

CITY OF BREESE, ILLINOIS
AUDITED FINANCIAL STATEMENTS
APRIL 30, 2024

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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, 2024, 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, 2024, 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 September 11, 2024 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.

F.E.W. CPAs

F.E.W. CPAs
Columbia, Illinois
September 11, 2024

CITY OF BREESE, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2024

ASSETS	Governmental Activities	Business-Type Activities	Total
Current assets			
Cash and cash equivalents	\$ 4,063,078	\$ 4,200,306	\$ 8,263,384
Certificates of deposit	61,681	2,029,725	2,091,406
Interfund receivable	31,900	-	31,900
Inventory	106,774	451,487	558,261
Total current assets	<u>4,263,433</u>	<u>6,681,518</u>	<u>10,944,951</u>
Noncurrent assets			
Capital assets, net of depreciation	12,583,574	15,563,565	28,147,139
Total noncurrent assets	<u>12,583,574</u>	<u>15,563,565</u>	<u>28,147,139</u>
Total assets	<u>\$ 16,847,007</u>	<u>\$ 22,245,083</u>	<u>\$ 39,092,090</u>
LIABILITIES			
Current liabilities			
Interfund payable	\$ -	\$ 31,900	\$ 31,900
Gift cards payable	-	11,133	11,133
Current portion of long-term liabilities	133,297	274,860	408,157
Total current liabilities	<u>133,297</u>	<u>317,893</u>	<u>451,190</u>
Noncurrent liabilities			
Notes payable	699,373	1,396,935	2,096,308
Total noncurrent liabilities	<u>699,373</u>	<u>1,396,935</u>	<u>2,096,308</u>
Total liabilities	<u>\$ 832,670</u>	<u>\$ 1,714,828</u>	<u>\$ 2,547,498</u>
NET POSITION			
Net investment in capital assets	\$ 11,750,904	\$ 13,891,770	\$ 25,642,674
Restricted for:			
Motor fuel tax	796,373	-	796,373
Tax increment financing #2	108,585	-	108,585
Tax Increment Financing #4	6,573	-	6,573
Tax Increment Financing #5	15	-	15
Business District - New Highway 50	70,311	-	70,311
Business District - Downtown	96,700	-	96,700
Business District - Old Highway 50	402,506	-	402,506
Police drug prevention	33,682	-	33,682
Unrestricted	2,748,688	6,638,485	9,387,173
Total net position	<u>\$ 16,014,337</u>	<u>\$ 20,530,255</u>	<u>\$ 36,544,592</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, 2024

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
General government	\$ 1,033,334	\$ 144,570	\$ 3,599	\$ -	\$ (885,165)	\$ -	\$ (885,165)
Public safety	1,013,439	18,227	-	-	(995,212)	-	(995,212)
Roads and streets	1,124,385	-	-	-	(1,124,385)	-	(1,124,385)
Economic development	638,238	-	-	-	(638,238)	-	(638,238)
Health/EMS	1,091,073	726,135	-	-	(364,938)	-	(364,938)
Culture and recreation	598,877	68,463	-	-	(530,414)	-	(530,414)
Interest on long-term debt	30,161	-	-	-	(30,161)	-	(30,161)
Total governmental activities	<u>5,529,507</u>	<u>957,395</u>	<u>3,599</u>	<u>-</u>	<u>(4,568,513)</u>	<u>-</u>	<u>(4,568,513)</u>
Business-type activities							
Electric	6,184,888	6,542,671	-	-	-	357,783	357,783
Water	1,570,527	1,876,457	-	-	-	305,930	305,930
Sewer	604,236	776,060	-	-	-	171,824	171,824
Municipal golf course	571,079	617,992	-	-	-	46,913	46,913
Total business-type activities	<u>8,930,730</u>	<u>9,813,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>882,450</u>	<u>882,450</u>
Total primary government	<u>\$ 14,460,237</u>	<u>\$ 10,770,575</u>	<u>\$ 3,599</u>	<u>\$ -</u>	<u>(4,568,513)</u>	<u>882,450</u>	<u>(3,686,063)</u>
			General revenues				
			Taxes				
			Property tax		1,855,675	-	1,855,675
			Replacement tax		38,184	-	38,184
			Intergovernmental tax		3,368,914	-	3,368,914
			Gaming income		128,997	-	128,997
			Interest income		116,938	86,984	203,922
			Miscellaneous		210,006	14,679	224,685
			Transfers between funds		125,004	(125,004)	-
			Total general revenue and transfers		<u>5,843,718</u>	<u>(23,341)</u>	<u>5,820,377</u>
			Changes in net position		1,275,205	859,109	2,134,314
			Net position - beginning		<u>14,739,132</u>	<u>19,671,146</u>	<u>34,410,278</u>
			Net position - ending		<u>\$ 16,014,337</u>	<u>\$ 20,530,255</u>	<u>\$ 36,544,592</u>

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, 2024

	Major Funds		Nonmajor Funds	
	General	Ambulance Service	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 2,600,727	\$ 7,498	\$ 1,454,853	\$ 4,063,078
Certificate of deposit	51,178	-	10,503	61,681
Interfund receivable	702,703	-	3,531	706,234
Inventory	47,099	-	59,675	106,774
Total assets	<u>\$ 3,401,707</u>	<u>\$ 7,498</u>	<u>\$ 1,528,562</u>	<u>\$ 4,937,767</u>
LIABILITIES				
Interfund payable	\$ -	\$ 549,571	\$ 124,763	\$ 674,334
Total liabilities	<u>-</u>	<u>549,571</u>	<u>124,763</u>	<u>674,334</u>
FUND BALANCES				
Nonspendable	47,099	-	59,675	106,774
Restricted for:				
Motor fuel tax	-	-	736,698	736,698
Tax increment financing #2	-	-	108,585	108,585
Tax Increment Financing #5	-	-	15	15
Business District - New Highway 50	-	-	70,311	70,311
Business District - Downtown	-	-	96,700	96,700
Business District - Old Highway 50	-	-	402,506	402,506
Police drug prevention	-	-	33,682	33,682
Committed	120,291	-	-	120,291
Assigned	281,572	-	-	281,572
Unassigned	2,952,745	(542,073)	(110,946)	2,299,726
Total fund balances	<u>3,401,707</u>	<u>(542,073)</u>	<u>1,403,799</u>	<u>4,263,433</u>
Total liabilities and fund balances	<u>\$ 3,401,707</u>	<u>\$ 7,498</u>	<u>\$ 1,528,562</u>	<u>\$ 4,937,767</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, 2024

Total fund balance - total governmental funds	\$ 4,263,433
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.	12,583,574
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>(832,670)</u>
Net position of governmental activities per the statement of net position - modified cash basis - government wide	<u><u>\$ 16,014,337</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, 2024

	Major Funds		Nonmajor Funds	Total
	General	Ambulance Service	Other Governmental Funds	
REVENUES				
Property tax	\$ 1,380,092	\$ -	\$ 475,583	\$ 1,855,675
Replacement tax	38,184	-	-	38,184
Intergovernmental tax	2,278,489	360,184	730,241	3,368,914
Franchise fees	56,445	-	-	56,445
Fines and forfeitures	16,319	-	1,908	18,227
Charges for services	108,124	726,135	-	834,259
Licenses and permits	48,464	-	-	48,464
Gaming income	128,997	-	-	128,997
Grants and donations	3,599	-	-	3,599
Interest income	82,470	64	34,404	116,938
Miscellaneous	190,233	19,773	-	210,006
Total revenues	<u>4,331,416</u>	<u>1,106,156</u>	<u>1,242,136</u>	<u>6,679,708</u>
EXPENDITURES				
Current				
General government	1,005,858	-	-	1,005,858
Public safety	956,707	-	782	957,489
Roads and streets	680,546	-	113,129	793,675
Economic development	-	-	638,238	638,238
Health/EMS	-	1,008,855	-	1,008,855
Culture and recreation	498,535	-	-	498,535
Capital outlay	316,239	239,919	79,405	635,563
Debt service				
Principal	64,495	-	64,033	128,528
Interest	12,518	-	17,643	30,161
Total expenditures	<u>3,534,898</u>	<u>1,248,774</u>	<u>913,230</u>	<u>5,696,902</u>
Excess (deficiency) of revenue over expenditures	<u>796,518</u>	<u>(142,618)</u>	<u>328,906</u>	<u>982,806</u>
OTHER FINANCING SOURCES (USES)				
Transfers between funds	125,004	-	-	125,004
Total other financing sources (uses)	<u>125,004</u>	<u>-</u>	<u>-</u>	<u>125,004</u>
Net changes in fund balances	921,522	(142,618)	328,906	1,107,810
Fund balances - beginning	<u>2,480,185</u>	<u>(399,455)</u>	<u>1,074,893</u>	<u>3,155,623</u>
Fund balances - ending	<u>\$ 3,401,707</u>	<u>\$ (542,073)</u>	<u>\$ 1,403,799</u>	<u>\$ 4,263,433</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, 2024

Net change in fund balances - total governmental funds	\$ 1,107,810
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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.	38,867
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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	<u>128,528</u>
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Change in net position of governmental activities per the statement of activities - modified cash basis - government wide	<u><u>\$ 1,275,205</u></u>
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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, 2024

	Electric	Water System	Sewer System	Municipal Golf Course	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 3,351,056	\$ 705,310	\$ 36,049	\$ 107,891	\$ 4,200,306
Certificates of deposit	1,789,864	-	239,861	-	2,029,725
Interfund receivable	950,700	-	-	-	950,700
Inventory	365,613	42,072	6,346	37,456	451,487
Total current assets	<u>6,457,233</u>	<u>747,382</u>	<u>282,256</u>	<u>145,347</u>	<u>7,632,218</u>
Noncurrent assets					
Capital assets, net of depreciation	2,765,134	9,553,521	2,713,417	531,493	15,563,565
Total noncurrent assets	<u>2,765,134</u>	<u>9,553,521</u>	<u>2,713,417</u>	<u>531,493</u>	<u>15,563,565</u>
Total assets	<u>\$ 9,222,367</u>	<u>\$ 10,300,903</u>	<u>\$ 2,995,673</u>	<u>\$ 676,840</u>	<u>\$ 23,195,783</u>
LIABILITIES					
Current liabilities					
Interfund payable	\$ -	\$ 557,350	\$ 270,250	\$ 155,000	\$ 982,600
Gift cards payable	-	-	-	11,133	11,133
Current portion of notes payable	-	222,826	29,611	22,423	274,860
Total current liabilities	<u>-</u>	<u>780,176</u>	<u>299,861</u>	<u>188,556</u>	<u>1,268,593</u>
Noncurrent liabilities					
Notes payable	-	919,509	436,114	41,312	1,396,935
Total noncurrent liabilities	<u>-</u>	<u>919,509</u>	<u>436,114</u>	<u>41,312</u>	<u>1,396,935</u>
Total liabilities	<u>\$ -</u>	<u>\$ 1,699,685</u>	<u>\$ 735,975</u>	<u>\$ 229,868</u>	<u>\$ 2,665,528</u>
NET POSITION					
Net investment in capital assets	\$ 2,765,134	\$ 8,411,186	\$ 2,247,692	\$ 467,758	\$ 13,891,770
Unrestricted	6,457,233	190,032	12,006	(20,786)	6,638,485
Total net position	<u>\$ 9,222,367</u>	<u>\$ 8,601,218</u>	<u>\$ 2,259,698</u>	<u>\$ 446,972</u>	<u>\$ 20,530,255</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, 2024

	Electric Light	Water System	Sewer System	Municipal Golf Course	Total
OPERATING REVENUES					
Charges for services	\$ 6,248,835	\$ 1,838,455	\$ 767,026	\$ -	\$ 8,854,316
Fees and other sales	293,836	38,002	9,034	617,992	958,864
Total operating revenues	<u>6,542,671</u>	<u>1,876,457</u>	<u>776,060</u>	<u>617,992</u>	<u>9,813,180</u>
OPERATING EXPENSES					
Cost of sales and service	5,818,783	1,199,245	520,254	528,926	8,067,208
Depreciation	366,105	371,282	83,982	42,153	863,522
Total operating expenses	<u>6,184,888</u>	<u>1,570,527</u>	<u>604,236</u>	<u>571,079</u>	<u>8,930,730</u>
Operating income (loss)	<u>357,783</u>	<u>305,930</u>	<u>171,824</u>	<u>46,913</u>	<u>882,450</u>
NON-OPERATING REVENUES (EXPENSES)					
Miscellaneous	-	-	-	14,679	14,679
Interest income	83,991	2,356	351	286	86,984
Total non-operating revenues (expenses)	<u>83,991</u>	<u>2,356</u>	<u>351</u>	<u>14,965</u>	<u>101,663</u>
Changes in net position before transfers	441,774	308,286	172,175	61,878	984,113
Transfers between funds	<u>(96,254)</u>	<u>(15,000)</u>	<u>(13,750)</u>	<u>-</u>	<u>(125,004)</u>
Change in net position	345,520	293,286	158,425	61,878	859,109
Net position - beginning	<u>8,876,847</u>	<u>8,307,932</u>	<u>2,101,273</u>	<u>385,094</u>	<u>19,671,146</u>
Net position - ending	<u>\$ 9,222,367</u>	<u>\$ 8,601,218</u>	<u>\$ 2,259,698</u>	<u>\$ 446,972</u>	<u>\$ 20,530,255</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, 2024

	Electric Light	Water System	Sewer System	Municipal Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 6,542,671	\$ 1,876,457	\$ 776,060	\$ 614,270	\$ 9,809,458
Cash paid to suppliers	(5,056,726)	(787,034)	(251,435)	(322,108)	(6,417,303)
Cash paid to employees	(760,580)	(419,824)	(268,280)	(218,507)	(1,667,191)
Net cash provided (used) by operating activities	<u>725,365</u>	<u>669,599</u>	<u>256,345</u>	<u>73,655</u>	<u>1,724,964</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers between funds	(96,254)	(15,000)	(13,750)	-	(125,004)
Miscellaneous revenue	-	-	-	14,679	14,679
Net cash provided (used) by noncapital financing activities	<u>(96,254)</u>	<u>(15,000)</u>	<u>(13,750)</u>	<u>14,679</u>	<u>(110,325)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on borrowings	-	(437,434)	(29,097)	(21,520)	(488,051)
Purchases of capital assets	(316,317)	(132,835)	(279,273)	(65,314)	(793,739)
Net cash provided (used) by capital and related financing activities	<u>(316,317)</u>	<u>(570,269)</u>	<u>(308,370)</u>	<u>(86,834)</u>	<u>(1,281,790)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	83,991	2,356	351	286	86,984
Certificates of deposit	(11,946)	-	(240)	-	(12,186)
Net cash provided (used) by investing activities	<u>72,045</u>	<u>2,356</u>	<u>111</u>	<u>286</u>	<u>74,798</u>
Net increase (decrease) in cash and cash equivalents	384,839	86,686	(65,664)	1,786	407,647
Cash and cash equivalents - beginning of year	2,966,217	618,624	101,713	106,105	3,792,659
Cash and cash equivalents - end of year	<u>\$ 3,351,056</u>	<u>\$ 705,310</u>	<u>\$ 36,049</u>	<u>\$ 107,891</u>	<u>\$ 4,200,306</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 357,783	\$ 305,930	\$ 171,824	\$ 46,913	\$ 882,450
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	366,105	371,282	83,982	42,153	863,522
Change in assets and liabilities					
Inventory	(21,423)	(7,613)	539	(11,689)	(40,186)
Interfund receivable	22,900	-	-	-	22,900
Credit card payable	-	-	-	(3,722)	(3,722)
Net cash provided (used) by operating activities	<u>\$ 725,365</u>	<u>\$ 669,599</u>	<u>\$ 256,345</u>	<u>\$ 73,655</u>	<u>\$ 1,724,964</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, 2024

ASSETS

Cash and cash equivalents	\$ 92,861
Certificate of deposit	<u>26,810</u>
Total assets	<u><u>\$ 119,671</u></u>

LIABILITIES AND NET POSITION

LIABILITIES

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

NET POSITION

Held in trust for pension benefits and other purposes	\$ 119,671
Total net position	<u><u>\$ 119,671</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, 2024

ADDITIONS	
Participant contributions	<u>\$ 39,668</u>
Total additions	<u>39,668</u>
DEDUCTIONS	
Plan distributions	<u>39,799</u>
Total deductions	<u>39,799</u>
Change in net position	(131)
Net position - beginning of year	<u>119,802</u>
Net position - end of year	<u><u>\$ 119,671</u></u>

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

CITY OF BREESE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

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, 2024

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, 2024

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.

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.

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. The following accounts fund balances is reported in the General Fund.

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.

CITY OF BREESE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 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.

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.

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.

CITY OF BREESE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2024, 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.

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.

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.

CITY OF BREESE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2024

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.

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.

CITY OF BREESE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 2 - NOTES RECEIVABLE

Notes receivable of the governmental activities consist of loans made to local businesses to support economic development in the community. As of April 30, 2024, all loans owed to the City have been paid in full.

NOTE 3 - DEFICIT BALANCES

The Ambulance Service, Tax Increment Financing #3, and Tax Increment Financing #6 Funds had deficit fund balances in the amounts of \$542,073, \$108,033, and \$2,913, respectively. These deficits will be offset by future revenues.

NOTE 4 - 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, 2024, cash and certificates of deposit with the City's various municipal depositories were \$10,474,461 (including \$92,861 of fiduciary cash, and \$26,810 of fiduciary certificate of deposit), and the related bank balances totaled \$10,720,465. Of the bank balances, including demand deposits, \$833,418 was insured by the Federal Deposit Insurance Corporation (FDIC), \$4,282,830 was held in the Illinois Funds Money Market, and \$5,604,217 was secured by pledged collateral held by the banks as of April 30, 2024.

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, 2024

NOTE 5 - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended April 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 583,525	\$ -	\$ -	\$ 583,525
Construction in progress	2,932,037	155,402	1,966,317	1,121,122
Total capital assets not being depreciated	<u>3,515,562</u>	<u>155,402</u>	<u>1,966,317</u>	<u>1,704,647</u>
Capital assets being depreciated:				
Building and improvements	2,105,524	45,651	-	2,151,175
Land improvements	1,703,823	-	-	1,703,823
Equipment and furnishings	2,825,001	383,384	66,639	3,141,746
Infrastructure	7,702,588	1,991,815	-	9,694,403
Total capital assets being depreciated	<u>14,336,936</u>	<u>2,420,850</u>	<u>66,639</u>	<u>16,691,147</u>
Less accumulated depreciation for:				
Building and improvements	1,137,695	49,479	-	1,187,174
Land improvements	945,634	69,234	-	1,014,868
Equipment and furnishings	1,901,652	235,487	66,639	2,070,500
Infrastructure	1,322,809	216,869	-	1,539,678
Total accumulated depreciation	<u>5,307,790</u>	<u>571,069</u>	<u>66,639</u>	<u>5,812,220</u>
Capital assets being depreciated, net	<u>9,029,146</u>	<u>1,849,781</u>	<u>-</u>	<u>10,878,927</u>
Governmental activity capital assets, net	<u>\$ 12,544,708</u>	<u>\$ 2,005,183</u>	<u>\$ 1,966,317</u>	<u>\$ 12,583,574</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 27,476
Public safety	55,950
Roads and streets	305,083
Culture and recreation	100,342
Health/EMS	82,218
Total Governmental activities	<u>\$ 571,069</u>

CITY OF BREESE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 5 - CAPITAL ASSETS (continued)

Capital asset activity for business-type activities for the year ended April 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 541,116	\$ -	\$ -	\$ 541,116
Construction in progress	173,355	349,422	-	522,777
Total capital assets not being depreciated	<u>714,471</u>	<u>349,422</u>	<u>-</u>	<u>1,063,893</u>
Capital assets being depreciated:				
Building and improvements	1,571,218	-	-	1,571,218
Land improvements	28,561,581	111,584	-	28,673,165
Equipment and furnishings	4,019,575	332,733	17,264	4,335,044
Infrastructure	29,827	-	-	29,827
Total capital assets being depreciated	<u>34,182,201</u>	<u>444,317</u>	<u>17,264</u>	<u>34,609,254</u>
Less accumulated depreciation for:				
Building and improvements	1,042,820	33,678	-	1,076,498
Land improvements	15,858,530	542,977	-	16,401,507
Equipment and furnishings	2,336,468	286,606	17,264	2,605,810
Infrastructure	25,506	261	-	25,767
Total accumulated depreciation	<u>19,263,324</u>	<u>863,522</u>	<u>17,264</u>	<u>20,109,582</u>
Capital assets being depreciated, net	<u>14,918,877</u>	<u>(419,205)</u>	<u>-</u>	<u>14,499,672</u>
Business-type activities capital assets, net	<u>\$ 15,633,348</u>	<u>\$ (69,783)</u>	<u>\$ -</u>	<u>\$ 15,563,565</u>

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

Business-type activities	
Electric	\$ 366,105
Water	371,282
Sewer	83,982
Golf Course	42,153
Total Business-type activities	<u>\$ 863,522</u>

CITY OF BREESE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 6 - 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, 2024. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 7 - 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 2023. Property tax collections reflected in the City's financial statements for the fiscal year ended April 30, 2024 represent taxes received for the 2022 tax levy.

NOTE 8 - TRANSFERS

Operating transfers during the year ended April 30, 2024, were as follows:

Fund	Transfer In	Transfer Out	Net Transfers
General	\$ 125,004	\$ -	\$ 125,004
Tax Increment Financing #3	75,450	-	75,450
Business District - New Highway 50	-	75,450	(75,450)
Electric	-	96,254	(96,254)
Water System	-	15,000	(15,000)
Sewer System	-	13,750	(13,750)
Total	<u>\$ 200,454</u>	<u>\$ 200,454</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.

CITY OF BREESE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 9 - INTERFUND RECEIVABLES/PAYABLES

The composition of interfund balances as of April 30, 2024, was as follows:

Receivable Fund	Payable Fund	Amount
General	Ambulance	\$ 173,016
General	Ambulance	253,455
General	Golf	155,000
General	Tax Increment Financing #3	121,232
Tax Increment Financing #2	Tax Increment Financing #6	2,997
Tax Increment Financing #2	Tax Increment Financing #4	534
Electric	Ambulance	123,100
Electric	Sewer System	270,250
Electric	Water System	557,350
	Total	<u>1,656,934</u>

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 \$31,900 as of April 30, 2024.

NOTE 10 - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended April 30, 2024, are as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Amount Due Within One Year
Governmental activities:					
Note payable - Soccer Park	\$ 148,384	\$ -	\$ 21,308	\$ 127,076	\$ 22,319
Note payable - Street Department	225,370	-	43,187	182,183	44,586
Note payable - TIF 3	587,445	-	64,033	523,412	66,392
Total governmental activities	<u>\$ 961,199</u>	<u>\$ -</u>	<u>\$ 128,528</u>	<u>\$ 832,671</u>	<u>\$ 133,297</u>
Business-type activities:					
IL Environmental Protection Agency	\$ 1,579,769	\$ -	\$ 437,434	\$ 1,142,335	\$ 222,826
Note payable - Golf Course	85,255	-	21,520	63,735	22,423
Note payable - Sewer Lift Station	494,822	-	29,097	465,725	29,611
Total business-type activities	<u>\$ 2,159,846</u>	<u>\$ -</u>	<u>\$ 488,051</u>	<u>\$ 1,671,795</u>	<u>\$ 274,860</u>

CITY OF BREESE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2024

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
2025	\$ 22,319	\$ 5,336	\$ 27,655
2026	23,359	4,296	27,655
2027	24,447	3,208	27,655
2028	25,581	2,074	27,655
2029	26,047	1,608	27,655
2030	5,323	35	5,358
Total	<u>\$ 127,076</u>	<u>\$ 16,557</u>	<u>\$ 143,633</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
2025	\$ 44,586	\$ 4,772	\$ 49,358
2026	45,920	3,439	49,359
2027	47,293	2,066	49,359
2028	44,384	652	45,036
Total	<u>\$ 182,183</u>	<u>\$ 10,929</u>	<u>\$ 193,112</u>

Notes Payable - Tax Increment Financing #3

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, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

Payments due on the note are as follows:

Year Ending April 30,	Principal	Interest	Total
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	75,145	6,531	81,676
2030-2032	169,908	5,943	175,851
Total	<u>\$ 523,412</u>	<u>\$ 60,819</u>	<u>\$ 584,231</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
2025	\$ 222,826	\$ 14,280	\$ 237,106
2026	454,044	20,168	474,212
2027	465,465	8,747	474,212
Total	<u>\$ 1,142,335</u>	<u>\$ 43,195</u>	<u>\$ 1,185,530</u>

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, 2024

NOTE 10 - LONG-TERM LIABILITIES (continued)

Payments due on the note are as follows:

Year Ending April 30,	Principal	Interest	Total
2025	\$ 22,423	\$ 2,059	\$ 24,482
2026	23,302	1,180	24,482
2027	18,010	288	18,298
Total	<u>\$ 63,735</u>	<u>\$ 3,527</u>	<u>\$ 67,262</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
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	31,761	5,917	37,678
2030-2034	167,428	20,962	188,390
2035-2038	144,915	5,797	150,712
Total	<u>\$ 465,725</u>	<u>\$ 61,767</u>	<u>\$ 527,492</u>

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

Total valuation of 2023 Levy year	<u>\$ 110,885,036</u>
Statutory Debt Limitation - 8.625% of Assessed Valuation	\$ 9,563,834
Less: Outstanding Debt	
None	<u>-</u>
Legal Debt Margin	<u>\$ 9,563,834</u>

CITY OF BREESE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

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.

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 2023 was 9.88%. 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 2021, 2022 and 2023, the City contributed \$382,005, \$312,411, and \$342,089, 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 \$268,958, 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, 2024, were \$36,286. 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 located within Business District 2 is undergoing ADA compliance enhancements for businesses within the downtown area, as well as enhancements to the City sewer mains and lighting structures. The City spent \$68,310 during the fiscal year ended April 30, 2024, bringing the total cost up to \$949,556. It is anticipated that this project will be completed during fiscal 2025.

CITY OF BREESE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 12 - CONSTRUCTION IN PROGRESS (continued)

Mine Street

During fiscal 2024, the city continued the project for Mine Street. The City spent \$49,885 during fiscal 2024, bringing the total cost of the project to \$134,359. The project is estimated to be completed during fiscal year 2025 or 2026.

Sewer System- Engineering Study/Wastewater Treatment Plant Improvements.

In 2007, an engineering study was developed for improvements to the waste-water treatment plant. During fiscal 2024, the City spent \$274,017 on the project bringing the total cost of the project to \$400,501. The sewer system meets EPA requirements and capacity presently, however, it is through that improvements will need to begin near-term, as the sewer plant is near hydraulic capacity.

South Water Tower

The City began a project in fiscal 2022 to replace its existing water tower. The old water tower was erected in 1936 and is currently too cost-ineffective to repair. Currently, the project design has been completed, the property has been purchased and the water line has been extended to the new site. The City is currently waiting for additional funding from the Illinois Environmental Protection Agency Public Water Supply Loan Program to continue with the project. During fiscal 2024, the City spent \$75,406 on the project bringing the total cost to \$122,276. There is currently no estimated completion date for the project.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 11, 2024, 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, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property tax	\$ 1,672,406	\$ 1,672,406	\$ 1,380,092	\$ (292,314)
Replacement tax	60,000	60,000	38,184	(21,816)
Intergovernmental tax	2,765,000	2,765,000	2,278,489	(486,511)
Franchise fees	70,671	70,671	56,445	(14,226)
Fines and forfeitures	12,875	12,875	16,319	3,444
Charges for services	145,475	145,475	108,124	(37,351)
Licenses and permits	47,875	47,875	48,464	589
Gaming income	125,125	125,125	128,997	3,872
Grants and donations	2,500	2,500	3,599	1,099
Interest income	32,250	32,250	82,470	50,220
Miscellaneous	-	-	190,233	190,233
Total revenues	<u>4,934,177</u>	<u>4,934,177</u>	<u>4,331,416</u>	<u>(602,761)</u>
Expenditures				
Current				
General government	1,368,338	1,368,338	1,005,858	362,480
Public safety	1,302,700	1,302,700	956,707	345,993
Roads and streets	985,174	985,174	680,546	304,628
Culture and recreation	671,955	671,955	498,535	173,420
Capital outlay	718,750	718,750	316,239	402,511
Debt service				
Principal	80,621	80,621	64,495	16,126
Interest	15,646	15,646	12,518	3,128
Total expenditures	<u>5,143,184</u>	<u>5,143,184</u>	<u>3,534,898</u>	<u>1,608,286</u>
Excess (deficiency) of revenues over expenditures	<u>(209,007)</u>	<u>(209,007)</u>	<u>796,518</u>	<u>1,005,525</u>
Other financing sources (uses)				
Transfers between funds	156,255	156,255	125,004	(31,251)
Total other financing sources (uses)	<u>156,255</u>	<u>156,255</u>	<u>125,004</u>	<u>(31,251)</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ (52,752)</u>	<u>\$ (52,752)</u>	<u>921,522</u>	<u>\$ 974,274</u>
Fund balance - beginning			<u>2,480,185</u>	
Fund balance - ending			<u>\$ 3,401,707</u>	

CITY OF BREESE, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 AMBULANCE SERVICE
 FOR THE FISCAL YEAR ENDED APRIL 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental tax	\$ 448,223	\$ 448,223	\$ 360,184	\$ (88,039)
Charges for services	770,000	770,000	726,135	(43,865)
Grants and donations	625	625	-	(625)
Interest income	125	125	64	(61)
Miscellaneous	22,500	22,500	19,773	(2,727)
Total revenues	<u>1,241,473</u>	<u>1,241,473</u>	<u>1,106,156</u>	<u>(135,317)</u>
Expenditures				
Current				
Health/EMS	1,219,283	1,219,283	1,008,855	210,428
Capital outlay	200,000	200,000	239,919	(39,919)
Debt service				
Principal	22,500	22,500	-	22,500
Total expenditures	<u>1,441,783</u>	<u>1,441,783</u>	<u>1,248,774</u>	<u>193,009</u>
Excess (deficiency) of revenues over expenditures	<u>(200,310)</u>	<u>(200,310)</u>	(142,618)	<u>57,692</u>
Other financing sources (uses)				
Short term loan proceeds	200,310	200,310	-	(200,310)
Total other financing sources (uses)	<u>200,310</u>	<u>200,310</u>	<u>-</u>	<u>(200,310)</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	(142,618)	<u>\$ (142,618)</u>
Fund balance - beginning			<u>(399,455)</u>	
Fund balance - ending			<u>\$ (542,073)</u>	

CITY OF BREESE, ILLINOIS
NOTES TO BUDGETARY COMPARISON SCHEDULES
APRIL 30, 2024

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.

CITY OF BREESE, ILLINOIS
 COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 MODIFIED CASH BASIS
 NONMAJOR SPECIAL REVENUE FUNDS
 APRIL 30, 2024

	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
ASSETS											
Cash and cash equivalents	\$ 736,698	\$ 105,054	\$ 13,199	\$ 7,107	\$ 15	\$ 84	\$ 70,311	\$ 96,700	\$ 402,506	\$ 23,179	\$ 1,454,853
Certificates of deposit	-	-	-	-	-	-	-	-	-	10,503	10,503
Interfund receivable	-	3,531	-	-	-	-	-	-	-	-	3,531
Inventory	59,675	-	-	-	-	-	-	-	-	-	59,675
Total assets	<u>\$ 796,373</u>	<u>\$ 108,585</u>	<u>\$ 13,199</u>	<u>\$ 7,107</u>	<u>\$ 15</u>	<u>\$ 84</u>	<u>\$ 70,311</u>	<u>\$ 96,700</u>	<u>\$ 402,506</u>	<u>\$ 33,682</u>	<u>\$ 1,528,562</u>
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Interfund payable	\$ -	\$ -	\$ 121,232	\$ 534	\$ -	\$ 2,997	\$ -	\$ -	\$ -	\$ -	\$ 124,763
Total liabilities	<u>-</u>	<u>-</u>	<u>121,232</u>	<u>534</u>	<u>-</u>	<u>2,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,763</u>
FUND BALANCES											
Nonspendable	59,675	-	-	-	-	-	-	-	-	-	59,675
Restricted	736,698	108,585	-	6,573	15	-	70,311	96,700	402,506	33,682	1,455,070
Unassigned	-	-	(108,033)	-	-	(2,913)	-	-	-	-	(110,946)
Total fund balances (deficit)	<u>796,373</u>	<u>108,585</u>	<u>(108,033)</u>	<u>6,573</u>	<u>15</u>	<u>(2,913)</u>	<u>70,311</u>	<u>96,700</u>	<u>402,506</u>	<u>33,682</u>	<u>1,403,799</u>
Total liabilities and fund balances	<u>\$ 796,373</u>	<u>\$ 108,585</u>	<u>\$ 13,199</u>	<u>\$ 7,107</u>	<u>\$ 15</u>	<u>\$ 84</u>	<u>\$ 70,311</u>	<u>\$ 96,700</u>	<u>\$ 402,506</u>	<u>\$ 33,682</u>	<u>\$ 1,528,562</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, 2024

	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	\$ -	\$ 240,521	\$ 39,741	\$ 142,132	\$ 53,143	\$ 46	\$ -	\$ -	\$ -	\$ -	\$ 475,583
Intergovernmental tax	203,629	-	-	-	-	-	86,864	113,985	325,763	-	730,241
Fines and forfeitures	-	-	-	-	-	-	-	-	-	1,908	1,908
Interest income	33,946	95	-	-	-	-	49	49	144	121	34,404
Total revenues	<u>237,575</u>	<u>240,616</u>	<u>39,741</u>	<u>142,132</u>	<u>53,143</u>	<u>46</u>	<u>86,913</u>	<u>114,034</u>	<u>325,907</u>	<u>2,029</u>	<u>1,242,136</u>
EXPENDITURES											
Current											
Public safety	-	-	-	-	-	-	-	-	-	782	782
Roads and streets	113,129	-	-	-	-	-	-	-	-	-	113,129
Economic development	-	220,367	44,813	135,025	53,143	-	15,713	126,973	42,204	-	638,238
Capital outlay	1,023	-	-	-	-	-	-	-	78,382	-	79,405
Debt service:											
Principal	-	-	64,033	-	-	-	-	-	-	-	64,033
Interest	-	-	17,643	-	-	-	-	-	-	-	17,643
Total expenditures	<u>114,152</u>	<u>220,367</u>	<u>126,489</u>	<u>135,025</u>	<u>53,143</u>	<u>-</u>	<u>15,713</u>	<u>126,973</u>	<u>120,586</u>	<u>782</u>	<u>913,230</u>
Excess (deficiency) of revenues over expenditures	123,423	20,249	(86,748)	7,107	-	46	71,200	(12,939)	205,321	1,247	328,906
Other financing sources (uses)											
Transfers between funds	-	-	75,450	-	-	-	(75,450)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>75,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,450)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures, and other uses	123,423	20,249	(11,298)	7,107	-	46	(4,250)	(12,939)	205,321	1,247	328,906
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 796,373</u>	<u>\$ 108,585</u>	<u>\$ (108,033)</u>	<u>\$ 6,573</u>	<u>\$ 15</u>	<u>\$ (2,913)</u>	<u>\$ 70,311</u>	<u>\$ 96,700</u>	<u>\$ 402,506</u>	<u>\$ 33,682</u>	<u>\$ 1,403,799</u>

CITY OF BREESE, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS - TAX RATES,
TAXES EXTENDED, AND COLLECTED FOR 2021, 2022, AND 2023
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED APRIL 30, 2024

	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSESSED VALUATION	<u>\$ 81,620,637</u>	<u>\$ 111,136,876</u>	<u>\$ 123,872,880</u>
RATES PER \$100 ASSESSED VALUATION:			
General corporate	0.25491	0.24789	0.22863
Police	0.07647	0.07437	0.06859
Park	0.25491	0.02479	0.22863
Insurance	0.10120	0.08994	0.09115
Retirement	0.17153	0.15021	0.13153
FICA	0.08331	0.07430	0.07596
Audit service	0.01715	0.02429	0.02399
Street lighting	<u>0.05098</u>	<u>0.04958</u>	<u>0.04573</u>
Total tax rates	<u>1.01046</u>	<u>0.73537</u>	<u>0.89421</u>
EXTENSIONS:			
General corporate	\$ 204,052	\$ 275,604	\$ 285,943
Police	61,215	82,684	85,784
Park	204,052	275,604	285,943
Insurance	82,600	99,995	113,999
Retirement	139,996	167,003	164,502
FICA	67,998	82,607	95,002
Audit service	13,998	26,994	30,004
Street lighting	<u>40,810</u>	<u>55,123</u>	<u>57,194</u>
Total extensions	<u>\$ 814,721</u>	<u>\$ 1,065,614</u>	<u>\$ 1,118,371</u>
COLLECTIONS:			
General corporate	\$ 203,068	\$ 272,943	
Police	60,920	81,886	
Park	203,068	272,943	
Insurance	82,202	99,030	
Retirement	139,321	165,391	
FICA	67,670	81,809	
Audit service	13,930	26,734	
Street lighting	<u>40,614</u>	<u>54,591</u>	
Total collections	<u>810,793</u>	<u>1,055,327</u>	
% COLLECTED ON THOSE EXTENDED:	<u>99.52%</u>	<u>99.03%</u>	

CITY OF BREESE, ILLINOIS
 SCHEDULE OF ASSESSED VALUATION - TAX RATES,
 TAXES EXTENDED, AND COLLECTED FOR 2021, 2022, AND 2023
 TAX INCREMENT FINANCING DISTRICT'S #1 AND #2
 FOR THE FISCAL YEAR ENDED APRIL 30, 2024

TAX INCREMENT FINANCING #1			
TAX YEAR			
	2021	2022	2023
ASSESSED VALUATION	\$ 23,087,332	\$ -	\$ -
RATES PER \$100 ASSESSED VALUATION:			
TIF District	0.07661	-	-
	0.07661	-	-
EXTENSIONS:			
TIF District	1,768,769	-	-
	\$ 1,768,769	\$ -	\$ -
COLLECTIONS	\$ 1,762,678	\$ -	
% COLLECTED ON THOSE EXTENDED:	99.66%	0.00%	

TAX INCREMENT FINANCING #2			
TAX YEAR			
	2021	2022	2023
ASSESSED VALUATION	\$ 3,041,743	\$ 3,283,913	\$ 3,940,143
RATES PER \$100 ASSESSED VALUATION:			
TIF District	0.07661	0.07324	0.07118
	0.07661	0.07324	0.07118
EXTENSIONS:			
TIF District	233,034	240,520	280,449
	\$ 233,034	\$ 240,520	\$ 280,449
COLLECTIONS	\$ 233,034	\$ 240,520	
% COLLECTED ON THOSE EXTENDED:	100.00%	100.00%	

CITY OF BREESE, ILLINOIS
 SCHEDULE OF ASSESSED VALUATION - TAX RATES
 TAXES EXTENDED AND COLLECTED FOR 2021, 2022, AND 2023
 TAX INCREMENT FINANCING DISTRICT'S #3 AND #4
 FOR THE FISCAL YEAR ENDED APRIL 30, 2024

TAX INCREMENT FINANCING #3			
TAX YEAR			
	2021	2022	2023
ASSESSED VALUATION	\$ 472,630	\$ 542,590	\$ 1,633,540
RATES PER \$100 ASSESSED VALUATION:			
TIF District	0.07661	0.07324	0.07118
	0.07661	0.07324	0.07118
COLLECTIONS:			
TIF District	36,209	39,740	116,271
	\$ 36,209	\$ 39,740	\$ 116,271
TAXES COLLECTED	\$ 36,204	\$ 39,740	
% COLLECTED ON THOSE EXTENDED:	99.99%	100.00%	

TAX INCREMENT FINANCING #4			
TAX YEAR			
	2021	2022	2023
ASSESSED VALUATION	\$ 1,841,140	\$ 1,940,570	\$ 2,193,710
RATES PER \$100 ASSESSED VALUATION:			
TIF District	0.07661	0.07324	0.07118
	0.07661	0.07324	0.07118
EXTENSIONS:			
TIF District	141,054	142,131	156,143
	\$ 141,054	\$ 142,131	\$ 156,143
COLLECTIONS:	\$ 141,054	\$ 142,131	
% COLLECTED ON THOSE EXTENDED:	100.00%	100.00%	

CITY OF BREESE, ILLINOIS
 SCHEDULE OF ASSESSED VALUATION - TAX RATES
 TAXES EXTENDED AND COLLECTED FOR 2021, 2022, AND 2023
 TAX INCREMENT FINANCING DISTRICT'S #5 AND #6
 FOR THE FISCAL YEAR ENDED APRIL 30, 2024

TAX INCREMENT FINANCING #5			
TAX YEAR			
	2021	2022	2023
ASSESSED VALUATION	\$ 290,703	\$ 725,583	\$ 651,073
RATES PER \$100 ASSESSED VALUATION:			
TIF District	0.07661	0.07324	0.07118
	0.07661	0.07324	0.07118
COLLECTIONS:			
TIF District	22,271	53,143	46,342
	\$ 22,271	\$ 53,143	\$ 46,342
TAXES COLLECTED	\$ 16,417	\$ 53,143	
% COLLECTED ON THOSE EXTENDED:	73.71%	100.00%	

TAX INCREMENT FINANCING #6			
TAX YEAR			
	2021	2022	2023
ASSESSED VALUATION	\$ 500	\$ 620	\$ 131,630
RATES PER \$100 ASSESSED VALUATION:			
TIF District	0.07600	0.07258	0.04839
	0.07600	0.07258	0.04839
COLLECTIONS:			
TIF District	38	45	6,369
	\$ 38	\$ 45	\$ 6,369
TAXES COLLECTED	\$ 38	\$ 45	
% COLLECTED ON THOSE EXTENDED:	100.00%	100.00%	

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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, 2024, 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 September 11, 2024.

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.

F.E.W. CPAs

F.E.W. CPAs
Columbia, Illinois
September 11, 2024

CITY OF BREESE, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED APRIL 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified Yes No

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

Noncompliance material to financial statements noted? Yes 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, 2024

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, 2024

There were no prior year audit findings.