SCHEDULE OF RESOLUTION OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED APRIL 30, 2023

There were no prior year audit findings.