

TOWN OF BREMEN, ILLINOIS

ANNUAL FINANCIAL REPORT

MARCH 31, 2023

TOWN OF BREMEN, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

MARCH 31, 2023

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

TOWN OF BREMEN, ILLINOIS
MARCH 31, 2023

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William R. Healy, CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS
9501 WEST 144TH PLACE, SUITE 202
ORLAND PARK, ILLINOIS 60462

(708) 349-1700

FAX (708) 349-1703

INDEPENDENT AUDITORS' REPORT

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

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the Township'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 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, 2023, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, 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 Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

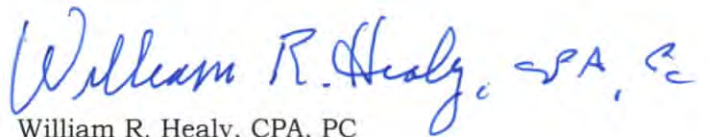
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 32-39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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

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

A handwritten signature in blue ink that reads "William R. Healy, CPA, PC". The signature is written in a cursive, flowing style.

William R. Healy, CPA, PC
Certified Public Accountants

Orland Park, Illinois
November 2, 2023

TOWN OF BREMEN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2023

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, 2023. 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 10 and 11 of this report.

FUND FINANCIAL STATEMENTS

The Township's fund financial statements, which begin on page 12, 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, 2023

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, 2023, 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 32 through 39 to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12 through 15 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 16 of this report.

OTHER INFORMATION

Required supplementary information and additional statistical information can be found on pages 32 through 42 of this report.

TOWN OF BREMEN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2023

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):

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Current assets	\$ 8.58	\$ 7.65
Capital assets	1.76	1.82
Net pension asset	<u>0.77</u>	<u>1.49</u>
Total assets	<u>\$ 11.11</u>	<u>\$ 10.96</u>
Deferred outflow of resources	<u>\$ 0.64</u>	<u>\$ 0.11</u>
Current liabilities	\$ 0.10	\$ 0.12
Non current liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 0.10</u>	<u>\$ 0.12</u>
Deferred inflow of resources	<u>\$ 1.68</u>	<u>\$ 1.77</u>
Investment in capital assets, net of related debt	\$ 1.76	\$ 1.82
Restricted	0.77	1.49
Unrestricted	<u>7.44</u>	<u>5.87</u>
Total net position	<u>\$ 9.97</u>	<u>\$ 9.18</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 \$9.97 million as of March 31, 2023. 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 \$0.77 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 \$7.44 million. Overall, total net position at the end of fiscal year 2023 increased primarily due to the increases in revenue.

CAPITAL ASSETS

The Township investment in capital assets as of March 31, 2023 amounts to \$1,758,817 (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 roof, signs, furnace, gate and dump truck.

DEBT

The Township currently has no debt obligations.

TOWN OF BREMEN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2023

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

	Government Activities	
	<u>2023</u>	<u>2022</u>
REVENUES:		
Program revenues:		
Charges for services	\$ 0.07	\$ 0.07
General revenues:		
Property taxes	2.24	2.22
Replacement taxes	0.31	0.20
Motor fuel taxes	-	0.14
Investment income	0.12	-
Other	<u>0.05</u>	<u>0.02</u>
Total revenues	\$ 2.79	\$ 2.65
EXPENSES:		
Administration	\$ 1.00	\$ 0.73
Senior transportation	0.36	0.28
Assessor	0.09	0.04
Maintenance	0.34	0.55
Home relief	<u>0.21</u>	<u>0.14</u>
Total expenses	\$ 2.00	\$ 1.74
Changes in net position	0.79	0.91
Net position, April 1,	<u>9.18</u>	<u>8.27</u>
Net position, March 31,	<u>\$ 9.97</u>	<u>\$ 9.18</u>

For the year ended March 31, 2023, revenues from governmental activities totaled \$2.79 million. Revenues from the Township's largest sources, property taxes, amounted to \$2.24 million. The other general revenue classification includes revenue from replacement taxes, investment income, and sale of equipment.

GOVERNMENTAL-TYPE ACTIVITIES

For the current year, real estate tax was \$2.24 million compared to \$2.22 million for the fiscal year 2022. Replacement tax was increased to \$0.31 million for fiscal year 2023, from \$0.20 for fiscal year 2022. The other tax revenues for the fiscal year 2023 were decreased from the prior year due to receiving a payout from the motor fuel tax fund during fiscal year 2022.

The General Fund actual revenues were \$189,568 less than the final budget, while the Road and Bridge Fund and General Assistance fund actual revenues were \$71,385 and \$44,232 higher than the final budget, respectfully. Actual expenditures for the General Fund, General Assistance Fund, and Road and Bridge Fund were \$1,151,764, \$315,627 and \$174,624 less than the final budget, respectfully.

TOWN OF BREMEN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2023

taxes. The General Fund budget also included aggressive estimates for grant proceeds, which were not realized, and revenue from senior programs, which have not yet fully recovered since the COVID-19 pandemic. The excess of revenues in the General assistance Fund and the Road and Bridge Fund are due to excess replacement taxes, and proceeds from the sale of equipment in the Road and Bridge Fund in the current year. Expenditures were significantly less than budgeted in the General Fund due to lower than expected legal, building maintenance and improvements, vehicle capital outlay, youth services, contingencies 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, road maintenance, and equipment expenses. These areas accounted for approximately 69.5% 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 39.6%.

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 \$6,345,487 which are increased from the prior year.

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

	<u>2023</u>	<u>2022</u>
COMBINED FUND BALANCE, APRIL 1,	\$ 6.35	\$ 5.72
Revenues:		
Property taxes	2.24	2.22
Replacement taxes	0.31	0.20
Motor fuel taxes	-	0.14
Charges for services	0.07	0.07
Other	0.06	0.03
Investment income	<u>0.12</u>	<u>-</u>
Total revenues	\$ 2.80	\$ 2.66
Expenses:		
Administration	\$ 0.96	\$ 0.87
Senior transportation	0.33	0.26
Assessor	0.09	0.07
Maintenance	0.30	0.60
Home relief	0.21	0.14
Capital outlay	<u>0.09</u>	<u>0.09</u>
Total expenditures	\$ 1.98	\$ 2.03
Change in fund balance	<u>0.82</u>	<u>0.63</u>
COMBINED FUND BALANCE, MARCH 31,	<u>\$ 7.17</u>	<u>\$ 6.35</u>

The General Fund represents the only unassigned balance of \$4,831,277. The remainder of the fund balance is allocated to one of the following categories of fund balance:

Nonspendable:	
Prepaid items	\$ 6,913
Assigned:	
General Assistance	1,506,391
Road and Bridge Maintenance	824,738

TOWN OF BREMEN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2023

THE FUTURE OF THE TOWNSHIP

Ninety-one percent of the Township's revenue is from property and replacement. In 2020, the world 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 negatively impacted the residents ability to meet tax obligations for the past couple years. Due to current economic conditions, it is anticipated that revenues from property taxes will either remain constant or increase slightly next year as the effects of the pandemic lessen. 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, 2023 the Township had cash and investments on hand to fund thirty-nine months of the next four 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 2024.

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, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS:

Current assets:

Cash and cash equivalents	\$ 2,213,570
Investments	4,339,859
Property taxes receivable	1,986,618
Accrued interest receivable	30,036
Prepaid expenses	<u>6,913</u>
Total current assets	8,576,996

Noncurrent assets:

Capital assets:

Not being depreciated	\$ 197,651
Other capital assets, net of accumulated depreciation	1,561,166
Net pension asset	<u>770,341</u>
Total noncurrent assets	<u>2,529,158</u>
TOTAL ASSETS	<u>\$ 11,106,154</u>

DEFERRED OUTFLOW OF RESOURCES:

Deferred amount on pensions	<u>\$ 644,757</u>
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 644,757</u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

LIABILITIES:

Current liabilities:

Accounts payable	\$ 43,951
Accrued wages	30,372
Due to other governments	<u>32,397</u>
Total current liabilities	<u>106,720</u>
TOTAL LIABILITIES	<u>\$ 106,720</u>

DEFERRED INFLOW OF RESOURCES:

Unearned revenue - 2022 property tax	\$ 1,320,070
Deferred amount on pensions	<u>359,798</u>
TOTAL DEFERRED INFLOW OF RESOURCES	<u>\$ 1,679,868</u>

NET POSITION:

Net investment in capital assets	\$ 1,758,817
Restricted for pensions	770,341
Unrestricted	<u>7,435,165</u>
TOTAL NET POSITION	<u>\$ 9,964,323</u>

TOWN OF BREMEN, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2023

Functions/Programs	Expenditures	Program Revenues		Net (Expenditures) Revenue and Changes in Net Position
		Charges for Services	Operating Grant and Contributions	Total Governmental Activities
GOVERNMENTAL ACTIVITIES:				
Administration	\$ 1,013,004	\$ 70,624	\$ -	\$ 942,380
Senior transportation	357,780	-	-	357,780
Assessor	87,944	-	-	87,944
Maintenance	335,605	-	-	335,605
Home relief	211,589	-	-	211,589
Interest expense	<u>1,533</u>	<u>-</u>	<u>-</u>	<u>1,533</u>
Total governmental activities	<u>\$ 2,007,455</u>	<u>\$ 70,624</u>	<u>\$ -</u>	<u>\$ 1,936,831</u>
GENERAL REVENUES:				
Property taxes				\$ 2,241,401
Replacement taxes				308,953
Investment income (loss)				120,455
Miscellaneous income				<u>12,676</u>
Total general revenues				<u>2,683,485</u>
SPECIAL ITEMS:				
Sale of equipment				<u>35,576</u>
Change in net position				782,230
NET POSITION				
April 1, 2022				<u>9,182,093</u>
March 31, 2023				<u>\$ 9,964,323</u>

TOWN OF BREMEN, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2023

	General Fund	General Assistance Fund	Road and Bridge Fund	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 1,385,217	\$ 305,642	\$ 522,711	\$ 2,213,570
Investments	3,306,038	876,162	157,659	4,339,859
Property tax receivable	1,275,103	297,523	413,992	1,986,618
Accrued interest receivable	21,638	7,407	991	30,036
Prepaid expenses	4,221	-	2,692	6,913
Due from other funds	<u>-</u>	<u>219,091</u>	<u>41,069</u>	<u>260,160</u>
 TOTAL ASSETS	 <u>\$ 5,992,217</u>	 <u>\$ 1,705,825</u>	 <u>\$ 1,139,114</u>	 <u>\$ 8,837,156</u>
LIABILITIES:				
Accounts payable	\$ 23,629	\$ 179	\$ 1,030	\$ 24,838
Accrued wages	24,580	1,272	4,520	30,372
Due to other funds	260,004	-	156	260,160
Due to other governments	<u>-</u>	<u>-</u>	<u>32,397</u>	<u>32,397</u>
 TOTAL LIABILITIES	 308,213	 1,451	 38,103	 347,767
DEFERRED INFLOW OF RESOURCES:				
Deferred 2022 property taxes	<u>848,506</u>	<u>197,983</u>	<u>273,581</u>	<u>1,320,070</u>
 TOTAL DEFERRED INFLOW OF RESOURCES	 848,506	 197,983	 273,581	 1,320,070
FUND BALANCES:				
Nonspendable	4,221	-	2,692	6,913
Assigned	-	1,506,391	824,738	2,331,129
Unassigned	<u>4,831,277</u>	<u>-</u>	<u>-</u>	<u>4,831,277</u>
 TOTAL FUND BALANCES	 <u>4,835,498</u>	 <u>1,506,391</u>	 <u>827,430</u>	 <u>7,169,319</u>
 TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES	 <u>\$ 5,992,217</u>	 <u>\$ 1,705,825</u>	 <u>\$ 1,139,114</u>	 <u>\$ 8,837,156</u>

TOWN OF BREMEN, ILLINOIS
RECONCILIATION OF TOTAL FUND BALANCE OF GOVERNMENTAL
FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES
MARCH 31, 2023

Total fund balance of governmental funds (Page 12) \$ 7,169,319

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	
Being depreciated:			
Building		1,332,068	
Building improvements		828,069	
Equipment		<u>803,736</u>	
		3,161,524	
Less: accumulated depreciation		<u>(1,402,707)</u>	
			1,758,817

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	1,055,300
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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:

Vehicle - installment purchase	<u>(19,113)</u>
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Net position of governmental activities (Page 10)	<u>\$ 9,964,323</u>
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TOWN OF BREMEN, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2023

	General Fund	General Assistance Fund	Road and Bridge Fund	Total Governmental Funds
REVENUES:				
Property tax	\$ 1,437,174	\$ 339,770	\$ 464,457	\$ 2,241,401
Replacement tax	147,278	79,304	82,371	308,953
Pace receipts	4,438	-	-	4,438
Senior programs	60,893	-	-	60,893
Traffic fines	-	-	1,093	1,093
Miscellaneous	9,160	1,200	2,316	12,676
Rental income	4,200	-	-	4,200
Sale of equipment	-	-	50,000	50,000
Investment income (loss)	84,289	24,518	11,648	120,455
Total revenues	<u>1,747,432</u>	<u>444,792</u>	<u>611,885</u>	<u>2,804,109</u>
EXPENDITURES:				
Current:				
Administration	836,339	58,202	61,985	956,526
Senior transportation	334,276	-	-	334,276
Assessor	85,819	-	-	85,819
Maintenance	-	-	302,538	302,538
Home relief	-	211,589	-	211,589
Capital outlay:				
Administration	76,701	377	-	77,078
Senior transportation	1,985	-	-	1,985
Assessor	116	-	-	116
Maintenance	-	-	10,350	10,350
Total expenditures	<u>1,335,236</u>	<u>270,168</u>	<u>374,873</u>	<u>1,980,277</u>
Change in fund balances	412,196	174,624	237,012	823,832
Fund balances - April 1, 2021	<u>4,423,302</u>	<u>1,331,767</u>	<u>590,418</u>	<u>6,345,487</u>
Fund balances - March 31, 2022	<u>\$ 4,835,498</u>	<u>\$ 1,506,391</u>	<u>\$ 827,430</u>	<u>\$ 7,169,319</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, 2023

Net change in fund balances - governmental funds (Page 14) \$ 823,832

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	\$	60,500	
Equipment		5,750	
Vehicles		8,816	
Equipment disposals - net		(14,424)	
Depreciation expense		<u>(92,528)</u>	
			(31,886)

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		<u>(9,716)</u>	
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Change in net position of governmental activities (Page 11) \$ 782,230

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

NOTE

2. CASH AND INVESTMENTS

As of March 31, 2023, the Township has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	Less than <u>one year</u>	<u>1-5 Years</u>
Illinois Funds	\$ 537,047	\$ 537,047	\$ -
Certificates of Deposit			
Negotiable	700,353	700,353	-
U.S. Agency Securities	2,188,210	2,188,210	-
U.S. Treasuries	<u>1,451,296</u>	<u>1,451,296</u>	<u>-</u>
	<u>\$ 4,876,906</u>	<u>\$ 4,876,906</u>	<u>\$ -</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>	Standard & <u>Poor's</u>
U.S. Agency Securities	Aaa	AA+
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, 2023, the Township's investments are measured using the market valuation method and the following valuation inputs:

	March 31, <u>2023</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	\$ 700,353	\$ 700,353	\$ -	\$ -
U.S. Agency Securities	2,188,210	2,188,210	-	-
U.S. Treasuries	<u>1,451,296</u>	<u>1,451,296</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,339,859</u>	<u>\$ 4,339,859</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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, 2023, the Township's bank balances were \$795,289 of which \$250,000 was covered by the FDIC. Securities in the amount of \$2,097,623 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 2022 attach an enforceable lien on January 1, 2022 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, 2023 and August 1, 2023, and are payable in two installments, on or about March 1, 2023 and September 1, 2023. The 2022 levy is intended to partially fund expenditures for the fiscal year 2023 to the extent of collections through March 31, 2023 and 60 days subsequent to that date. The remainder of the 2022 levy is deferred as of March 31, 2023.

The 2023 tax levy, which attached as an enforceable lien on property as of January 1, 2023, has not been recorded as a receivable as of March 31, 2023, as the tax has not yet been levied by the Township and will not be levied until December, 2023 and therefore, the levy is not measurable at March 31, 2023.

4. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2023 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	788,310	39,760	-	828,070
Equipment and vehicles	871,993	5,750	74,008	803,735
	3,190,022	45,510	74,008	3,161,524
Less: accumulated depreciation	(1,369,763)	(92,528)	(59,584)	(1,402,707)
Total governmental activities	<u>\$ 1,820,259</u>	<u>\$ (47,018)</u>	<u>\$ 14,424</u>	<u>\$ 1,758,817</u>

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

Administration	\$ 39,834
Assessor	1,139
Senior transportation	21,518
Maintenance	30,037
Total depreciation expense	<u>\$ 92,528</u>

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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 2023 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. FUND BALANCES

At March 31, 2023, 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	\$ 4,221	\$ -	\$ 2,692	\$ 6,913
Total nonspendable	4,221	-	2,692	6,913
<u>Assigned:</u>				
General assistance	-	1,506,391	-	1,506,391
Road & bridge maintenance	-	-	824,738	824,738
Total assigned	-	1,506,391	824,738	2,331,129
<u>Unassigned</u>	4,831,277	-	-	4,831,277
Total fund balances	<u>\$ 4,835,498</u>	<u>\$ 1,506,391</u>	<u>\$ 827,430</u>	<u>\$ 7,169,319</u>

7. 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, 2023. Grant expenditures as of March 31, 2022 totaled \$50,219.

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, 2023.

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE

8. MOTOR FUEL TAX

The Illinois Motor Fuel Tax (MFT) Fund is derived from a tax on the privilege of operating motor vehicles upon public highways and operating recreational watercraft upon the waters of Illinois. The tax is based on the consumption (purchase) of motor fuel.

The Illinois Department of Transportation allocates these monies according to the provisions outlined in the MFT fund distribution statute, 35 ILCS 505/8 and initiates the process for distribution of motor fuel tax to the counties, townships, and municipalities.

Each month a warrant is issued to each county treasurer in the amount of the county road district/township's share of Motor Fuel Tax Fund collected for the preceding month. The funds allotted to the Township's Road and Bridge Fund are held by the Cook County Department of Transportation. The Township must request a payout of funds to be used for projects that must meet certain criteria.

MFT funds can be used to construct and maintain roads, traffic controls, street lighting, storm sewers, sidewalks and other pedestrian paths, off-street parking facilities and more.

The Township recognizes revenue when they receive payout of the funds from Cook County.

The Township did not receive any payouts from MFT funds in the current year.

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 \$218,934 and \$41,069, respectively, as of March 31, 2023.
2. The Road and Bridge Fund owes inter-fund payables to the General Assistance Fund in the amounts of \$157 as of March 31, 2023.
3. There are no deficit fund balances at March 31, 2023.

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, 2023, 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, 2023

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, 2023

NOTE

11. PENSION PLAN (Continued)

EMPLOYEES COVERED BY BENEFIT TERMS

At December 31, 2022, the measurement date, the membership of the plan was as follows:

Number of:

Retirees and Beneficiaries	19
Inactive, Non-Retired Members	1
Active Members	10
Total	<u>30</u>

Covered Valuation Payroll	<u>\$ 474,194</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 2022 was 1.12% of annual covered payroll. For the fiscal year ended March 31, 2023, the Township contributed \$5,311 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, 2022. 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, 2022:

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, 2023

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, 2021 are as follows:

<u>Asset Class</u>	<u>Portfolio Target Projection</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.5%	6.50%
International Equity	18.0%	7.60%
Fixed Income	25.5%	4.90%
Real Estate	10.5%	6.20%
Alternative Investments	9.5%	6.25 - 9.90%
Cash Equivalents	1.0%	4.00%
Total	100%	

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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 4.05%, and the resulting single discount rate is 7.25%. The year ended December 31, 2121 is the last year in the 2022-2121 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, 2022 are as follows:

	Increase/(Decrease)		
	Total	Plan	Net Pension
	Pension	Fiduciary	Liability/
	Liability	Net Position	(Asset)
	(A)	(B)	(A-B)
Balance at December 31, 2021	\$ 2,069,593	\$ 3,560,256	\$(1,490,663)
Changes for the year:			
Service cost	44,285	-	44,285
Interest on total pension liability	146,099	-	146,099
Changes in benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	82,155	-	82,155
Changes in assumptions	-	-	-
Contributions - Township	-	5,311	(5,311)
Contributions - Employees	-	21,339	(21,339)
Net investment income	-	(502,032)	502,032
Benefit payments, including refunds of employee contributions	(153,145)	(153,145)	-
Other (net transfer)	-	27,599	(27,599)
Net changes	119,394	(600,928)	720,322
Balance at December 31, 2022	\$ 2,188,987	\$ 2,959,328	\$ (770,341)

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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.

	1% Decrease	Current Single Discount Rate	1% Increase
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 2,403,015	\$ 2,188,987	\$ 2,007,505
Plan Fiduciary Net Position	<u>2,959,328</u>	<u>2,959,328</u>	<u>2,959,328</u>
Net Pension Liability/(Asset)	<u>\$ (556,313)</u>	<u>\$ (770,341)</u>	<u>\$ (951,823)</u>

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

For the year ended March 31, 2023, the Township recognized pension expense of \$15,0276. The Township reports deferred outflow and inflow of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ 37,917	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	605,253	(359,799)
Contributions subsequent to the measurement date	<u>1,586</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 644,756</u>	<u>\$ (359,799)</u>

TOWN OF BREMEN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows of Resource</u>
2023	\$ 10,644
2024	39,264
2025	83,735
2026	151,314
2027	-
	<u>\$ 284,957</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, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property tax	\$ 1,628,000	\$ 1,628,000	\$ 1,437,174	\$ (190,826)
Replacement tax	40,000	40,000	147,278	107,278
Grants	50,000	50,000	-	(50,000)
Pace receipts	20,000	20,000	4,438	(15,562)
Senior programs	100,000	100,000	60,893	(39,107)
Miscellaneous	10,000	10,000	9,160	(840)
Rental income	9,000	9,000	4,200	(4,800)
Investment income	80,000	80,000	84,289	4,289
Total revenues	<u>1,937,000</u>	<u>1,937,000</u>	<u>1,747,432</u>	<u>(189,568)</u>
EXPENDITURES:				
Current:				
Administration	1,419,000	1,421,200	836,339	584,861
Senior transportation	349,000	368,000	334,276	33,724
Assessor	119,000	119,000	85,819	33,181
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
Administration	596,000	574,800	76,701	498,099
Senior transportation	3,000	3,000	1,985	1,015
Assessor	1,000	1,000	116	884
Total expenditures	<u>2,487,000</u>	<u>2,487,000</u>	<u>1,335,236</u>	<u>1,151,764</u>
Excess of revenue over expenditures	(550,000)	(550,000)	412,196	962,196
OTHER FINANCING SOURCES (USES):				
Transfer from Illinois Funds	<u>550,000</u>	<u>550,000</u>	-	(550,000)
	<u>550,000</u>	<u>550,000</u>	-	(550,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	412,196	<u>\$ 412,196</u>
Fund balance - April 1, 2022			<u>4,423,302</u>	
Fund balance - March 31, 2023			<u>\$4,835,498</u>	

TOWN OF BREMEN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
ADMINISTRATION:				
Current:				
Salaries	\$ 500,000	\$ 500,000	\$ 505,364	\$ (5,364)
Health insurance	110,000	110,000	65,913	44,087
Payroll tax and retirement	55,000	57,000	39,602	17,398
Unemployment compensation insurance	15,000	15,000	3,314	11,686
Insurance - workman's compensation	5,000	5,000	-	5,000
Maintenance - building	200,000	175,000	44,905	130,095
Maintenance - equipment	10,000	10,000	7,948	2,052
Accounting and auditing	40,000	40,000	25,769	14,231
Legal	65,000	65,000	7,440	57,560
Postage	5,000	5,000	850	4,150
Telephone	10,000	10,000	13,259	(3,259)
Printing and publishing	58,000	56,000	19,517	36,483
Youth services	100,000	99,000	562	98,438
Dues - professional organizations	6,000	6,000	2,502	3,498
Travel, meetings, and seminars	8,000	8,000	3,651	4,349
Data processing services	10,000	10,000	-	10,000
Utilities	35,000	37,000	38,388	(1,388)
General and liability insurance	30,000	30,000	16,669	13,331
Office supplies	10,000	11,000	6,073	4,927
Operating supplies	10,000	11,200	12,274	(1,074)
Miscellaneous	2,000	2,000	1,141	859
Disabled services	40,000	40,000	13,000	27,000
Management fee	20,000	20,000	8,198	11,802
Contingencies	-	25,000	-	25,000
Community outreach and special event	75,000	74,000	-	74,000
Capital outlay:				
Building improvements	500,000	482,000	76,209	405,791
Vehicles	80,000	78,000	-	78,000
Equipment	16,000	14,800	492	14,308
	<u>\$2,015,000</u>	<u>\$ 1,996,000</u>	<u>\$ 913,040</u>	<u>\$ 1,082,960</u>

TOWN OF BREMEN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SENIOR TRANSPORTATION:				
Current:				
Salaries	\$ 175,000	\$ 193,000	\$ 204,351	\$ (11,351)
Payroll tax	14,000	15,000	15,818	(818)
Auto insurance	6,500	6,500	7,641	(1,141)
Auto maintenance	16,000	17,000	27,537	(10,537)
Fuel	50,000	46,800	30,486	16,314
Miscellaneous	1,000	1,000	974	26
Operating supplies	5,000	8,200	5,258	2,942
Office supplies	5,000	5,000	2,494	2,506
Printing	3,500	3,500	75	3,425
Senior drop-in	10,000	9,000	-	9,000
Senior lunch program	25,000	25,000	18,392	6,608
Senior services	1,000	1,000	484	516
Senior social activities	19,000	19,000	10,630	8,370
Telephone	15,000	15,000	7,736	7,264
Vehicle lease	3,000	3,000	2,400	600
Capital outlay:				
Furniture	2,000	2,000	-	2,000
Equipment	1,000	1,000	1,985	(985)
	<u>\$ 352,000</u>	<u>\$ 371,000</u>	<u>\$ 336,261</u>	<u>\$ 34,739</u>
ASSESSOR:				
Current:				
Salaries	\$ 95,000	\$ 95,000	\$ 73,738	\$ 21,262
Payroll tax and retirement	8,000	8,000	6,155	1,845
Health insurance	1,000	1,000	-	1,000
Maintenance - equipment	2,000	2,000	1,372	628
Travel	1,700	1,700	331	1,369
Training	1,100	1,100	1,041	59
Postage	600	600	463	137
Dues	1,500	1,500	690	810
Sidewell replacement sheets	600	600	255	345
Office supplies	2,500	2,500	817	1,683
Publications	1,000	1,000	266	734
Printing	1,000	1,000	359	641
Seminar	500	500	-	500
Miscellaneous	500	500	-	500
Computer	2,000	2,000	332	1,668
Capital outlay:				
Equipment	1,000	1,000	116	884
	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 85,935</u>	<u>\$ 34,065</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, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property tax	\$ 344,460	\$ 344,460	\$ 339,770	\$ (4,690)
Replacement tax	30,000	30,000	79,304	49,304
Miscellaneous	3,600	3,600	1,200	(2,400)
Investment income	<u>22,500</u>	<u>22,500</u>	<u>24,518</u>	<u>2,018</u>
Total revenues	<u>400,560</u>	<u>400,560</u>	<u>444,792</u>	<u>44,232</u>
EXPENDITURES:				
Current:				
Administration	95,500	95,500	58,202	37,298
Home relief	438,060	438,060	211,589	226,471
Contingency	6,500	6,500	-	6,500
Capital outlay				
Administration	<u>10,500</u>	<u>10,500</u>	<u>377</u>	<u>10,123</u>
Total expenditures	<u>550,560</u>	<u>550,560</u>	<u>270,168</u>	<u>280,392</u>
Excess (Deficiency) of revenues over expenditures	(150,000)	(150,000)	174,624	324,624
OTHER FINANCING SOURCES (USES)				
Transfer from Illinois Funds	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>174,624</u>	<u>\$ 174,624</u>
Fund balance - April 1, 2022			<u>1,331,767</u>	
Fund balance - March 31, 2023			<u>\$ 1,506,391</u>	

TOWN OF BREMEN, ILLINOIS
GENERAL ASSISTANCE FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
ADMINISTRATION:				
Current:				
Salaries	\$ 47,000	\$ 47,000	\$ 46,705	\$ 295
Health insurance	20,000	20,000	-	20,000
Payroll tax and retirement	6,500	6,500	4,002	2,498
Insurance	7,500	7,500	-	7,500
Accounting and auditing	4,500	4,500	4,404	96
Legal	500	500	-	500
Miscellaneous	500	500	55	445
Postage	500	500	-	500
Telephone	2,000	2,000	-	2,000
Printing and publishing	1,000	1,000	492	508
Office supplies	500	500	94	406
Operating supplies	500	500	-	500
Training	1,000	1,000	66	934
Travel	500	500	334	166
Management fee	2,500	2,500	1,950	550
Dues and professional organizations	500	500	100	400
Capital outlay				
Equipment	10,500	10,500	377	10,123
	<u>\$ 106,000</u>	<u>\$ 106,000</u>	<u>\$ 58,579</u>	<u>\$ 47,421</u>
HOME RELIEF:				
Current:				
Physicians	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Hospital in-patient	1,000	1,000	-	1,000
Other medical services	1,000	1,000	-	1,000
Drugs	1,000	1,000	-	1,000
Dental care	1,000	1,000	-	1,000
Funeral and burial	4,000	4,000	-	4,000
Fuel	40,000	38,000	16,758	21,242
Utilities	100,000	100,000	67,070	32,930
Shelter	125,000	125,000	115,418	9,582
Food, household, and personal	10,000	10,000	9,443	557
Wearing apparel	1,500	1,500	-	1,500
Transient expense	1,060	3,060	2,850	210
Travel	1,000	1,000	50	950
Emergency assistance	150,000	150,000	-	150,000
Co-payments support	500	500	-	500
	<u>\$ 438,060</u>	<u>\$ 438,060</u>	<u>\$ 211,589</u>	<u>\$ 226,471</u>
CONTINGENCY:				
Current	<u>\$ 6,500</u>	<u>\$ 6,500</u>	<u>\$ -</u>	<u>\$ 6,500</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, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property tax	\$ 500,000	\$ 500,000	\$ 464,457	\$ (35,543)
Replacement tax	25,000	25,000	82,371	57,371
Traffic fines	3,500	3,500	1,093	(2,407)
Miscellaneous	7,000	7,000	2,316	(4,684)
Sale of equipment	-	-	50,000	50,000
Investment income	5,000	5,000	11,648	6,648
Total revenues	<u>540,500</u>	<u>540,500</u>	<u>611,885</u>	<u>71,385</u>
EXPENDITURES:				
Current:				
Administration	67,450	67,450	61,985	5,465
Maintenance	586,550	586,550	302,538	284,012
Capital outlay:				
Administration	500	500	-	500
Maintenance	36,000	36,000	10,350	25,650
Total expenditures	<u>690,500</u>	<u>690,500</u>	<u>374,873</u>	<u>315,627</u>
Excess (Deficiency) of revenues over expenditures	(150,000)	(150,000)	237,012	387,012
OTHER FINANCING SOURCES (USES)				
Transfer from Illinois Funds	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	237,012	<u>\$ 237,012</u>
Fund balance - April 1, 2022			<u>590,418</u>	
Fund balance - March 31, 2023			<u>\$ 827,430</u>	

TOWN OF BREMEN, ILLINOIS
ROAD AND BRIDGE FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
ADMINISTRATION:				
Current:				
Salaries	\$ 1,000	\$ 1,000	\$ 4,000	\$ (3,000)
Payroll tax and retirement	500	500	-	500
Accounting and auditing	4,500	4,500	4,297	203
Legal	15,000	15,000	1,590	13,410
Postage	500	500	-	500
Telephone	3,800	3,600	1,448	2,152
Printing and publishing	300	300	162	138
General and liability insurance	17,000	17,000	15,968	1,032
Office supplies	400	600	351	249
Miscellaneous	200	200	-	200
Municipal replacement tax	22,000	22,000	33,373	(11,373)
Travel	500	500	-	500
Training	500	500	98	402
Management fee	1,000	1,000	623	377
Dues	250	250	75	175
Capital outlay				
Equipment	500	500	-	500
	<u>\$ 67,950</u>	<u>\$ 67,950</u>	<u>\$ 61,985</u>	<u>\$ 5,965</u>

TOWN OF BREMEN, ILLINOIS
ROAD AND BRIDGE FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
MAINTENANCE:				
Current:				
Salaries	\$ 204,000	\$ 204,000	\$ 186,159	\$ 17,841
Health insurance	2,000	2,000	-	2,000
Payroll tax and retirement	16,100	16,100	16,761	(661)
Maintenance - vehicles	20,000	20,000	3,635	16,365
Maintenance - equipment	3,000	3,000	1,840	1,160
Maintenance - roads	284,550	284,550	64,229	220,321
Rentals	2,000	2,000	-	2,000
Lighting of roads	19,000	19,000	9,726	9,274
Maintenance supplies - equipment	500	500	211	289
Maintenance supplies - building	5,000	5,000	3,237	1,763
Maintenance supplies - salt	16,000	16,000	4,743	11,257
Maintenance supplies - vehicles	500	500	145	355
Safety equipment supplies	1,100	1,100	525	575
Automotive fuel and oil	12,000	12,000	10,839	1,161
Uniforms	800	800	488	312
Capital outlay:				
Building	500	500	-	500
Vehicles	12,000	12,000	10,350	1,650
Equipment	23,500	23,500	-	23,500
	<u>\$ 622,550</u>	<u>\$ 622,550</u>	<u>\$ 312,888</u>	<u>\$ 309,662</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, 2023

Calendar Year Ended December 31,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability								
Service cost	\$ 44,285	\$ 39,828	\$ 42,867	\$ 39,248	\$ 43,574	\$ 42,612	\$ 41,179	\$ 37,930
Interest on the total pension liability	146,099	139,259	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	82,155	66,793	(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	(153,145)	(154,364)	(158,449)	(165,857)	(172,543)	(171,669)	(145,691)	(173,783)
Net change in total pension liability	119,394	91,516	(161,758)	(49,612)	65,653	(79,041)	278,570	(149)
Total pension liability - beginning	2,069,593	1,978,077	2,139,835	2,189,447	2,123,794	2,202,835	1,924,265	1,924,414
Total pension liability - ending (A)	<u>\$ 2,188,987</u>	<u>\$ 2,069,593</u>	<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	\$ 5,311	\$ 4,783	\$ 4,218	\$ 3,232	\$ 3,398	\$ 4,060	\$ 3,648	\$ 3,247
Contributions - employee	21,339	18,702	18,804	15,984	16,994	18,647	16,751	15,880
Net investment income	(502,032)	559,629	421,803	514,799	(201,256)	500,689	171,215	13,531
Benefit payments, including refunds of employee contributions	(153,145)	(154,364)	(158,449)	(165,857)	(172,543)	(171,669)	(145,691)	(173,783)
Other (net transfers)	27,599	15,080	23,006	(74,007)	(2,964)	(78,908)	14,866	(106,686)
Net change in plan fiduciary net position	(600,928)	443,830	309,382	294,151	(356,371)	272,819	60,789	(247,811)
Plan fiduciary net position - beginning	3,560,256	3,116,426	2,807,044	2,512,893	2,869,264	2,596,445	2,535,656	2,783,467
Plan fiduciary net position - ending (B)	<u>\$ 2,959,328</u>	<u>\$ 3,560,256</u>	<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>\$ (770,341)</u>	<u>\$ (1,490,663)</u>	<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	135.19%	172.03%	157.55%	131.18%	114.77%	135.10%	117.87%	131.77%
Covered valuation payroll	\$ 474,194	\$ 417,915	\$ 414,620	\$ 355,200	\$ 377,634	\$ 414,372	\$ 372,240	\$ 352,892
Net pension liability as a percentage of covered valuation payroll	(162.45%)	(356.69%)	(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, 2023

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%
2021	4,806	4,783	23	417,915	1.14%
2022	5,311	5,311	-	474,194	1.12%

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 2021 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	21-year closed period
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%, 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 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	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. 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 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

Other information:

Notes

There were no benefit changes during the year.

TOWN OF BREMEN, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2023

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, 2023.

STATISTICAL SECTION

TOWN OF BREMEN, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES,
TAX EXTENSIONS, AND TAX COLLECTIONS
MARCH 31, 2023

	Tax Levy Year <u>2022</u>
EQUALIZED ASSESSED VALUATIONS	<u>\$ 1,683,860,530</u>
TAX RATES:	
General Fund	0.0958
Road and Bridge Fund	0.0623
General Assistance Fund	<u>0.0224</u>
	<u>0.1805</u>
TAX EXTENSIONS:	
General Fund	\$ 1,667,022
Road and Bridge Fund	551,875
General Assistance Fund	<u>371,568</u>
	<u>\$ 2,590,465</u>
COLLECTIONS:	
General Fund	\$ 317,336
Road and Bridge Fund	104,701
General Assistance Fund	<u>74,045</u>
	<u>\$ 496,082</u>
PERCENTAGE OF EXTENSIONS COLLECTED	<u>19.15%</u>