

TOWN OF BREMEN, ILLINOIS

ANNUAL FINANCIAL REPORT

MARCH 31, 2021

TOWN OF BREMEN, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

MARCH 31, 2021

The accompanying notes are an integral part of
these financial statements.

TOWN OF BREMEN, ILLINOIS
MARCH 31, 2021

TABLE OF CONTENTS

	<u>PAGE (S)</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1 - 2
<u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Management's Discussion and Analysis	3 - 8
<u>BASIC FINANCIAL STATEMENTS:</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position	9
Statement of Activities	10
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet	11
Reconciliation of Total Fund Balance of Governmental Funds to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances	13
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
NOTES TO FINANCIAL STATEMENTS	15 - 30
<u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
General Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	31
Schedule of Expenditures - Budget and Actual - General Fund	32 - 33
General Assistance Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Assistance Fund	34
Schedule of Expenditures - Budget and Actual - General Assistance Fund	35

TOWN OF BREMEN, ILLINOIS
MARCH 31, 2021

TABLE OF CONTENTS

	<u>PAGE (S)</u>
<u>REQUIRED SUPPLEMENTARY INFORMATION (continued):</u>	
Road and Bridge Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Road and Bridge Fund	36
Schedule of Expenditures - Budget and Actual - Road and Bridge Fund	37 - 38
Illinois Municipal Retirement Fund - Schedule of Changes in Net Pension Liability	39
Illinois Municipal Retirement Fund - Schedule of Employer Contributions	40
Notes to Required Supplementary Information	41
<u>STATISTICAL SECTION:</u>	
Schedule of Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections	42

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees:
Town of Bremen, Illinois
16361 S. Kedzie Parkway
Markham, IL 60428

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Bremen, Illinois, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, each major fund, and the aggregate remaining fund information of the Town of Bremen, Illinois, as of March 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

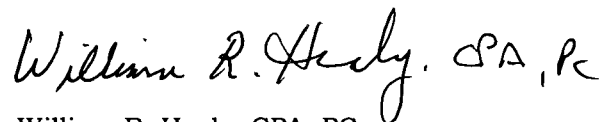
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 31-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bremen, Illinois' basic financial statements. The statistical section is presented for purposes of additional analysis and is not a required part of the financial statements.

This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



William R. Healy, CPA, PC
Certified Public Accountants

Orland Park, Illinois
October 25, 2021

TOWN OF BREMEN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

INTRODUCTION

As management of the Town of Bremen ("Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2021. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Township's financial statements (beginning on page 9).

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

1. Government-wide financial statements including the Statement of Net Position and the Statement of Activities, which provide an overview of the Township's finances,
2. Fund financial statements that provide a greater level of detail of revenues and expenditures and focus on how well the Township has performed in the most significant funds, and
3. Notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to the private-sector business.

The Statement of Net Position presents information on the Township's assets and liabilities reported on the accrual basis of accounting, with the differences between the two reported as net position. Over time, increases or (decreases) in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all of a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the Township's basic services, including general government, general assistance, road maintenance and youth and senior services.

The government-wide financial statements can be found on pages 9 and 10 of this report.

FUND FINANCIAL STATEMENTS

The Township's fund financial statements, which begin on page 11, provide detailed information about the most significant funds - not the Township as a whole. A fund is a group of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

TOWN OF BREMEN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

The Township is required to provide detailed information for its major funds. Major funds are defined as the general fund and other funds where the assets, liabilities, revenues, or expenditures of that fund are at least ten percent of the corresponding total for all governmental funds since the Township has no enterprise funds. For the fiscal year ended March 31, 2021, all of the Township's funds are major funds, i.e., General Fund, General Assistance Fund, and Road and Bridge Fund.

All of the funds of the Township are governmental funds. The Township has no proprietary or fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements provide a detailed short-term view of the Township's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The Township maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, General Assistance Fund, and Road and Bridge Fund, all of which are considered to be major funds. This Township has no non-major governmental funds.

The Township adopts an annual budget for the above three funds. Budgetary comparison statements have been provided on pages 31 through 38 to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 through 14 of this report.

PROPRIETARY FUNDS

The Township maintains no proprietary funds.

FIDUCIARY FUNDS

The Township maintains no fiduciary funds.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 15 of this report.

OTHER INFORMATION

Required supplementary information and additional statistical information can be found on pages 31 through 41 of this report.

TOWN OF BREMEN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

In accordance with GASB Statement No. 34, the Township has presented comparative financial information to better understand the Township's financial position and changes in financial position.

NET POSITION: The following table reflects the condensed Statement of Net Position (in millions):

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Current assets	\$ 6.99	\$ 6.38
Capital assets	1.85	1.69
Net pension asset	1.14	0.67
Total assets	<u>\$ 9.98</u>	<u>\$ 8.74</u>
Deferred outflow of resources	<u>\$ 0.16</u>	<u>\$ 0.26</u>
Current liabilities	\$ 0.12	\$ 0.16
Non current liabilities	-	-
Total liabilities	<u>\$ 0.12</u>	<u>\$ 0.16</u>
Deferred inflow of resources	<u>\$ 1.75</u>	<u>\$ 1.61</u>
Investment in capital assets, net of related debt	\$ 1.85	\$ 1.69
Restricted	1.14	0.67
Unrestricted	5.28	4.87
Total net position	<u>\$ 8.27</u>	<u>\$ 7.23</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by \$8.27 million as of March 31, 2021. The first portion of the Township's net position is its investment in capital assets (e.g., land, buildings, equipment, and vehicles); less any related debt used to acquire those assets that are still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The second portion of the Township's net position is the restricted assets in the amount of \$1.14 million. Restricted assets consist of the Township's net pension asset. The third portion of the Township's net position is the unrestricted assets in the amount of \$5.28 million. Overall, total net position at the end of fiscal year 2021 increased primarily due to the decreases in expenditures.

CAPITAL ASSETS

The Township investment in capital assets as of March 31, 2021 amounts to \$1,850,413 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and vehicles. Increases to capital assets for the current year included a new parking lot, walkway, fence, road equipment and vehicles.

DEBT

In February, 2011, the Township issued \$800,000 General Obligation Limited Tax Debt Certificates - Series 2011 with an interest rate range of 1.55% - 4.50%. The proceeds from the sale of the bonds were used to construct a new building for youth and senior services, and to pay the cost of issuance of the bonds. The proceeds were used to provide \$784,000 for capital projects and to pay \$16,000 in bond issuance costs.

TOWN OF BREMEN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

The newly constructed building was being leased to Bremen Youth Services. Terms of the 20 year lease called for Bremen Youth Services to pay all obligations of the February 28, 2011 debt certificates as a condition of its rental agreement with Bremen Township. During the prior year, Bremen Youth Services defaulted on the lease and vacated the building. The Township paid off the last of the bonds during the current year.

ACTIVITIES: The following table reflects the condensed Statement of Activities (in millions):

	<u>Government Activities</u>	
	<u>2021</u>	<u>2020</u>
REVENUES:		
Program revenues:		
Charges for services	\$ 0.06	\$ 0.12
General revenues:		
Property taxes	2.14	2.08
Replacement taxes	0.09	0.10
Other	<u>0.04</u>	<u>0.13</u>
Total revenues	\$ 2.33	\$ 2.43
EXPENSES:		
Administration	\$ 0.58	\$ 0.75
Senior transportation	0.15	0.28
Assessor	0.04	0.09
Maintenance	0.40	0.47
Home relief	<u>0.12</u>	<u>0.15</u>
Total expenses	\$ 1.29	\$ 1.74
Changes in net position	1.04	0.69
Net position, April 1,	<u>7.23</u>	<u>6.54</u>
Net position, March 31,	<u>\$ 8.27</u>	<u>\$ 7.23</u>

For the year ended March 31, 2021, revenues from governmental activities totaled \$2.33 million. Revenues from the Township's largest sources, property taxes, amounted to \$2.14 million. The other general revenue classification includes revenue from replacement taxes, investment income, and grants.

GOVERNMENTAL-TYPE ACTIVITIES

For the current year, real estate tax was \$2.14 million compared to \$2.08 million for the fiscal year 2020. Replacement tax was decreased to \$0.09 million for fiscal year 2021, from \$0.10 for fiscal year 2020. The other tax revenues for the fiscal year 2021 were relatively unchanged from the prior year.

The General Fund, General Assistance Fund, and Road and Bridge fund actual revenues were \$278,586, \$42,877 and \$30,857, respectively, less than the final budget. Actual expenditures for the General Fund, General Assistance Fund, and Road and Bridge Fund were \$1,226,611, \$295,226 and \$164,778 less than the final budget, respectfully.

TOWN OF BREMEN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

The shortfall of revenue in the General Fund, General Assistance Fund and Road and Bridge Fund is due to shortfalls in the collection of property taxes and investment income. The General Fund budget also included aggressive estimates for grant proceeds, which were not realized, and revenue from senior programs, which did not happen because of the COVID-19 pandemic. Expenditures were significantly less than budgeted in the General Fund due to lower than expected salaries, legal, building maintenance, youth services and community outreach expenses; the General Assistance Fund is due to less general assistance for home relief; and the Road and Bridge Fund is due to less salaries and road maintenance expenses. These areas accounted for approximately 71% of the expenditures being less than budgeted. In addition, the Township has continued its practice of keeping general and administrative costs down. This area was less than budgeted by approximately 57%.

GOVERNMENTAL FUND BALANCES

Governmental funds are reported in the fund statement with a focus on short-term inflow, outflow, and balances of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. Governmental funds combined reported ending fund balances of \$5,716,989 which are increased from the prior year.

The following table reflects the changes in combined fund balance (in millions):

	<u>2021</u>	<u>2020</u>
COMBINED FUND BALANCE, APRIL 1,	\$ 5.18	\$ 4.53
Revenues:		
Property taxes	2.14	2.08
Replacement taxes	0.09	0.10
Charges for services	0.06	0.12
Other	0.01	0.03
Investment income	<u>0.03</u>	<u>0.11</u>
Total revenues	\$ 2.33	\$ 2.44
Expenses:		
Administration	\$ 0.70	\$ 0.69
Senior transportation	0.12	0.26
Assessor	0.07	0.08
Maintenance	0.43	0.42
Home relief	0.12	0.15
Debt service	0.10	0.10
Capital outlay	<u>0.25</u>	<u>0.09</u>
Total expenditures	\$ 1.79	\$ 1.79
Change in fund balance	<u>0.54</u>	<u>0.65</u>
COMBINED FUND BALANCE, MARCH 31,	\$ 5.72	\$ 5.18

The General Fund represents the only unassigned balance of \$3,952,963. The remainder of the fund balance is allocated to one of the following categories of fund balance:

Nonspendable:

Prepaid items	\$	5,711
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Assigned:

General Assistance	1,174,430
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Road and Bridge Maintenance	583,885
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TOWN OF BREMEN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2021

THE FUTURE OF THE TOWNSHIP

Ninety-six percent of the Township's revenue is from property and replacement taxes. In 2020, the world has experienced an international pandemic due to COVID-19. Residents of the Township, like all other communities, saw record high unemployment due to shelter in place orders for all except essential workers. This will most likely negatively impact the residents ability to meet future tax obligations. Due to current economic conditions, it is anticipated that revenues from property taxes will either remain constant or decrease slightly next year. Based on this, the Board is being proactive in maintaining or reducing expenditures. Although it is anticipated that general assistance expenditures will increase, the goal of the Board is to offset that with reductions in general administrative expenses.

The Township continues to be prudent with the use of its resources with adequate funds in reserve. At March 31, 2021 the Township had cash and investments on hand to fund thirty-two months of the next three year's expenditures.

NEXT YEAR'S BUDGET

All of the above factors were considered in the preparation of the Township's budget for the fiscal year 2022.

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the Township's finances for all those with an interest in government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bremen Township at 16361 South Kedzie Parkway, Markham, Illinois 60428.

BASIC
FINANCIAL
STATEMENTS

TOWN OF BREMEN, ILLINOIS
STATEMENT OF NET POSITION
MARCH 31, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS:

Current assets:

Cash and cash equivalents	\$ 3,575,656
Investments	2,009,241
Property taxes receivable	1,392,527
Accrued interest receivable	3,862
Prepaid expenses	<u>5,711</u>
Total current assets	6,986,997

Noncurrent assets:

Capital assets:

Not being depreciated	197,651
Other capital assets, net of accumulated depreciation	1,652,762
Net pension asset	<u>1,138,349</u>
Total noncurrent assets	<u>2,988,762</u>
TOTAL ASSETS	<u>\$ 9,975,759</u>

DEFERRED OUTFLOW OF RESOURCES:

Deferred amount on pensions	<u>\$ 165,338</u>
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 165,338</u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

LIABILITIES:

Current liabilities:

Accounts payable	\$ 83,366
Accrued wages	12,970
Due to other governments	<u>20,338</u>
Total current liabilities	<u>116,674</u>
TOTAL LIABILITIES	<u>\$ 116,674</u>

DEFERRED INFLOW OF RESOURCES:

Unearned revenue - 2020 property tax	\$ 1,205,333
Deferred amount on pensions	<u>550,550</u>
TOTAL DEFERRED INFLOW OF RESOURCES	<u>\$ 1,755,883</u>

NET POSITION:

Net investment in capital assets	\$ 1,850,413
Restricted for pensions	1,138,349
Unrestricted	<u>5,279,778</u>
TOTAL NET POSITION	<u>\$ 8,268,540</u>

TOWN OF BREMEN, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2021

				Net (Expenditures) Revenue and Changes in Net Position
		Program Revenues		
Functions/Programs	Expenditures	Charges for Services	Operating Grant and Contributions	Total Governmental Activities
GOVERNMENTAL ACTIVITIES:				
Administration	\$ 576,377	\$ 60,687	\$ -	\$ 515,690
Senior transportation	151,259	-	-	151,259
Assessor	36,996	-	-	36,996
Maintenance	401,442	-	-	401,442
Home relief	124,427	-	-	124,427
Interest expense	<u>3,273</u>	<u>-</u>	<u>-</u>	<u>3,273</u>
Total governmental activities	<u>\$ 1,293,774</u>	<u>\$ 60,687</u>	<u>\$ -</u>	<u>\$ 1,233,087</u>
GENERAL REVENUES:				
Property taxes				\$ 2,141,526
Replacement taxes				91,524
Investment income				21,898
Miscellaneous income				<u>12,545</u>
Total general revenues				<u>2,267,493</u>
Change in net position				1,034,406
NET POSITION				
April 1, 2020				<u>7,234,134</u>
March 31, 2021				\$ 8,268,540

TOWN OF BREMEN, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2021

	General Fund	General Assistance Fund	Road and Bridge Fund	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 2,452,653	\$ 721,214	\$ 401,789	\$ 3,575,656
Investments	1,510,199	340,837	158,205	2,009,241
Property tax receivable	889,688	203,061	299,778	1,392,527
Accrued interest receivable	1,932	1,128	802	3,862
Prepaid expenses	3,203	-	2,508	5,711
Due from other funds	<u>-</u>	<u>86,680</u>	<u>8,069</u>	<u>94,749</u>
 TOTAL ASSETS	 <u>\$ 4,857,675</u>	 <u>\$ 1,352,920</u>	 <u>\$ 871,151</u>	 <u>\$ 7,081,746</u>
LIABILITIES:				
Accounts payable	\$ 26,867	\$ 1,742	\$ 2,758	\$ 31,367
Accrued wages	9,945	865	2,160	12,970
Due to other funds	94,593	-	156	94,749
Due to other governments	<u>-</u>	<u>-</u>	<u>20,338</u>	<u>20,338</u>
 TOTAL LIABILITIES	 131,405	 2,607	 25,412	 159,424
DEFERRED INFLOW OF RESOURCES:				
Deferred 2020 property taxes	<u>770,104</u>	<u>175,883</u>	<u>259,346</u>	<u>1,205,333</u>
 TOTAL DEFERRED INFLOW OF RESOURCES	 770,104	 175,883	 259,346	 1,205,333
FUND BALANCES:				
Nonspendable	3,203	-	2,508	5,711
Assigned	-	1,174,430	583,885	1,758,315
Unassigned	<u>3,952,963</u>	<u>-</u>	<u>-</u>	<u>3,952,963</u>
 TOTAL FUND BALANCES	 <u>3,956,166</u>	 <u>1,174,430</u>	 <u>586,393</u>	 <u>5,716,989</u>
 TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES	 <u>\$ 4,857,675</u>	 <u>\$ 1,352,920</u>	 <u>\$ 871,151</u>	 <u>\$ 7,081,746</u>

TOWN OF BREMEN, ILLINOIS
RECONCILIATION OF TOTAL FUND BALANCE OF GOVERNMENTAL
FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES
MARCH 31, 2021

Total fund balance of governmental funds (Page 11) \$ 5,716,989

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

Capital assets used in governmental activities are not
financial resources and therefore are not reported in
governmental funds. These assets consist of:

Not being depreciated:

Land	\$ 197,651
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Being depreciated:

Building	1,332,068
Building improvements	777,810
Equipment	<u>811,364</u>
	3,118,893

Less: accumulated depreciation	<u>(1,268,480)</u>
--------------------------------	--------------------

1,850,413

Some assets reported in the Statement of Net Position
are not available for use as current financial resources and,
therefore, are not reported as assets in governmental
funds. These activities consist of:

Net pension asset - net of deferred outflow and inflows	753,137
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Some liabilities reported in the Statement of Net Position
do not require the use of current financial resources and,
therefore, are not reported as liabilities in governmental
funds. These activities consist of:

Equipment - installment purchase	(15,712)
Vehicle - installment purchase	<u>(36,287)</u>

Net position of governmental activities (Page 9) \$ 8,268,540

TOWN OF BREMEN, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2021

	General Fund	General Assistance Fund	Road and Bridge Fund	Total Governmental Funds
REVENUES:				
Property tax	\$ 1,363,820	\$ 314,499	\$ 463,207	\$ 2,141,526
Replacement tax	43,630	23,493	24,401	91,524
Pace receipts	6,340	-	-	6,340
Senior programs	50,365	-	-	50,365
Traffic fines	-	-	3,982	3,982
Miscellaneous	10,670	1,875	-	12,545
Investment income	15,589	3,856	2,453	21,898
Total revenues	<u>1,490,414</u>	<u>343,723</u>	<u>494,043</u>	<u>2,328,180</u>
EXPENDITURES:				
Current:				
Administration	601,419	66,947	29,887	698,253
Senior transportation	125,665	-	-	125,665
Assessor	66,241	-	-	66,241
Maintenance	-	-	427,014	427,014
Home relief	-	124,427	-	124,427
Debt service:				
Principal	95,000	-	-	95,000
Interest and fees	3,262	-	-	3,262
Capital outlay:				
Administration	150,298	-	100	150,398
Senior transportation	295	-	-	295
Assessor	209	-	-	209
Maintenance	-	-	103,121	103,121
Total expenditures	<u>1,042,389</u>	<u>191,374</u>	<u>560,122</u>	<u>1,793,885</u>
Change in fund balances	448,025	152,349	(66,079)	534,295
Fund balances - April 1, 2020	<u>3,508,141</u>	<u>1,022,081</u>	<u>652,472</u>	<u>5,182,694</u>
Fund balances - March 31, 2021	<u>\$ 3,956,166</u>	<u>\$ 1,174,430</u>	<u>\$ 586,393</u>	<u>\$ 5,716,989</u>

TOWN OF BREMEN, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2021

Net change in fund balances - governmental funds (Page 13) \$ 534,295

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

Capital outlays are reported in governmental funds as
expenditures. However, in the Statement of Activities,
the cost of those assets are allocated over their estimated
useful lives as depreciation expense.

In the current year, these assets consist of:

Building improvements	\$ 183,307	
Equipment	29,018	
Vehicles	24,350	
Depreciation expense	<u>(103,962)</u>	
		132,713

Other noncurrent assets are not available for use as
current financial resources and are not recorded in
government funds. These assets consist of:

Net pension asset	270,973
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The following are expenditures in the governmental funds,
but the repayment reduces long-term liabilities in the
Statement of Net Position.

In the current year, repayments were made on:

General obligation bonds	95,000
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Some expenses reported in the Statement of Activities do
not require the use of current financial resources and,
therefore, are not reported as expenditures in
governmental funds. These activities consist of:

Accrued interest	<u>1,425</u>
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Change in net position of governmental activities (Page 10)	<u>\$ 1,034,406</u>
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TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FINANCIAL REPORTING ENTITY

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Township's reporting entity includes the Township's governing board and all related organizations for which the Township exercises oversight responsibility.

The Township has developed criteria to determine whether any outside agencies should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the Township exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The Township has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the Township's financial statements. In addition, the Township is not aware of any entity which would exercise such oversight which would result in the Township being considered a component unit of the entity.

BASIS OF PRESENTATION

The Township's basic financial statements consist of both government-wide financial statements, including a Statement of Net Assets and a Statement of Activities, and the Fund Financial Statements which provide a more detailed level of financial information.

In June 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurement. This standard was implemented April 1, 2015.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities report the overall financial activity of the Township. Eliminations have been made to minimize the double counting of internal activities of the Township. These statements include the financial activities of the primary government, which are primarily supported by taxes and intergovernmental revenue.

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Net Position presents the financial condition of the governmental activities of the Township at year end. The Statement of Net Position includes all current assets and current liabilities and all capital assets, net of accumulated depreciation, and long-term debt associated with the operation of the Township. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the Township's governmental activities.

Direct expenditures are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include both charges paid by the recipient of the goods or services offered by the program and grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Township. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Township.

FUND FINANCIAL STATEMENTS

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds.

A major fund is defined as the Township's General Fund as well as any other fund where the assets, liabilities, revenues, or expenditures of that fund are at least ten percent of the corresponding total for all governmental funds since the Township has no enterprise funds. The Township's management may select as a major fund any other fund not meeting the above criteria if they believe the fund is of particular importance to the user of the financial statements. All of the Township's funds are major funds, i.e., General Fund, General Assistance Fund, and Road and Bridge Fund. Each major fund is presented in a separate column. There are no non-major funds or fiduciary funds reported.

Since capital assets are concerned only with the measurement of financial position as of the date of the end of the reporting period, these assets are not reported in fund financial statements. They are included in the government-wide financial statements.

FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its asset, liabilities, fund balance, revenues, and expenditures. Township resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified as governmental funds.

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental funds are those through which most governmental functions of the Township are financed. The acquisition, use, and balances of the Township's expendable financial resources and the related liabilities arising from cash transactions are accounted for through governmental funds.

The General Fund is the general operating fund. The General Fund accounts for all financial resources except for those required to be accounted for in another fund.

The General Assistance Fund is used to account for all activities related to social services for the poor and aged.

The Road and Bridge Fund is used to account for all purposes relating to construction, repair, maintenance, financing, and supervision of the Township's roads and bridges.

BASIS OF ACCOUNTING

The government-wide financial statements are reported using the "economic resources measurement focus" and the "accrual basis of accounting". Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the year all eligibility requirements imposed by the provider are met.

Government fund financial statements are reported using the "current financial resources measurement focus" and the "modified accrual basis of accounting." Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, which was implemented by the Township for the year ended March 31, 2016. GASB 68 and 71 establish accounting and financial reporting standards that record the net pension asset/liability, as well as the deferred outflows of resources and deferred inflows of resources related to pension contributions made after the measurement date. In accordance with GASB 68 and 71, the Township now reports a net pension asset, as well as both deferred inflows of resources and deferred outflows of resources related to pensions, on its statement of net position. .

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Differences between the government-wide financial statements and the fund financial statements are briefly explained in the reconciliations included in the fund financial statements.

BUDGETARY DATA

The budget is prepared on the modified accrual basis of accounting which is the same basis used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with the Illinois Revised Statutes.

A proposed budget is prepared annually and made available for public inspection at least thirty days prior to a public hearing and formal adoption. The Township may make transfers among the various items in any fund not exceeding, in the aggregate, ten percent of the total budget for a particular fund. The budget may be amended in other ways by the same procedures required for its original adoption.

The budget lapses at the end of each fiscal year. The Township does not utilize an encumbrance system.

CASH AND INVESTMENTS

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments which are considered highly liquid and available on demand.

The Township's investments are limited by the Illinois Public Funds Investment Act and the Illinois Compiled Statutes. The Township has investments in deposits and certificates of deposit in insured commercial banks, corporate and municipal bonds, U.S. Treasuries, and Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains \$1 per share value which is equal to fair value). The Township limits its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC coverage.

INVENTORIES AND PREPAID

The Township does not maintain inventories in amounts material to the financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CAPITAL ASSETS

The Township's policy is to capitalize items with an acquisition cost of at least \$2,500 for equipment, \$10,000 for buildings and improvements, and \$50,000 for infrastructure assets. Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Major additions are capitalized while replacements, maintenance, and repairs, which do not improve or extend the lives of the respective assets, are expensed currently. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the assets are expected to meet service demands. In the government-wide financial statements, straight-line depreciation is used based on the following estimated useful lives:

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS (continued)

	<u>Years</u>
Site improvements	20
Buildings	40
Leasehold improvements	20
Infrastructure	50
Permanent fixtures	20
Equipment	15
Office machines and devices	8
EDP equipment	5
Telephone system	10
Mobile equipment	12
Vehicles	8

DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. The Township recognizes deferred inflows of resources related to pensions.

Governmental funds report revenue that is unavailable as deferred inflows of resources. Governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as revenue in the period that the amounts become available.

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The Township recognizes deferred outflows of resources related to pensions.

COMPENSATED ABSENCES

Employees are granted vacation and sick pay leave in varying amounts. The Township has no liability for unused vacation pay since all vacation leave is used or lost if not taken during each year. The Township does not allow employees to accumulate unused sick pay, and accordingly, employees can be paid sick leave only when sick. Since the employee's rights to receive sick pay is contingent upon the absences being caused by future illness and such amount cannot be reasonably estimated, a liability for unused sick pay is not recorded in the government-wide or fund financial statements. Vacation and sick pay are charged to current expenditures when taken by the employees of the Township.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond issuance costs are reported as expenses in the period incurred.

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
FUND BALANCES/NET POSITION

It is the Township's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted fund balances are available, followed by committed and then assigned resources. Unassigned amounts are used only after the other categories of fund balance have been fully utilized.

Within the governmental fund types, the Township's fund balances are reported in one of the following classifications:

Nonspendable - includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted - includes amounts that are restricted for specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the Township's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Township removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned - includes amounts that are constrained by the Township's intent to be used for specific purposes, but that are neither restricted nor committed. The Township Board of Trustees has been delegated to assign resources and amounts of fund balances for specific purposes. These assignments will follow Township policy.

Unassigned - includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

In the government-wide statement of net position, equity is displayed in three components as follows:

Net Investment in Capital Assets - this consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances of any debt that is attributable to the acquisition, construction or improvement of those assets.

Restricted - this consists of a net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - this consists of a net position that does not meet the definition of "restricted" or "net investment in capital assets".

The Township first utilizes restricted resources to finance qualifying activities.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

2. CASH AND INVESTMENTS

As of March 31, 2021, the Township has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than one year</u>	<u>1-5 Years</u>
Illinois Funds	\$ 2,230,355	\$ 2,230,355	\$ -
Certificates of Deposit			
Negotiable	1,053,550	953,682	99,868
U.S. Treasuries	<u>955,691</u>	<u>315,591</u>	<u>640,100</u>
	<u>\$ 4,239,596</u>	<u>\$ 3,499,628</u>	<u>\$ 739,968</u>

Interest rate risk is the risk that changes in interest rates and will adversely affect the fair value of an investment. The Township has limited its exposure to interest rate risk by structuring the portfolios so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in short-term securities, money market funds and Illinois Funds.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Township limits its exposure to credit risk with investments to Illinois Funds. The Illinois Funds Money Market has earned Standard & Poor's highest rating (AAAm). The Township's other investments in debt securities were rated as follows:

<u>Investment Type</u>	<u>Moody's</u>	<u>Standard & Poor's</u>
U.S. Treasuries	Aaa	AA+

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Township's deposits may not be recovered. The Township's investment policy protects the Township from custodial credit risk by requiring funds on deposit (checking accounts, certificates of deposit, etc.), in excess of FDIC limits, to be secured by some form of collateral, witnessed by a written agreement and held at an independent, third party institution in the name of the Township.

The Township categorized its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of March 31, 2021, the Township's investments are measured using the market valuation method and the following valuation inputs:

	<u>March 31, 2021</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	\$ 1,053,550	\$ 1,053,550	\$ -	\$ -
U.S. Treasuries	<u>955,691</u>	<u>955,691</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,009,241</u>	<u>\$ 2,009,241</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

2. CASH AND INVESTMENTS (Continued)

Funds on deposit in excess of Federal Deposit Insurance Corporation (FDIC) limits are collateralized at no less than 105% of the fair market value of the net amount of public funds secured. As of March 31, 2021, the Township's bank balances were \$340,658 of which \$250,000 was covered by the FDIC. Securities in the amount of \$1,766,317 are held by the pledging financial institution trust department, which collateralizes the entire remaining bank balance in excess of FDIC limits. Illinois Funds are not subject to custodial credit risk.

3. PROPERTY TAXES-GENERAL

Property taxes for 2020 attach an enforceable lien on January 1, 2020 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2021 and August 1, 2021, and are payable in two installments, on or about March 1, 2021 and September 1, 2021. The 2020 levy is intended to partially fund expenditures for the fiscal year 2021 to the extent of collections through March 31, 2021 and 60 days subsequent to that date. The remainder of the 2020 levy is deferred as of March 31, 2021.

The 2021 tax levy, which attached as an enforceable lien on property as of January 1, 2021, has not been recorded as a receivable as of March 31, 2021, as the tax has not yet been levied by the Township and will not be levied until December, 2021 and therefore, the levy is not measurable at March 31, 2021.

4. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities</u>				
Capital assets, not being depreciated:				
Land	\$ 197,651	\$ -	\$ -	\$ 197,651
Capital assets being depreciated:				
Buildings	1,332,068	-	-	1,332,068
Building improvements	594,502	183,308	-	777,810
Equipment and vehicles	<u>736,806</u>	<u>74,558</u>	-	<u>811,364</u>
	2,861,027	257,866	-	3,118,893
Less: accumulated depreciation	<u>(1,164,518)</u>	<u>(103,962)</u>	-	<u>(1,268,480)</u>
Total governmental activities	<u>\$ 1,696,509</u>	<u>\$ 153,904</u>	<u>\$ -</u>	<u>\$ 1,850,413</u>

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

Administration	\$ 39,207
Senior transportation	25,298
Maintenance	<u>39,457</u>
Total depreciation expense	<u>\$ 103,962</u>

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

5. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Township participates in a public entity risk pool to administer property and liability coverage and employee compensation and liability insurance programs. The public entity risk pool does not transfer risk from the Township. There was no significant reductions in insurance coverage or settlement amounts exceeding insurance coverage during fiscal year 2021 or the three prior years. TOIRMA issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Township Officials of Illinois Risk Management Association, P.O. Cox 517, Astoria, IL 61501.

6. LONG-TERM DEBT

The following is a summary of long-term obligation activity for the Township for the year ended March 31, 2021:

	Outstanding Debt as of <u>April 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Outstanding Debt as of <u>March 31, 2021</u>	Due Within <u>One Year</u>
General obligation bonds					
financed through					
governmental					
funds	\$ 95,000	\$ -	\$ (95,000)	\$ -	\$ -

Outstanding debt as of March 31, 2021, consists of the following:

General obligation limited tax debt bonds dated February 28, 2011, provide for the retirement of principal of \$70,000 in 2012, and 2013, \$75,000 in 2014, \$80,000 in 2015, 2016, and 2017, \$90,000 in 2018, and 2019, and \$95,000 in 2020. Interest is payable on December 1, and June 1, of each year at rates varying between 1.55% and 4.50%.

\$ -

Total general obligation bonds

\$ -

On February 28, 2011, the Township issued \$800,000 in General Obligation Limited Tax Debt Certificates - Series 2011 with an interest rate range of 1.55% - 4.50%. The proceeds from the sale of the bonds were used to construct a new building for youth services and to pay the cost of issuance of the bonds. The proceeds were used to provide \$784,000 for capital projects and to pay \$16,000 in bond issuance costs.

The building was being leased to Bremen Youth Services. Terms of the 20 year lease called for Bremen Youth Services to pay all obligations of the February 28, 2011 debt certificates as a condition of its rental agreement with Bremen Township. During the prior year, Bremen Youth Services defaulted on the lease agreement and vacated the building.

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

7. FUND BALANCES

At March 31, 2021, the Township's governmental funds fund balances were classified as follows:

	<u>General Fund</u>	<u>General Assistance Fund</u>	<u>Road and Bridge Fund</u>	<u>Total</u>
<u>Nonspendable:</u>				
Prepaid items	\$ 3,203	\$ -	\$ 2,508	\$ 5,711
Total nonspendable	3,203	-	2,508	5,711
<u>Assigned:</u>				
General assistance	-	1,174,430	-	1,174,430
Road & bridge maintenance	-	-	583,885	583,885
Total assigned	-	1,174,430	583,885	1,758,315
<u>Unassigned</u>	3,952,963	-	-	3,952,963
Total fund balances	<u>\$ 3,956,166</u>	<u>\$ 1,174,430</u>	<u>\$ 586,393</u>	<u>\$ 5,716,989</u>

8. GRANTS

The Township has been awarded a \$50,000 grant from the Illinois Department of Commerce & Economic Opportunity to construct a parking garage at the Bremen Senior Center. \$46,400 has been received on the grant as of March 31, 2021. Grant expenditures as of March 31, 2021 totaled \$50,153.

The Township has also been awarded two additional grants from the Illinois Department of Commerce & Economic Opportunity to construct a three season room and a new parking lot at the Bremen Senior Center. The three season room grant award is \$25,000. The parking lot grant award is \$100,000. No monies have been received from or expended on either grant as of March 31, 2021.

9. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the financial statements, of certain information concerning individual funds as follows:

1. The General Fund owes inter-fund payables to the General Assistance Fund and the Road and Bridge Fund in the amounts of \$86,507 and \$8,069, respectively, as of March 31, 2021.
2. The Road and Bridge Fund owes inter-fund payables to the General Assistance Fund in the amounts of \$157 as of March 31, 2021.
3. There are no deficit fund balances at March 31, 2021.

10. OTHER POST-EMPLOYMENT BENEFITS

The Township is required to offer employees, who are IMRF vested, continued health insurance coverage upon retirement. The retirees pay the entire health insurance premium, so there is no explicit subsidy by the Township. However, the applicable GASB Statement 75 related to Postemployment Benefit Plans Other than Pensions require consideration of the potential implicit subsidy due to the likely demographic differences of the retired population.

During the current year, the Township hired an actuary to compute the estimated implicit subsidy related to these GASB statements. The resulting calculations provided by the actuary yielded a liability which would have an insignificant effect on the Township's financial statements. Therefore, the Township has not recorded any postemployment benefit liability as of March 31, 2021, and has chosen not to provide the related lengthy disclosures due to their insignificance to the financial statements taken as a whole.

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

11. PENSION PLAN

PLAN DESCRIPTION

The Township's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Township's plan is managed by the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public pension fund. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report may be obtained on-line at www.imrf.org

BENEFITS PROVIDED

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. The Township's members only participate in the Regular Plan.

Both IMRF plans have a two tier plan. Members who first participate in IMRF or an Illinois Reciprocal System prior to January 1, 2011, participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 48 consecutive month's earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter, for a maximum of 75% of their final rate of earnings. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 96 consecutive months' earnings during the last 10 years, capped at \$106,800) for credited service up to 15 years and 2% for each year after thereafter. An employees pension cannot exceed 75% of their final rate of earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has between 30-35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67, or 1/2% for each month of service credit less than 35 years. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

11. PENSION PLAN (Continued)

EMPLOYEES COVERED BY BENEFIT TERMS

At December 31, 2020, the measurement date, the membership of the plan was as follows:

Number of:

Retirees and Beneficiaries	20
Inactive, Non-Retired Members	1
Active Members	8
Total	<u>29</u>

Covered Valuation Payroll	<u>\$ 414,620</u>
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CONTRIBUTIONS

As set by state statute, the Township's 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 Township's actuarially determined contribution rate for calendar year 2020 was 1.01% of annual covered payroll. For the fiscal year ended March 31, 2021, the Township contributed \$4,181 to the plan. The Township also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NET PENSION LIABILITY

The Township's net pension asset/liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - PENSION PLAN

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

ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
• Price Inflation	2.25%
• Salary Increases	2.85% to 13.75% including inflation
• Investment Rate of Return	7.25%

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

11. PENSION PLAN (Continued)

ACTUARIAL ASSUMPTIONS (Continued)

- **Projected Retirement Age** was derived from the Experienced-based tables of rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to the experience study from years 2017 to 2019.

- **Mortality:**

For **non-disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%), and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.

For **disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

For **active members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

- The **Long-Term Expected Rate of Return** on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class as of December 31, 2020 are as follows:

<u>Asset Class</u>	<u>Portfolio Target Projection</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	2.85 - 6.95%
Cash Equivalents	1%	0.70%
Total	100%	

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

11. PENSION PLAN (Continued)

SINGLE DISCOUNT RATE

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

1. The long-term expected rate of return on pension plan investments (during the period which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%. The year ended December 31, 2120 is the last year in the 2021-2120 projection period for which projected benefit payments are fully funded.

CHANGES IN NET PENSION LIABILITY/(ASSET)

The Township's changes in its' net pension asset for the calendar year ended December 31, 2020 are as follows:

	<u>Increase/(Decrease)</u>		
	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension Liability/ Asset <u>(A-B)</u>
Balance at December 31, 2019	\$ 2,139,835	\$ 2,807,044	\$ (667,209)
Changes for the year:			
Service cost	42,867	-	42,867
Interest on total pension liability	150,948	-	150,948
Changes in benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	(166,875)	-	(166,875)
Changes in assumptions	(30,249)	-	(30,249)
Contributions - Township	-	4,218	(4,218)
Contributions - Employees	-	18,804	(18,804)
Net investment income	-	421,803	(421,803)
Benefit payments, including refunds of employee contributions	(158,449)	(158,449)	-
Other (net transfer)	-	23,006	(23,006)
Net changes	<u>(161,758)</u>	<u>309,382</u>	<u>(471,140)</u>
Balance at December 31, 2020	<u>\$ 1,978,077</u>	<u>\$ 3,116,426</u>	<u>\$ (1,138,349)</u>

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

11. PENSION PLAN (Continued)

DISCOUNT RATE SENSITIVITY

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The following table presents the Township's net pension liability/(asset), calculated using the single discount rate of 7.25%, as well as what the Township's net pension liability/(asset) would be if it were calculated using a single discount rate that is 1% lower or 1% higher.

	<u>1% Decrease</u>	<u>Current Single Discount Rate</u>	<u>1% Increase</u>
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 2,174,385	\$ 1,978,077	\$ 1,812,570
Plan Fiduciary Net Position	<u>3,116,426</u>	<u>3,116,426</u>	<u>3,116,426</u>
Net Pension Liability/(Asset)	<u>\$ (942,041)</u>	<u>\$ (1,138,349)</u>	<u>\$ (1,303,856)</u>

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended March 31, 2021, the Township recognized pension income of \$266,755. The Township reports deferred outflow and inflow of resources related to pension from the following sources:

	<u>Deferred Outflows of Resource</u>	<u>Deferred Inflows of Resources</u>
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ -	\$ (90,595)
Changes in assumptions	-	(14,794)
Net difference between projected and actual earnings on pension plan investments	164,253	(445,162)
Contributions subsequent to the measurement date	<u>1,084</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 165,337</u>	<u>\$ (550,551)</u>

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE

11. PENSION PLAN (Continued)

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ended <u>December 31,</u>	Net Deferred Outflows of <u>Resource</u>
2021	\$ (197,676)
2022	(30,471)
2023	(112,595)
2024	(44,472)
2025	-
	<u>\$ (385,214)</u>

12. CONTINGENCIES

The Township is involved in lawsuits arising in the ordinary course of activities. While these cases may have future financial effect, management, based on advice from the attorneys, believes that their ultimate outcome will not be material to the basic financial statements. In addition, the Township has received funds from the state in the current year that are subject to audit by the granting agency. The Board believes any adjustment that might arise from an audit would be insignificant to the Township.

REQUIRED
SUPPLEMENTARY
INFORMATION

TOWN OF BREMEN, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property tax	\$ 1,489,000	\$ 1,489,000	\$ 1,363,820	\$ (125,180)
Replacement tax	40,000	40,000	43,630	3,630
Grants	30,000	30,000	-	(30,000)
Pace receipts	20,000	20,000	6,340	(13,660)
Senior programs	98,000	98,000	50,365	(47,635)
Miscellaneous	12,000	12,000	10,670	(1,330)
Investment income	<u>80,000</u>	<u>80,000</u>	<u>15,589</u>	<u>(64,411)</u>
Total revenues	<u>1,769,000</u>	<u>1,769,000</u>	<u>1,490,414</u>	<u>(278,586)</u>
EXPENDITURES:				
Current:				
Administration	1,513,000	1,513,000	601,419	911,581
Senior transportation	317,000	317,000	125,665	191,335
Assessor	98,000	98,000	66,241	31,759
Debt service:				
Principal	95,000	95,000	95,000	-
Interest	5,000	5,000	3,262	1,738
Capital outlay:				
Administration	235,000	235,000	150,298	84,702
Senior transportation	4,000	4,000	295	3,705
Assessor	<u>2,000</u>	<u>2,000</u>	<u>209</u>	<u>1,791</u>
Total expenditures	<u>2,269,000</u>	<u>2,269,000</u>	<u>1,042,389</u>	<u>1,226,611</u>
Excess of revenue over expenditures	(500,000)	(500,000)	448,025	948,025
OTHER FINANCING SOURCES (USES):				
Transfer from Illinois Funds	<u>500,000</u>	<u>500,000</u>	-	(500,000)
	<u>500,000</u>	<u>500,000</u>	-	(500,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	448,025	<u>\$ 448,025</u>
Fund balance - April 1, 2020			<u>3,508,141</u>	
Fund balance - March 31, 2021			<u>\$3,956,166</u>	

TOWN OF BREMEN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
ADMINISTRATION:				
Current:				
Salaries	\$ 425,000	\$ 425,000	\$ 353,023	\$ 71,977
Health insurance	100,000	100,000	49,298	50,702
Payroll tax and retirement	38,500	38,500	27,825	10,675
Unemployment compensation insurance	15,000	15,000	1,645	13,355
Insurance - workman's compensation	5,000	5,000	-	5,000
Maintenance - building	200,000	200,000	37,197	162,803
Maintenance - equipment	5,000	5,000	3,071	1,929
Accounting and auditing	30,000	30,000	22,189	7,811
Legal	75,000	75,000	14,400	60,600
Postage	5,000	5,000	1,051	3,949
Telephone	8,000	8,000	5,144	2,856
Printing and publishing	56,000	56,000	22,775	33,225
Youth services	200,000	200,000	-	200,000
Dues - professional organizations	6,000	6,000	1,790	4,210
Travel, meetings, and seminars	5,000	5,000	-	5,000
Data processing services	2,000	2,000	-	2,000
Utilities	25,000	25,000	24,383	617
General and liability insurance	30,000	30,000	13,400	16,600
Office supplies	10,000	10,000	2,193	7,807
Operating supplies	10,000	10,000	6,210	3,790
Miscellaneous	2,000	2,000	1,317	683
Disabled services	40,000	40,000	8,125	31,875
Management fee	20,000	20,000	6,383	13,617
Community outreach and special event	200,500	200,500	-	200,500
Capital outlay:				
Building improvements	200,000	200,000	128,717	71,283
Vehicles	25,000	25,000	20,961	4,039
Equipment	10,000	10,000	620	9,380
	<u>\$1,748,000</u>	<u>\$ 1,748,000</u>	<u>\$ 751,717</u>	<u>\$ 996,283</u>

TOWN OF BREMEN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SENIOR TRANSPORTATION:				
Current:				
Salaries	\$ 160,000	\$ 160,000	\$ 65,563	\$ 94,437
Payroll tax	14,000	14,000	4,851	9,149
Auto insurance	15,000	15,000	6,975	8,025
Auto maintenance	16,000	16,000	8,240	7,760
Fuel	25,000	25,000	16,533	8,467
Miscellaneous	1,000	1,000	383	617
Operating supplies	1,000	1,000	261	739
Office supplies	2,000	2,000	975	1,025
Printing	7,000	7,000	208	6,792
Senior drop-in	8,000	8,000	1,056	6,944
Senior lunch program	36,000	36,000	9,740	26,260
Senior services	1,000	1,000	-	1,000
Senior social activities	19,000	19,000	-	19,000
Telephone	8,000	8,000	9,680	(1,680)
Vehicle lease	4,000	4,000	1,200	2,800
Capital outlay:				
Furniture	2,000	2,000	-	2,000
Equipment	2,000	2,000	295	1,705
	<u>\$ 321,000</u>	<u>\$ 321,000</u>	<u>\$ 125,960</u>	<u>\$ 195,040</u>
ASSESSOR:				
Current:				
Salaries	\$ 77,000	\$ 77,000	\$ 56,049	\$ 20,951
Payroll tax and retirement	7,100	7,100	4,726	2,374
Health insurance	500	500	-	500
Maintenance - equipment	2,000	2,000	1,080	920
Travel	1,700	1,700	784	916
Training	2,500	2,500	1,640	860
Postage	600	600	494	106
Dues	1,000	1,000	286	714
Sidewell replacement sheets	400	400	280	120
Office supplies	1,500	1,500	497	1,003
Publications	200	200	-	200
Printing	500	500	24	476
Seminar	900	900	-	900
Miscellaneous	900	900	-	900
Computer	1,200	1,200	381	819
Capital outlay:				
Equipment	2,000	2,000	209	1,791
	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 66,450</u>	<u>\$ 33,550</u>

TOWN OF BREMEN, ILLINOIS
GENERAL ASSISTANCE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property tax	\$ 329,000	\$ 329,000	\$ 314,499	\$ (14,501)
Replacement tax	27,000	27,000	23,493	(3,507)
Miscellaneous	7,100	7,100	1,875	(5,225)
Investment income	<u>23,500</u>	<u>23,500</u>	<u>3,856</u>	<u>(19,644)</u>
Total revenues	<u>386,600</u>	<u>386,600</u>	<u>343,723</u>	<u>(42,877)</u>
EXPENDITURES:				
Current:				
Administration	101,100	101,100	66,947	34,153
Home relief	379,500	379,500	124,427	255,073
Contingency	4,000	4,000	-	4,000
Capital outlay				
Administration	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>486,600</u>	<u>486,600</u>	<u>191,374</u>	<u>295,226</u>
Excess (Deficiency) of revenues over expenditures	(100,000)	(100,000)	152,349	252,349
OTHER FINANCING SOURCES (USES)				
Transfer from Illinois Funds	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	152,349	<u>\$ 152,349</u>
Fund balance - April 1, 2020			<u>1,022,081</u>	
Fund balance - March 31, 2021			<u>\$ 1,174,430</u>	

TOWN OF BREMEN, ILLINOIS
GENERAL ASSISTANCE FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
ADMINISTRATION:				
Current:				
Salaries	\$ 42,000	\$ 42,000	\$ 42,300	\$ (300)
Health insurance	20,000	20,000	11,117	8,883
Payroll tax and retirement	7,500	7,500	3,533	3,967
Insurance	8,000	8,000	6,405	1,595
Accounting and auditing	4,500	4,500	30	4,470
Legal	1,000	1,000	-	1,000
Miscellaneous	3,500	3,500	-	3,500
Postage	1,100	1,100	-	1,100
Telephone	2,000	2,000	1,550	450
Printing and publishing	2,000	2,000	497	1,503
Office supplies	2,500	2,500	-	2,500
Operating supplies	2,500	2,500	-	2,500
Training	500	500	-	500
Travel	1,500	1,500	-	1,500
Management fee	2,000	2,000	1,515	485
Dues and professional organizations	500	500	-	500
Capital outlay				
Equipment	2,000	2,000	-	2,000
	<u>\$ 103,100</u>	<u>\$ 103,100</u>	<u>\$ 66,947</u>	<u>\$ 36,153</u>
HOME RELIEF:				
Current:				
Physicians	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
Hospital in-patient	3,000	3,000	-	3,000
Other medical services	2,500	2,500	-	2,500
Drugs	3,000	3,000	-	3,000
Dental care	1,000	1,000	-	1,000
Funeral and burial	4,000	4,000	-	4,000
Fuel	30,000	30,000	5,739	24,261
Utilities	100,000	100,000	45,062	54,938
Shelter	125,000	125,000	69,248	55,752
Food, household, and personal	5,000	5,000	4,198	802
Wearing apparel	1,500	1,500	-	1,500
Transient expense	4,500	4,500	20	4,480
Travel	2,000	2,000	160	1,840
Bus transportation	1,500	1,500	-	1,500
Emergency assistance	93,500	93,500	-	93,500
Co-payments support	1,000	1,000	-	1,000
	<u>\$ 379,500</u>	<u>\$ 379,500</u>	<u>\$ 124,427</u>	<u>\$ 255,073</u>
CONTINGENCY:				
Current	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>

TOWN OF BREMEN, ILLINOIS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property tax	\$ 484,900	\$ 484,900	\$ 463,207	\$ (21,693)
Replacement tax	25,000	25,000	24,401	(599)
Traffic fines	4,500	4,500	3,982	(518)
Miscellaneous	2,000	2,000	-	(2,000)
Investment income	8,500	8,500	2,453	(6,047)
Total revenues	<u>524,900</u>	<u>524,900</u>	<u>494,043</u>	<u>(30,857)</u>
EXPENDITURES:				
Current:				
Administration	46,000	46,000	29,887	16,113
Maintenance	583,400	583,400	427,014	156,386
Capital outlay:				
Administration	500	500	100	400
Maintenance	<u>95,000</u>	<u>95,000</u>	<u>103,121</u>	<u>(8,121)</u>
Total expenditures	<u>724,900</u>	<u>724,900</u>	<u>560,122</u>	<u>164,778</u>
Excess (Deficiency) of revenues over expenditures	(200,000)	(200,000)	(66,079)	133,921
OTHER FINANCING SOURCES (USES)				
Transfer from Illinois Funds	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(66,079)</u>	<u>\$ (66,079)</u>
Fund balance - April 1, 2020			<u>652,472</u>	
Fund balance - March 31, 2021			<u>\$ 586,393</u>	

TOWN OF BREMEN, ILLINOIS
ROAD AND BRIDGE FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
ADMINISTRATION:				
Current:				
Salaries	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Payroll tax and retirement	500	500	-	500
Accounting and auditing	4,500	4,500	500	4,000
Legal	5,000	5,000	-	5,000
Postage	250	250	4	246
Telephone	4,000	4,000	3,076	924
Printing and publishing	300	300	-	300
General and liability insurance	16,000	16,000	14,888	1,112
Office supplies	400	400	135	265
Miscellaneous	300	300	-	300
Municipal replacement tax	11,500	11,500	9,597	1,903
Travel	500	500	-	500
Training	500	500	25	475
Management fee	1,000	1,000	482	518
Dues	250	250	180	70
Capital outlay				
Equipment	500	500	100	400
	<u>\$ 46,500</u>	<u>\$ 46,500</u>	<u>\$ 29,987</u>	<u>\$ 16,513</u>

TOWN OF BREMEN, ILLINOIS
ROAD AND BRIDGE FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
MAINTENANCE:				
Current:				
Salaries	\$ 185,000	\$ 185,000	\$ 154,144	\$ 30,856
Health insurance	2,000	2,000	-	2,000
Payroll tax and retirement	16,100	16,100	12,939	3,161
Maintenance - vehicles	12,000	12,000	6,170	5,830
Maintenance - equipment	12,000	12,000	200	11,800
Maintenance - roads	308,500	308,500	209,453	99,047
Rentals	2,000	2,000	-	2,000
Lighting of roads	19,000	19,000	18,153	847
Maintenance supplies - equipment	500	500	-	500
Maintenance supplies - building	-	-	47	(47)
Maintenance supplies - salt	12,000	12,000	17,262	(5,262)
Maintenance supplies - vehicles	500	500	89	411
Safety equipment supplies	1,000	1,000	973	27
Automotive fuel and oil	12,000	12,000	7,584	4,416
Uniforms	800	800	-	800
Capital outlay:				
Building	70,000	70,000	85,377	(15,377)
Vehicles	12,500	12,500	10,350	2,150
Equipment	12,500	12,500	7,394	5,106
	<u>\$ 678,400</u>	<u>\$ 678,400</u>	<u>\$ 530,135</u>	<u>\$ 148,265</u>

TOWN OF BREMEN, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED MARCH 31, 2021

Calendar Year Ended December 31,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability						
Service cost	\$ 42,867	\$ 39,248	\$ 43,574	\$ 42,612	\$ 41,179	\$ 37,930
Interest on the total pension liability	150,948	154,145	154,448	160,373	140,401	139,237
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	(166,875)	(77,148)	(12,365)	(29,427)	242,681	(3,533)
Changes in assumptions	(30,249)	-	52,539	(80,930)	-	-
Benefit payments, including refunds of employee contributions	<u>(158,449)</u>	<u>(165,857)</u>	<u>(172,543)</u>	<u>(171,669)</u>	<u>(145,691)</u>	<u>(173,783)</u>
Net change in total pension liability	(161,758)	(49,612)	65,653	(79,041)	278,570	(149)
Total pension liability - beginning	<u>2,139,835</u>	<u>2,189,447</u>	<u>2,123,794</u>	<u>2,202,835</u>	<u>1,924,265</u>	<u>1,924,414</u>
Total pension liability - ending (A)	<u>\$ 1,978,077</u>	<u>\$ 2,139,835</u>	<u>\$ 2,189,447</u>	<u>\$ 2,123,794</u>	<u>\$ 2,202,835</u>	<u>\$ 1,924,265</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 4,218	\$ 3,232	\$ 3,398	\$ 4,060	\$ 3,648	\$ 3,247
Contributions - employee	18,804	15,984	16,994	18,647	16,751	15,880
Net investment income	421,803	514,799	(201,256)	500,689	171,215	13,531
Benefit payments, including refunds of employee contributions	(158,449)	(165,857)	(172,543)	(171,669)	(145,691)	(173,783)
Other (net transfers)	<u>23,006</u>	<u>(74,007)</u>	<u>(2,964)</u>	<u>(78,908)</u>	<u>14,866</u>	<u>(106,686)</u>
Net change in plan fiduciary net position	309,382	294,151	(356,371)	272,819	60,789	(247,811)
Plan fiduciary net position - beginning	<u>2,807,044</u>	<u>2,512,893</u>	<u>2,869,264</u>	<u>2,596,445</u>	<u>2,535,656</u>	<u>2,783,467</u>
Plan fiduciary net position - ending (B)	<u>\$ 3,116,426</u>	<u>\$ 2,807,044</u>	<u>\$ 2,512,893</u>	<u>\$ 2,869,264</u>	<u>\$ 2,596,445</u>	<u>\$ 2,535,656</u>
Net pension (Asset)/Liability - ending (A) - (B)	<u>\$ (1,138,349)</u>	<u>\$ (667,209)</u>	<u>\$ (323,446)</u>	<u>\$ (745,470)</u>	<u>\$ (393,610)</u>	<u>\$ (611,391)</u>
Plan fiduciary net position as a percentage of the total pension liability	157.55%	131.18%	114.77%	135.10%	117.87%	131.77%
Covered valuation payroll	\$ 414,620	\$ 355,200	\$ 377,634	\$ 414,372	\$ 372,240	\$ 352,892
Net pension liability as a percentage of covered valuation payroll	(274.55%)	(187.84%)	(85.65%)	(179.90%)	(105.74%)	(173.25%)

Notes to schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available. The Township implemented GASB Statement No. 68 for the fiscal year ended March 31, 2016. Information prior to calendar year 2015 is not available.

TOWN OF BREMEN, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED MARCH 31, 2021

Calendar Year Ended <u>December 31,</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered Valuation <u>Payroll</u>	Actual Contribution as a % of Covered Valuation <u>Payroll</u>
2015	\$ 3,247	\$ 3,247	\$ -	\$ 352,892	0.92%
2016	3,648	3,648	-	372,240	0.98%
2017	4,061	4,060	1	414,372	0.98%
2018	3,399	3,398	1	377,634	0.90%
2019	3,232	3,232	-	355,200	0.91%
2020	4,188	4,218	(30)	414,620	1.02%

Notes to schedule:

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Valuation date: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal period in which contributions are reported.

Methods and assumptions used to determine 2020 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	23-year closed period
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	<p>Non-disabled retirees: an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.</p> <p>Disabled retirees: an IMRF specific mortality table was used with fully generational projection scale MP-2017 Base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives.</p> <p>Active Members: an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.</p>

Other information:

Notes	There were no benefit changes during the year.
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TOWN OF BREMEN, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2021

NOTE

A. BUDGETS

The budget is prepared on the modified cash basis of accounting which is the same basis used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with the Illinois Revised Statutes.

A proposed budget is prepared annually and made available for public inspection at least thirty days prior to a public hearing and formal adoption. The Township may make transfers among the various items in any fund not exceeding, in the aggregate, ten percent of the total budget for a particular fund. The budget may be amended in other ways by the same procedures required for its original adoption.

The budget lapses at the end of each fiscal year. The Township does not utilize an encumbrance system.

B. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

None of the three funds had an excess of actual expenditures over budget for the fiscal year ended March 31, 2021.

STATISTICAL
SECTION

TOWN OF BREMEN, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES,
TAX EXTENSIONS, AND TAX COLLECTIONS
MARCH 31, 2021

	Tax Levy Year <u>2020</u>
EQUALIZED ASSESSED VALUATIONS	\$ <u>1,640,287,556</u>
TAX RATES:	
General Fund	0.0786
Road and Bridge Fund	0.0514
General Assistance Fund	<u>0.0179</u>
	<u>0.1479</u>
TAX EXTENSIONS:	
General Fund	\$ 1,493,422
Road and Bridge Fund	503,401
General Assistance Fund	<u>340,273</u>
	<u>\$ 2,337,096</u>
COLLECTIONS:	
General Fund	\$ 603,734
Road and Bridge Fund	203,622
General Assistance Fund	<u>137,212</u>
	<u>\$ 944,568</u>
PERCENTAGE OF EXTENSIONS COLLECTED	<u>40.42%</u>