

VILLAGE PRESIDENT
Seth Speiser

VILLAGE CLERK
Jerry Menard

VILLAGE TRUSTEES
Denise Albers
Michael Heap
Robert Kaiser
Mike Blaies
Ray Matchett, Jr.
Lisa Meehling

VILLAGE TREASURER
Bryan A. Vogel

VILLAGE OF FREEBURG

FREEBURG MUNICIPAL CENTER
14 SOUTHGATE CENTER, FREEBURG, IL 62243
PHONE: (618) 539-5545 • FAX: (618) 539-5590
Web Site: www.freeburg.com

VILLAGE ADMINISTRATOR
Tony Funderburg

PUBLIC WORKS DIRECTOR
John Tolan

POLICE CHIEF
Michael J. Schutzenhofer

ESDA COORDINATOR
Eugene Kramer

ZONING ADMINISTRATOR
Matt Trout

VILLAGE ATTORNEY
Weilmuenster Keck Brown, P.C.

NOTICE OF A MEETING OF THE TIF JOINT REVIEW BOARD

TO WHOM IT MAY CONCERN:

Notice is hereby given to members of the Joint Review Board and Interested Parties that a meeting will be held on **Tuesday, November 8, 2022, at 10:00 a.m.**, in the Freeburg Municipal Center, 14 Southgate Center, Freeburg, Illinois, for purposes of reviewing the yearly TIF report.

Dated at Freeburg, Illinois, this 13^h day of October, 2022.

Seth E. Speiser, President
Village of Freeburg

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TIF

Joint Review Board Meeting
Wednesday, December 8, 2021 at 1000a.m.

The meeting of the Joint Review Board for the TIF was called to order on Wednesday, December 8, 2021, in the Municipal Center. Those in attendance were Tom Carpenter, Freeburg Tribune, Marianne Recker, Freeburg Township; Rick Stubblefield, St. Clair County (via Zoom), and Mark Janssen, Freeburg District #70 (via Zoom). The meeting was called to order at 10:00 a.m.

A. OLD BUSINESS:

1. Approval of October 27, 2020 Minutes: Mr. Mark Janssen motioned to approve the October 27, 2020 minutes and Mr. Rick Stubblefield seconded the motion. All voting yea, the motion carried.

B. NEW BUSINESS:

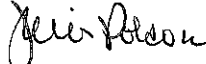
1. Review of FY2021 TIF Report: Village Administrator Tony Funderburg stated accepted our last meeting even though we did not have a quorum. We are at the end of the TIF, and we have a \$263,308 balance in revenues, with a current balance due of \$573,700. The fund balance as of October 27, 201 was \$338,405. The current balance due is \$235,295, and Tony projects a 2022 revenue of \$263,000. That will leave approximately \$27,705 which will be distributed among the taxing bodies. We will be able to pay off the TIF in 2022 as long as the bonds become callable. The EAV will be transferred to the taxing bodies after the TIF is paid off. Administrator Funderburg said this has been a tremendous asset to our community.

Mr. Rick Stubblefield motioned to accept the 2021 TIF Report and Mr. Mark Janssen seconded the motion. All voting yea, the motion carried.

C. GENERAL CONCERNS: None.

D. PUBLIC PARTICIPATION: None.

E. ADJOURN: The meeting ended at 10:06 a.m.


Julie Polson
Office Manager

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2022

Name of Redevelopment Project Area: North State Street

Input name here (name of redevelopment project area will auto-populate on each page)

Primary Use of Redevelopment Project Area*: Retail
*Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act	<input type="checkbox"/>
Industrial Jobs Recovery Law	<input checked="" type="checkbox"/>

Please utilize the information below to properly label the Attachments.

	No	Yes
For redevelopment projects beginning prior to FY 2022, were there any amendments, to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A).	X	
For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment, enactment or extension, and a copy of the redevelopment plan (labeled Attachment A).		
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification (labeled Attachment B).		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C).		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D).	X	
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E).	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).	X	
Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).		X
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter, chosen by the municipality, setting forth the nature and term of obligation; projected debt service including required reserves and debt coverage; and actual debt service. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter <u>MUST</u> be attached (labeled Attachment J).	X	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose the list only, not actual agreements (labeled Attachment M).	X	
For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N).	X	

SECTION 3.1 [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]

FY 2022

Name of Redevelopment Project Area: North State Street

Input name here (name of redevelopment project area will auto-populate on each page)

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 338,405

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 262,113	\$ 3,154,433	60%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 1,786	\$ 41,776	1%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 2,050,000	39%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

All Amount Deposited in Special Tax Allocation Fund \$ 263,899

Cumulative Total Revenues/Cash Receipts \$ 5,246,209 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 13,266

Transfers to Municipal Sources \$ -

Distribution of Surplus \$ -

Total Expenditures/Disbursements \$ 13,266

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 250,633

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ 589,038

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Previous Year Explanation:

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2022

Name of Redevelopment Project Area: North State Street

Input name here (name of redevelopment project area will auto-populate on each page)

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

--

Indicate an 'X' if no property was acquired by the municipality within the redevelopment project area.

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (5):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (6):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (7):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2022

Name of Redevelopment Project Area: North State Street

Input name here (name of redevelopment project area will auto-populate on each page)

PAGE 1

Page 1 **MUST** be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.

Select **ONE** of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	<input type="checkbox"/>
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	<input checked="" type="checkbox"/>
2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan:	3

LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 6,550,000	\$ -	\$ 6,550,000
Public Investment Undertaken	\$ 3,205,269	\$ 150,000	\$ 3,205,269
Ratio of Private/Public Investment	2 1/23		2 1/23

Project 1 Name: Freeburg Center

Private Investment Undertaken (See Instructions)	\$ 5,000,000		\$ 5,000,000
Public Investment Undertaken	\$ 3,205,269	\$ 150,000	\$ 3,205,269
Ratio of Private/Public Investment	1 14/25		1 14/25

Project 2 Name: Medical Office

Private Investment Undertaken (See Instructions)	\$ 1,000,000		\$ 1,000,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3 Name: Traffic Light

Private Investment Undertaken (See Instructions)	\$ 550,000		\$ 550,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

SECTION 6 [Information requested in SECTION 6.1 is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.

SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))]

FY 2022

Name of Redevelopment Project Area: North State Street

Input name here (name of redevelopment project area will auto-populate on each page)

SECTION 6.1-For redevelopment projects beginning before FY 2022, complete the following information about job creation and retention.

Number of Jobs Retained	Number of Jobs Created	Job Description and Type (Temporary or Permanent)	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 6.2-For redevelopment projects beginning in or after FY 2022, complete the following information about projected job creation and actual job creation.

The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement	The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement

SECTION 6.3-For redevelopment projects beginning in or after FY 2022, complete the following information about increment projected to be created and actual increment created.

The amount of increment projected to be created at the time of approval of the redevelopment agreement	The amount of increment created as a result of the development to date, for the reporting period, using the same assumptions as was used for the projections used at the time of the approval of the redevelopment agreement

SECTION 6.4-For redevelopment projects beginning in or after FY 2022, provide the stated rate of return identified by the developer to the municipality and verified by an independent third party, if any:

SECTION 7 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2022

Name of Redevelopment Project Area: North State Street

Input name here (name of redevelopment project area will auto-populate on each page)

Provide a general description of the redevelopment project area using only major boundaries.

Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	

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VILLAGE ATTORNEY
Weilmuenster & Keck, P.C.

September 13, 2022

Attachment B

IL Office of the Comptroller
Local Government Division
100 W. Randolph Street, Suite 15-500
Chicago, IL 60601

Re: North State Street Redevelopment Project Area
Unit Code: 088/070/32

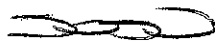
To Whom it May Concern:

This will certify that, to the best of my knowledge, and based on my inquiry of those directly responsible for reviewing the available records, that the Village of Freeburg complied with the requirements of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act" during the fiscal year ended March 31, 2022.

Should you have any questions regarding this matter, please do not hesitate to contact me at 618/539-5705.

Sincerely,

Village of Freeburg



Seth Speiser
Village President

SES/jp

cc: File



Attachment C

WEILMUNSTER KECK BROWN, P.C.

September 12, 2022

Mr. Tony Funderburg
Village Administrator
Village of Freeburg
Freeburg Municipal Center
14 Southgate Center
Freeburg, IL 62243

Re: Tax Increment Financing District
Annual Report for Fiscal Year 2021-2022

Dear Tony,

Pursuant to your request, I have reviewed various materials provided by the Village of Freeburg with respect to the Tax Increment Financing District. Based upon my review of the materials provided, it is my opinion that the Village of Freeburg, Illinois, is in compliance with 65 ILCS 5/11-74.4-5(d)(4) and 65 ILCS 5/11-74.6-22(d)(4) of the Illinois Municipal Code.

If you have any questions or wish to discuss this matter further, please do not hesitate to call me.

Sincerely,

WEILMUNSTER KECK & BROWN, P.C.

By:

Frederick W. Keck

FWK/sb
Cc: Julie Polson

J. MICHAEL WEILMUNSTER
mike@wkbpc.com
Licensed in Illinois and Missouri

FREDERICK W. KECK
fred@wkbpc.com
Licensed in Illinois and Missouri

NATHANIEL O. BROWN
nate@wkbpc.com
Licensed in Illinois

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TIF

Joint Review Board Meeting
Wednesday, December 8, 2021 at 1000a.m.

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A. OLD BUSINESS:

1. Approval of October 27, 2020 Minutes: Mr. Mark Janssen motioned to approve the October 27, 2020 minutes and Mr. Rick Stubblefield seconded the motion. All voting yea, the motion carried.

B. NEW BUSINESS:

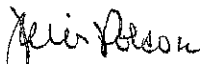
1. Review of FY2021 TIF Report: Village Administrator Tony Funderburg stated accepted our last meeting even though we did not have a quorum. We are at the end of the TIF, and we have a \$263,308 balance in revenues, with a current balance due of \$573,700. The fund balance as of October 27, 201 was \$338,405. The current balance due is \$235,295, and Tony projects a 2022 revenue of \$263,000. That will leave approximately \$27,705 which will be distributed among the taxing bodies. We will be able to pay off the TIF in 2022 as long as the bonds become callable. The EAV will be transferred to the taxing bodies after the TIF is paid off. Administrator Funderburg said this has been a tremendous asset to our community.

Mr. Rick Stubblefield motioned to accept the 2021 TIF Report and Mr. Mark Janssen seconded the motion. All voting yea, the motion carried.

C. GENERAL CONCERNS: None.

D. PUBLIC PARTICIPATION: None.

E. ADJOURN: The meeting ended at 10:06 a.m.


Julie Polson
Office Manager

VILLAGE OF FREEBURG, ILLINOIS

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
MARCH 31, 2022

VILLAGE OF FREEBURG, ILLINOIS

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MARCH 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board
of Trustees of the Village of
Freeburg, Illinois:

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Village of Freeburg, Illinois ("Village"), as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Village'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 governmental activities (modified cash basis), the business-type activities (accrual basis), each major fund (governmental-modified cash basis, proprietary-accrual basis), and the aggregate remaining fund information of the Village of Freeburg, Illinois as of March 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Freeburg, Illinois and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The governmental fund financial statements and the governmental activities in the government-wide financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the governmental funds financial statements and the governmental activities in the government-wide financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the presentation of the governmental fund financial statements and the governmental activities in the government-wide financial statements in the circumstances.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Village'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 Village'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.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, budgetary comparison, and pension funding information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

C. D. Schuman & Company LLC

Certified Public Accountants
Alton, Illinois

September 6, 2022

VILLAGE OF FREEBURG, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Village of Freeburg, Illinois' (Village) annual audit presents a management's discussion and analysis of the Village's financial activity during the fiscal year ended March 31, 2022. The Management's Discussion and Analysis (MD&A) is designed to focus on current activities, resulting changes and currently known facts and should be read in conjunction with the basic financial statements and footnotes. Responsibility for the completeness and fairness of this information rests with the Village.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the Village's basic financial statements. There are three components to the basic financial statements:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains required supplementary information/other information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, highways and streets, sanitation and development. The business-type activities include water, sewer, electric light and power, and swimming pool.

The statement of net position presents information on all of the Village's assets and liabilities, with the difference 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 Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. Changes in net position are reported on the modified cash basis of accounting for the governmental activities and the accrual basis of accounting for the business-type activities.

VILLAGE OF FREEBURG, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental and proprietary.

Governmental Funds. Governmental funds are used to account for essential functions reported as governmental activities in the government-wide financial statements. 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 Village's near-term financial decisions. Both the governmental fund statement of assets, liabilities and fund balances arising from modified cash basis transactions and the governmental fund statement of revenues and expenditures arising from modified cash basis transactions provide a reconciliation to facilitate this comparison between the governmental funds and the government-wide governmental activities.

The Village maintains four individual governmental funds. Information is presented separately in the governmental funds statement of assets, liabilities and fund balances arising from modified cash basis transactions and in the governmental fund statement of revenues and expenditures arising from modified cash basis transactions for the major fund: the General Fund. Data for the other nonmajor governmental funds are combined in the supplementary information and reported in total in a separate column.

The Village adopts an annual budget for all governmental funds. A budgetary comparison schedule for the General Fund has been provided to demonstrate legal compliance with the adopted budget.

Proprietary funds. Enterprise funds are used to report the same functions and the same type of information presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its water, sewer, electric light and power, and swimming pool operations.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information/Other Information. The Village reports budgetary comparison and retirement funding progress related to IMRF as required supplementary information/other information following the notes to the financial statements.

Other supplementary information. The combining fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplementary information.

VILLAGE OF FREEBURG, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Basis of accounting. The Village presents its financial statements for the governmental funds on the modified cash basis of accounting. The modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the Village's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions, except for the recording of depreciation expense related to capital assets in the government-wide financial statements for all activities.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for unbilled or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in the financial statements for the governmental funds. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

The Village's proprietary funds present their financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Village has presented its financial statements under the reporting model pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$13,907,412 at the close of the most recent fiscal year.

The largest portion of the Village's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

VILLAGE OF FREEBURG, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The condensed statement of net position is as follows:

	Governmental Activities		Business-type Activities		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current and other assets	\$ 2,891,882	\$ 1,769,532	\$ 4,339,224	\$ 3,855,811	\$ 7,231,106	\$ 5,625,343
Capital assets	1,828,003	1,878,436	13,618,044	9,729,932	15,446,047	11,608,368
Total assets	<u>4,719,885</u>	<u>3,647,968</u>	<u>17,957,268</u>	<u>13,585,743</u>	<u>22,677,153</u>	<u>17,233,711</u>
Deferred Outflows	-	-	66,764	275,600	66,764	275,600
Long-term liabilities outstanding	708,988	653,446	4,693,458	3,756,795	5,402,446	4,410,241
Other liabilities	8,215	7,133	2,777,077	1,612,692	2,785,292	1,619,825
Total liabilities	<u>717,203</u>	<u>660,579</u>	<u>7,470,535</u>	<u>5,369,487</u>	<u>8,187,738</u>	<u>6,030,066</u>
Deferred Inflows	-	-	648,767	642,075	648,767	642,075
Net position:						
Net invested in capital assets	1,664,679	1,715,112	6,643,686	5,973,137	8,308,365	7,688,249
Restricted	1,300,611	733,193	-	-	1,300,611	733,193
Unrestricted	<u>1,037,392</u>	<u>539,084</u>	<u>3,261,044</u>	<u>1,876,644</u>	<u>4,298,436</u>	<u>2,415,728</u>
Total net position	<u>\$ 4,002,682</u>	<u>\$ 2,987,389</u>	<u>\$ 9,904,730</u>	<u>\$ 7,849,781</u>	<u>\$ 13,907,412</u>	<u>\$ 10,837,170</u>

Total net position increased \$3,070,242 resulting in a balance of \$13,907,412 as of March 31, 2022. Current assets, which include cash, investments and accounts receivable, increased \$1,605,763. Non-current assets increased \$3,837,679, due to current year capital additions being in excess of current year depreciation. Total liabilities increased \$2,157,672 resulting in a balance of \$8,187,738 as of March 31, 2022. Outstanding debt, including long-term and short-term portions, increased \$992,205 due to additional draws for the sewer plant construction exceeding regular debt retirements and a reduction in the net pension liability.

The change in net position is further examined in the Analysis of Net Position section of the MD&A.

ANALYSIS OF NET POSITION

Analysis of Net Position	2022		2021	
	Percent	Amount	Percent	Amount
Net investment in capital assets	59.7%	\$ 8,308,365	70.9%	\$ 7,688,249
Restricted	9.4%	1,300,611	6.8%	733,193
Unrestricted	<u>30.9%</u>	<u>4,298,436</u>	<u>22.3%</u>	<u>2,415,728</u>
Total net position	<u>100.0%</u>	<u>\$ 13,907,412</u>	<u>100.0%</u>	<u>\$ 10,837,170</u>

Total net position balances increased by \$3,070,242 in fiscal year 2022 to a total ending balance of \$13,907,412. Capital net position balances increased by \$620,116 in the current year due to capital additions and debt reduction exceeding depreciation. The unrestricted net position balances changed by the net income of the related operating activities.

VILLAGE OF FREEBURG, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The revenue and expenditure comparisons that comprise the current year increase are as follows:

GOVERNMENTAL ACTIVITIES

<u>Revenues/Receipts</u>	<u>2022</u>	<u>2021</u>
Property tax	\$ 841,035	\$ 818,901
Sales and use tax	794,231	683,698
State income tax	622,275	490,334
Replacement tax	13,653	6,107
Video gaming tax	99,690	39,467
Charges for services	491,287	416,812
Telecommunications tax	43,613	55,844
Motor fuel tax	171,137	156,003
Utility tax	251,739	255,131
Investment income	5,090	7,398
Operating grants/contributions	333,555	217,563
Capital grants/contributions	95,649	143,473
Miscellaneous	22,012	26,162
Total revenues	<u>\$ 3,784,966</u>	<u>\$ 3,316,893</u>

Total revenues for the governmental activities increased \$468,073 for the year ended March 31, 2022. The increase is mainly due to a significant increase in income taxes as well as an increase in sales and use taxes.

<u>Expenditures by category</u>	<u>2022</u>		<u>2021</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
General government	14.0%	\$ 384,894	14.0%	\$ 352,755
Public safety	53.0%	1,457,411	52.5%	1,317,962
Highways and streets	22.5%	619,628	22.1%	555,097
Sanitation	10.1%	277,281	10.1%	253,912
Interest on long-term debt	0.4%	11,372	1.3%	32,729
Total expenditures	<u>100.0%</u>	<u>\$ 2,750,586</u>	<u>100.0%</u>	<u>\$ 2,512,455</u>

The Village reported an increase in expenses for governmental activities of \$238,131. Public safety reported the highest expenditure category with 53% of all governmental expenditures.

VILLAGE OF FREEBURG, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The above expenditure categories include amounts for depreciation expense on assets purchased in the current and prior years. The breakdown by category is as follows:

	<u>2022</u>	<u>2021</u>
General government	\$ 26,041	\$ 31,918
Public safety	62,894	53,323
Highways and streets	46,374	47,408
Sanitation	<u>9,923</u>	<u>10,523</u>
Total depreciation	<u>\$ 145,232</u>	<u>\$ 143,172</u>

Total capital outlay expenditures in the governmental fund financial statements for the current year totaled \$101,309.

BUSINESS-TYPE ACTIVITIES

<u>Revenues</u>	<u>2022</u>	<u>2021</u>
Water charges	\$ 848,626	\$ 880,190
Sewer charges	1,124,942	681,208
Electric charges	5,091,085	5,245,508
Swimming pool charges	96,779	51,591
Property taxes	49,433	54,080
Investment income	<u>51,662</u>	<u>65,504</u>
Total revenues	<u>\$ 7,262,527</u>	<u>\$ 6,978,081</u>

Total revenues for the business-type activities increased \$284,446 for the year ended March 31, 2022. The largest increases were reported in the Sewer Fund that increased rates due to the new construction and related debt.

<u>Operating Expenditures</u>	<u>2022</u>		<u>2021</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Personal services	18.1%	\$ 1,283,444	17.6%	\$ 1,285,025
Contractual services	13.1%	926,109	12.7%	926,743
Electricity and water purchased	50.0%	3,542,923	51.2%	3,738,502
Supplies and materials	5.0%	351,122	4.5%	326,447
Heat, light and power	0.5%	35,894	0.5%	36,454
Depreciation	13.4%	951,823	13.5%	983,094
Total expenditures	<u>100.0%</u>	<u>\$ 7,091,315</u>	<u>100.0%</u>	<u>\$ 7,296,265</u>

Expenses in the business-type activities decreased in total by \$204,950. As in the prior year, the largest categories of operating expense were for electricity and water purchases which decreased \$195,579 in the current year. Personal services decreased due to the IMRF actuarial liability that was considerably lower again in the current year.

VILLAGE OF FREEBURG, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

FUNDS FINANCIAL ANALYSIS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the 2022, the Village's governmental funds reported combined ending fund balances of \$2,609,928, an increase of \$944,480 in comparison with the prior year. A large portion of this balance constitutes unreserved, undesignated fund balance, which is available for spending at the Village's discretion. However, \$1,026,872 (TIF Fund and Special Revenue Funds) has been restricted for future debt payments and other restricted expenditures.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$1,583,056. This balance increased \$553,850 in the current year.

The TIF Fund increased \$250,633 in the current year for a fund balance of \$589,038. The Motor Fuel Tax Fund reported an increase of \$139,910 for an ending balance of \$407,668. The Impact Fees Fund reported an increase of \$87 in the current year for a fund balance of \$30,166.

Proprietary fund. The Village's proprietary funds provide the same information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Waterworks, Sewer, Electric Light and Power, and Swimming Pool funds at the end of the year amounted to \$3,261,044, an increase of \$1,384,400 in comparison with prior year. Other factors concerning the finances of this fund type have already been addressed in the discussion of the Village's government-wide financial statements.

BUDGETARY HIGHLIGHTS

A comparison of budget and actual expenditures for the General Fund is as follows:

	<u>Budget</u>	<u>Actual</u>
General Fund	\$ 2,760,208	\$ 2,787,622

The budget was passed on March 15, 2021 and was not amended.

VILLAGE OF FREEBURG, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>March 31,</u> <u>2022</u>	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2022</u>	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2022</u>	<u>March 31,</u> <u>2021</u>
Land	\$ 83,840	\$ 83,840	\$ 426,700	\$ 426,700	\$ 510,540	\$ 510,540
Buildings and Improvements	663,082	701,966	7,559,977	3,254,545	8,223,059	3,956,511
Swimming Pool	-	-	499,414	551,591	499,414	551,591
Infrastructure Distribution and Collection Systems	875,708	904,114	-	-	875,708	904,114
Vehicles and Equipment	-	-	4,448,055	4,704,573	4,448,055	4,704,573
	<u>205,373</u>	<u>188,516</u>	<u>683,893</u>	<u>792,523</u>	<u>889,271</u>	<u>981,039</u>
	<u>\$ 1,828,003</u>	<u>\$ 1,878,436</u>	<u>\$ 13,618,044</u>	<u>\$ 9,729,932</u>	<u>\$ 15,446,047</u>	<u>\$ 11,608,368</u>

The Village's investment in capital assets for its governmental and business-type activities as of March 31, 2022 amounts to \$15,446,047, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, equipment, vehicles and infrastructure. The total outlay for capital assets for the current year was \$4,948,567. The largest additions in the current year were for the engineering and construction costs for the new sewer plant. These additions, although somewhat offset by current year depreciation expense of \$1,097,055, resulted in a net increase in net capital assets for the current year. Additional information related to capital assets can be found in Note 4 of the financial statements.

Long-term Debt

At the end of 2022, the Village had total long-term debt obligations for governmental activities and business-type activities in the amount of \$708,988 and \$4,693,458, respectively, compared to \$653,446 and \$3,756,795 at the end of 2021.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>March 31,</u> <u>2022</u>	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2022</u>	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2022</u>	<u>March 31,</u> <u>2021</u>
Loans Payable	\$ -	\$ -	\$ 2,660,588	\$ 1,319,889	\$ 2,660,588	\$ 1,319,889
Notes Payable	173,988	113,446	247,870	231,906	421,858	345,352
Bonds Payable	<u>535,000</u>	<u>540,000</u>	<u>1,785,000</u>	<u>2,205,000</u>	<u>2,320,000</u>	<u>2,745,000</u>
Total Debt	<u>\$ 708,988</u>	<u>\$ 653,446</u>	<u>\$ 4,693,458</u>	<u>\$ 3,756,795</u>	<u>\$ 5,402,446</u>	<u>\$ 4,410,241</u>

The governmental activities reported increases in long-term debt of \$55,542 due to a new loan of \$87,780 in the current year. The business-type activities reported an increase in long-term debt of \$936,663. The was related to the additional construction draws for the new sewer plant through the IEPA. The Village also received a forgiveness of debt of \$1,950,000 related to the new IEPA construction loan. Additional information related to long-term debt can be found in Note 8 of the financial statements.

VILLAGE OF FREEBURG, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Freeburg's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village Clerk's Office, 14 Southgate Center, Freeburg, IL 62243.

VILLAGE OF FREEBURG, ILLINOIS

STATEMENT OF NET POSITION
(BUSINESS -TYPE ACTIVITIES - ACCRUAL BASIS)
(GOVERNMENTAL ACTIVITIES - MODIFIED CASH BASIS)
MARCH 31, 2022

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 2,891,882	\$ 1,716,287	\$ 4,608,169
Investments	-	1,157,201	1,157,201
Receivables (Net of allowance for uncollectible):	-	621,952	621,952
Prepaid Expenses	-	117,433	117,433
Capital Assets:			
Land	83,840	426,700	510,540
Buildings and Improvements	1,173,049	13,313,926	14,486,975
Swimming Pool	-	1,112,996	1,112,996
Infrastructure	1,058,210	-	1,058,210
Distribution and Collection Systems	-	15,735,026	15,735,026
Vehicles and Equipment	1,005,488	2,058,800	3,064,288
Less: Accumulated Depreciation	<u>(1,492,584)</u>	<u>(19,029,404)</u>	<u>(20,521,988)</u>
Net Capital Assets	<u>1,828,003</u>	<u>13,618,044</u>	<u>15,446,047</u>
Net Pension Asset	-	726,351	726,351
Total Assets	<u>\$ 4,719,885</u>	<u>\$ 17,957,268</u>	<u>\$ 22,677,153</u>
<u>Deferred Outflows of Resources</u>			
Future Pension Expense	\$ -	\$ 40,001	\$ 40,001
Deferred Refunding Loss	-	26,763	26,763
	<u>\$ -</u>	<u>\$ 66,764</u>	<u>\$ 66,764</u>
<u>Liabilities</u>			
Accounts Payable	\$ 8,215	\$ 2,550,336	\$ 2,558,551
Accrued Salaries	-	60,067	60,067
Accrued Interest	-	6,473	6,473
Customer Deposits	-	160,201	160,201
Noncurrent Liabilities:			
Due Within One Year	61,668	559,044	620,712
Due In More Than One Year	<u>647,320</u>	<u>4,134,414</u>	<u>4,781,734</u>
Total Liabilities	<u>717,203</u>	<u>7,470,535</u>	<u>8,187,738</u>
<u>Deferred Inflows of Resources</u>			
Future Pension Expense	<u>\$ -</u>	<u>\$ 648,767</u>	<u>\$ 648,767</u>
<u>Net Position</u>			
Net Investment in Capital Assets	1,664,679	6,643,686	8,308,365
Restricted	1,300,611	-	1,300,611
Unrestricted	<u>1,037,392</u>	<u>3,261,044</u>	<u>4,298,436</u>
Total Net Position	<u>\$ 4,002,682</u>	<u>\$ 9,904,730</u>	<u>\$ 13,907,412</u>

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

VILLAGE OF FREEBURG, ILLINOIS

STATEMENT OF ACTIVITIES
 (BUSINESS -TYPE ACTIVITIES - ACCRUAL BASIS)
 (GOVERNMENTAL ACTIVITIES - MODIFIED CASH BASIS)
 FOR THE YEAR ENDED MARCH 31, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 384,894	\$ 96,260	\$ 15,318	\$ -	\$ (273,316)		\$ (273,316)
Public Safety:							
Police	1,443,041	135,314	318,237	-	(989,490)		(989,490)
Civil Defense	14,370	-	-	-	(14,370)		(14,370)
Highways and Streets	619,628	-	-	95,649	(523,979)		(523,979)
Sanitation	277,281	259,713	-	-	(17,568)		(17,568)
Interest on Long-Term Debt	11,372	-	-	-	(11,372)		(11,372)
Total Governmental Activities	2,750,586	491,287	333,555	95,649	(1,830,095)		(1,830,095)
Business-type Activities:							
Electric Light and Power	5,298,499	5,091,085	-	-	\$ (207,414)		\$ (207,414)
Waterworks	1,005,022	848,626	-	-	(156,396)		(156,396)
Sewer	675,097	1,124,942	-	-	449,845		449,845
Swimming Pool	190,724	96,779	-	-	(93,945)		(93,945)
Total Business-type Activities	7,169,342	7,161,432	-	-	(7,910)		(7,910)
Total Government	\$ 9,919,928	\$ 7,652,719	\$ 333,555	\$ 95,649	(1,830,095)	(7,910)	(1,838,005)

General Revenues:

Property Tax, Levied for General Purposes	841,035	49,433	890,468
Sales and Use Tax	794,231	-	794,231
Replacement Tax	13,653	-	13,653
State Income Tax	622,275	-	622,275
Excise Tax	43,613	-	43,613
Motor Fuel Tax	171,137	-	171,137
Video Gaming Tax	99,690	-	99,690
Utility Tax	251,739	-	251,739
Unrestricted Investment Earnings	5,090	51,662	56,752
Forgiveness of Loan	-	1,950,000	1,950,000
Miscellaneous	22,012	-	22,012
Transfers	(19,087)	19,087	-
Total General Revenues	2,845,388	2,062,859	4,908,247
Change in Net Position	1,015,293	2,054,949	3,070,242
Net Position - Beginning	2,987,389	7,849,781	10,837,170
Net Position - Ending	\$ 4,002,682	\$ 9,904,730	\$ 13,907,412

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

VILLAGE OF FREEBURG, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCE ARISING FROM MODIFIED CASH BASIS TRANSACTIONS
GOVERNMENTAL FUNDS
MARCH 31, 2022

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 1,591,271	\$ 1,026,872	\$ 2,618,143
Total Assets	<u>\$ 1,591,271</u>	<u>\$ 1,026,872</u>	<u>\$ 2,618,143</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts Payable	\$ 8,215	\$ -	\$ 8,215
Total Liabilities	<u>8,215</u>	<u>-</u>	<u>8,215</u>
Fund Balance:			
Restricted	-	1,026,872	1,026,872
Unassigned	1,583,056	-	1,583,056
Total Fund Balance	<u>1,583,056</u>	<u>1,026,872</u>	<u>2,609,928</u>
Total Liabilities and Fund Balance	<u>\$ 1,591,271</u>	<u>\$ 1,026,872</u>	<u>\$ 2,618,143</u>

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

VILLAGE OF FREEBURG, ILLINOIS

RECONCILIATION OF THE STATEMENT OF ASSETS,
LIABILITIES AND FUND BALANCES ARISING FROM MODIFIED
CASH BASIS TRANSACTIONS TO THE STATEMENT OF NET POSITION
MARCH 31, 2022

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 2,609,928
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	1,828,003
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(708,988)
Internal service funds are included in the statement of net position in the government wide financial statements as these funds benefit the general government as a whole.	<u>273,739</u>
Net position of governmental activities	<u>\$ 4,002,682</u>

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

VILLAGE OF FREEBURG, ILLINOIS

STATEMENT OF REVENUES AND EXPENDITURES
ARISING FROM MODIFIED CASH BASIS TRANSACTIONS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2022

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property Tax	\$ 578,922	\$ -	\$ 578,922
Utility Tax	251,739	-	251,739
Intergovernmental:			
Replacement Tax	13,653	-	13,653
Sales Tax	623,973	-	623,973
State Income Tax	622,275	-	622,275
Local Use Tax	170,258	-	170,258
Excise Tax	43,613	-	43,613
Motor Fuel Tax	-	433,250	433,250
Video Gaming Tax	99,690	-	99,690
Grants	304,086	95,649	399,735
Franchise Fees	27,696	-	27,696
Licenses and Permits	68,564	-	68,564
Fines and Penalties	10,813	-	10,813
Garbage Collection	259,713	-	259,713
Investment Earnings	2,715	2,095	4,810
Reimbursements	124,501	-	124,501
Donations	29,469	-	29,469
Miscellaneous	22,012	-	22,012
Total Revenues	<u>3,253,692</u>	<u>530,994</u>	<u>3,784,686</u>
Expenditures:			
Current:			
General Government	358,853	-	358,853
Public Safety:			
Police	1,384,857	-	1,384,857
Civil Defense	9,660	-	9,660
Highways and Streets	439,646	127,098	566,744
Sanitation	267,358	-	267,358
Debt Service:			
Principal	27,238	5,000	32,238
Interest and Charges	3,106	8,266	11,372
Capital Outlay	101,309	-	101,309
Total Expenditures	<u>2,592,027</u>	<u>140,364</u>	<u>2,732,391</u>
Excess of Revenues Over Expenditures	<u>661,665</u>	<u>390,630</u>	<u>1,052,295</u>
Other Financing Sources (Uses):			
Proceeds from Debt	87,780	-	87,780
Operating Transfers	(195,595)	-	(195,595)
Total Other Financing Sources (Uses)	<u>(107,815)</u>	<u>-</u>	<u>(107,815)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	<u>553,850</u>	<u>390,630</u>	<u>944,480</u>
Fund Balance, Beginning of Year	<u>1,029,206</u>	<u>636,242</u>	<u>1,665,448</u>
Fund Balance, End of Year	<u>\$ 1,583,056</u>	<u>\$ 1,026,872</u>	<u>\$ 2,609,928</u>

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

VILLAGE OF FREEBURG, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES ARISING FROM MODIFIED CASH BASIS
TRANSACTIONS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 944,480

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$145,232) and loss on disposals (\$6,510) exceeded capital outlays (\$101,309) in the current year. (50,433)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items. (55,542)

Activity related to the internal service funds are included in the statement of net position in the government wide financial statements as these funds benefit the general government as a whole. 176,788

Change in net position of governmental activities \$ 1,015,293

VILLAGE OF FREEBURG, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 MARCH 31, 2022

Assets	Major Funds			Non-Major Fund	Total	Governmental Activities - Internal Service Fund
	Electric Light and Power	Waterworks	Sewer	Swimming Pool		
Current Assets:						
Cash and Cash Equivalents	\$ 1,187,933	\$ -	\$ 637,880	\$ 321	\$ 1,826,134	\$ 273,739
Investments	845,502	267,259	44,440	-	1,157,201	-
Receivables:						
Customers	264,629	39,657	68,833	-	373,119	-
Unbilled Revenue	168,373	30,332	49,796	-	248,501	-
Other	240	-	92	-	332	-
Prepaid Insurance	89,895	13,788	13,750	-	117,433	-
Total Current Assets	<u>2,556,572</u>	<u>351,036</u>	<u>814,791</u>	<u>321</u>	<u>3,722,720</u>	<u>273,739</u>
Capital Assets:						
Land	211,375	50,094	158,981	6,250	426,700	-
Buildings and Improvements	6,297,021	-	6,747,334	269,571	13,313,926	-
Swimming Pool	-	-	-	1,112,996	1,112,996	-
Distribution and Collection Systems	8,184,348	4,367,949	3,182,729	-	15,735,026	-
Vehicles and Equipment	1,252,611	400,500	282,338	123,351	2,058,800	-
	15,945,355	4,818,543	10,371,382	1,512,168	32,647,448	-
Less - Accumulated Depreciation	12,369,158	3,890,742	1,936,961	832,543	19,029,404	-
Net Capital Assets	<u>3,576,197</u>	<u>927,801</u>	<u>8,434,421</u>	<u>679,625</u>	<u>13,618,044</u>	<u>-</u>
Net Pension Asset	408,982	177,405	139,964	-	726,351	-
Total Assets	<u>\$ 6,541,751</u>	<u>\$ 1,456,242</u>	<u>\$ 9,389,176</u>	<u>\$ 679,946</u>	<u>\$ 18,067,115</u>	<u>\$ 273,739</u>
Deferred Outflows of Resources						
Future Pension Expense	\$ 22,523	\$ 9,770	\$ 7,708	\$ -	\$ 40,001	\$ -
Deferred Refunding Loss	20,733	-	-	6,030	26,763	-
	<u>\$ 43,256</u>	<u>\$ 9,770</u>	<u>\$ 7,708</u>	<u>\$ 6,030</u>	<u>\$ 66,764</u>	<u>\$ -</u>
Liabilities						
Current Liabilities:						
Cash Deficit	\$ -	\$ 109,847	\$ -	\$ -	\$ 109,847	\$ -
Accounts Payable	236,097	29,633	2,284,606	-	2,550,336	-
Accrued Salaries	33,028	14,935	12,104	-	60,067	-
Accrued Interest	5,204	-	-	1,269	6,473	-
Current Portion of Long Term Debt	408,525	15,056	90,463	45,000	559,044	-
Customer Deposits	91,298	39,893	29,010	-	160,201	-
Total Current Liabilities	<u>774,152</u>	<u>209,364</u>	<u>2,416,183</u>	<u>46,269</u>	<u>3,445,968</u>	<u>-</u>
Noncurrent Liabilities:						
Long Term Debt (Net of Current)	1,269,377	55,944	2,614,093	195,000	4,134,414	-
Total Noncurrent Liabilities	<u>1,269,377</u>	<u>55,944</u>	<u>2,614,093</u>	<u>195,000</u>	<u>4,134,414</u>	<u>-</u>
Total Liabilities	<u>2,043,529</u>	<u>265,308</u>	<u>5,030,276</u>	<u>241,269</u>	<u>7,580,382</u>	<u>-</u>
Deferred Inflows of Resources						
Future Pension Expense	\$ 365,297	\$ 158,456	\$ 125,014	\$ -	\$ 648,767	\$ -
Net Position						
Net Investment in Capital Assets	1,898,295	856,801	3,448,965	439,625	6,643,686	-
Committed	-	-	-	-	-	273,739
Unreserved	2,277,886	185,447	792,629	5,082	3,261,044	-
Total Net Position	<u>4,176,181</u>	<u>1,042,248</u>	<u>4,241,594</u>	<u>444,707</u>	<u>9,904,730</u>	<u>273,739</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 6,585,007</u>	<u>\$ 1,466,012</u>	<u>\$ 9,396,884</u>	<u>\$ 685,976</u>	<u>\$ 18,133,879</u>	<u>\$ 273,739</u>

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

VILLAGE OF FREEBURG, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2022

	Major Funds			Non-Major Fund	Total	Governmental Activities - Internal Service Fund
	Electric Light and Power	Waterworks	Sewer	Swimming Pool		
Operating Revenue:						
Charges for Services	\$ 4,993,175	\$ 792,113	\$ 1,115,072	\$ 74,055	\$ 6,974,415	\$ -
Connection Fees	16,980	13,880	9,750	-	40,610	-
Supplies Sold	46,475	34,560	120	21,313	102,468	-
Miscellaneous	34,455	8,073	-	1,411	43,939	-
Total Operating Revenue	<u>5,091,085</u>	<u>848,626</u>	<u>1,124,942</u>	<u>96,779</u>	<u>7,161,432</u>	<u>-</u>
Operating Expenses:						
Personal Services	640,804	307,728	262,093	72,819	1,283,444	-
Contractual Services and Other	607,651	121,710	175,992	20,756	926,109	-
Electricity and Water Purchased	3,224,125	318,798	-	-	3,542,923	-
Supplies and Materials	181,064	101,840	46,198	22,020	351,122	-
Heat, Light and Power	11,522	4,872	19,500	-	35,894	-
Depreciation	606,606	149,323	126,400	69,494	951,823	-
Total Operating Expenses	<u>5,271,772</u>	<u>1,004,271</u>	<u>630,183</u>	<u>185,089</u>	<u>7,091,315</u>	<u>-</u>
Operating Income (Loss)	<u>(180,687)</u>	<u>(155,645)</u>	<u>494,759</u>	<u>(88,310)</u>	<u>70,117</u>	<u>-</u>
Nonoperating Revenues (Expenses):						
Property Taxes	-	-	-	49,433	49,433	-
Forgiveness of Debt	-	-	1,950,000	-	1,950,000	-
Gain (Loss) on Disposal of Assets	(592)	(1,884)	(4,847)	-	(7,323)	-
Interest Income	36,470	12,116	3,076	-	51,662	280
Interest Expense	(26,727)	(751)	(44,914)	(5,635)	(78,027)	-
Total Nonoperating Revenues (Expenses)	<u>9,151</u>	<u>9,481</u>	<u>1,903,315</u>	<u>43,798</u>	<u>1,965,745</u>	<u>280</u>
Operating Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,087</u>	<u>19,087</u>	<u>176,508</u>
Change in Net Position	(171,536)	(146,164)	2,398,074	(25,425)	2,054,949	176,788
Net Position, Beginning of Year	<u>4,347,717</u>	<u>1,188,412</u>	<u>1,843,520</u>	<u>470,132</u>	<u>7,849,781</u>	<u>96,951</u>
Net Position, End of Year	<u>\$ 4,176,181</u>	<u>\$ 1,042,248</u>	<u>\$ 4,241,594</u>	<u>\$ 444,707</u>	<u>\$ 9,904,730</u>	<u>\$ 273,739</u>

The notes to the financial statements are an integral part of this statement
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VILLAGE OF FREEBURG, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED MARCH 31, 2022

	Major Funds			Non-Major Fund	Total	Governmental Activities - Internal Service Fund
	Electric Light and Power	Waterworks	Sewer	Swimming Pool		
<u>Cash Flows from Operating Activities</u>						
Cash Received from Customers	\$ 5,174,910	\$ 871,132	\$ 1,081,268	\$ 96,779	\$ 7,224,089	\$ -
Cash Paid to Suppliers	(4,260,532)	(657,326)	(341,785)	(51,686)	(5,311,329)	-
Cash Payments to Employees for Services	(587,048)	(268,138)	(218,236)	(63,975)	(1,137,397)	-
Net Cash Provided (Used) By Operating Activities	<u>327,330</u>	<u>(54,332)</u>	<u>521,247</u>	<u>(18,882)</u>	<u>775,363</u>	<u>-</u>
<u>Cash Flows from Capital Financing Activities</u>						
Purchase of Fixed Assets	-	(294,388)	(2,271,971)	-	(2,566,359)	-
Proceeds from Debt	-	18,065	3,387,728	-	3,405,793	-
Payments on Line of Credit	-	-	(1,099,602)	-	(1,099,602)	-
Principal Paid on Debt	(390,125)	(5,041)	(78,964)	(45,000)	(519,130)	-
Interest Paid on Debt	(22,028)	(751)	(44,914)	(4,532)	(72,225)	-
Net Cash Provided (Used) By Capital Financing Activities	<u>(412,153)</u>	<u>(282,115)</u>	<u>(107,723)</u>	<u>(49,532)</u>	<u>(851,523)</u>	<u>-</u>
<u>Cash Flows from Investing Activities</u>						
Net Change in Investments	470,935	61,767	49,902	-	582,604	-
Interest Income	36,470	12,116	3,076	-	51,662	280
Net Cash Provided By Investing Activities	<u>507,405</u>	<u>73,883</u>	<u>52,978</u>	<u>-</u>	<u>634,266</u>	<u>280</u>
<u>Cash Flows from Non-Capital Financing Activities</u>						
Property Tax	-	-	-	49,433	49,433	-
Payment from (to) Other Funds	104,000	-	(104,000)	19,087	19,087	176,508
Customer Deposits	890	189	184	-	1,263	-
Net Cash Provided (Used) By Non-Capital Financing Activities	<u>104,890</u>	<u>189</u>	<u>(103,816)</u>	<u>68,520</u>	<u>69,783</u>	<u>176,508</u>
Net Increase (Decrease) in Cash and Cash Equivalents	527,472	(262,375)	362,686	106	627,889	176,788
Cash and Cash Equivalents, Beginning of Year	660,461	152,528	275,194	215	1,088,398	96,951
Cash and Cash Equivalents, End of Year	<u>\$ 1,187,933</u>	<u>\$ (109,847)</u>	<u>\$ 637,880</u>	<u>\$ 321</u>	<u>\$ 1,716,287</u>	<u>\$ 273,739</u>

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

VILLAGE OF FREEBURG, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
 CASH PROVIDED BY OPERATING ACTIVITIES
 FOR THE YEAR ENDED MARCH 31, 2022

	Major Funds			Non-Major Fund	Total	Governmental Activities - Internal Service Fund
	Electric Light and Power	Waterworks	Sewer	Swimming Pool		
Operating Income (Loss)	\$ (180,687)	\$ (155,645)	\$ 494,759	\$ (88,310)	\$ 70,117	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	606,606	149,323	126,400	69,494	951,823	-
Pension Liability and Deferrals	(138,472)	(60,976)	(48,426)	-	(247,874)	-
Decrease (Increase) in:						
Accounts Receivable	75,375	20,683	(21,054)	-	75,004	-
Unbilled Revenue	8,450	1,823	(22,620)	-	(12,347)	-
Prepaid Insurance	(30,560)	(7,326)	(6,905)	-	(44,791)	-
Increase (Decrease) in:						
Accounts Payable	(14,044)	(1,524)	17	(66)	(15,617)	-
Accrued Salaries	662	(690)	(924)	-	(952)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 327,330</u>	<u>\$ (54,332)</u>	<u>\$ 521,247</u>	<u>\$ (18,882)</u>	<u>\$ 775,363</u>	<u>\$ -</u>

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

VILLAGE OF FREEBURG, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Freeburg, Illinois have been prepared in conformity with the modified cash basis of accounting for the Governmental Fund Types and the accrual basis of accounting for the Proprietary Fund Types as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

(a) Financial reporting entity

The Village's combined financial statements include the accounts of all Village operations. The criteria for including organizations as component units within the Village's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Village holds the corporate powers of the organization
- the Village appoints a voting majority of the organization's board
- the Village is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Village
- there is fiscal dependency by the organization on the Village

The Village 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 Village's financial statements. In addition, the Village is not aware of any entity that would exercise such oversight, which would result in the Village being considered a component unit of the entity.

(b) Government-wide and fund financial statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items, properly not included among program revenues, are reported instead as general revenues.

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

(c) Measurement focus, basis of accounting and financial statement presentation

The proprietary fund 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Accordingly, receipts are recorded when cash is received and disbursements are recorded when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund. Property taxes are recognized as revenues in the year for which they are received.

The government-wide financial statements are reported using the same basis of accounting as used by the individual funds in the fund financial statements.

The government reports the following major governmental fund:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Village reports the following major proprietary funds:

The Water Fund and the Sewer Fund accounts for all activities related to the billing, administration, distribution and collection processes of the water and sewer utilities. The Village operates the water distribution system as well as the sewage treatment plant, sewage pumping stations and collection systems.

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Electric Light and Power Fund accounts for all activities related to the billing, administration and distribution processes of the Village's electric and power operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are reimbursements between funds for direct costs applicable to the other fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(d) Assets, liabilities and net assets or equity

Deposits and investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposits and short-term investments with original maturities of three months or less. All deposits and investments are reported at fair value.

The Village is authorized by state statute to invest in obligations of the United States of America, insured interest bearing accounts of banks, savings and loan associations or credit unions, certain short-term obligations of corporations organized in the United States, money market mutual funds that invest in obligations of the United States of America or its agencies or are guaranteed by the full faith and credit of the United States of America, the Illinois Funds and repurchase agreements of government securities. Investment income is recognized as earned.

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Unbilled electric, water, and sewer utility receivables related to the business-type activities are recorded at year-end. They are determined by taking cycle billings subsequent to March 31 and prorating the applicable number of days to the current fiscal year.

The Village records accounts receivable in the Statement of Net Position for amounts that are due to the Village but have not been received at year-end. Accounts receivable are largely comprised of billed and unbilled amounts for utilities in the business-type activities. These balances are considered fully collectible at year-end.

Capital assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Type of Property and Equipment</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	15 – 40 Years
Infrastructure	40 Years
Swimming Pool	20 Years
Distribution and Collection Systems	15 - 50 Years
Vehicles and Equipment	5 - 10 Years

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Compensated absences

Sick leave is accrued for all employees at the rate of 1 day per month. On January 1st of the year an employee celebrates their fifth year employment anniversary, and all years thereafter, employees shall be granted twelve sick days. Sick leave can be carried forward, but not to exceed 65 work days. All full-time employees of the Village who have been employed for at least one (1) full year shall become eligible for vacation as indicated by the following table:

<u>Service</u>	<u>Vacation Allowed</u>
Having Completed 1 Year	5 Working Days
2-8 Years Continuous	10 Working Days
9-17 Years Continuous	15 Working Days
18 or More Years Continuous	20 Working Days
	1 day for each year over 18 years of service

An employee separated from the service of the Village shall be compensated for all unused vacation leave accumulated prior to his/her effective date of separation but not for accumulated sick leave. Any liability at March 31, 2022 is immaterial.

Long-term obligations

In the government-wide financial statements and enterprise fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

Fund balances

In the fund financial statements, the Village classifies the governmental fund balances based upon the following criteria:

Nonspendable – includes amounts that cannot be spent because they are either 1) not in spendable form, or 2) legally or contractually required to remain intact.

Restricted – balances with constraints that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed – balances that are to be only used for specific purposes pursuant to constraints imposed by formal action of the Village Board, the highest level of decision-making authority.

Assigned – balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – the residual classification of the General Fund balance.

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following details the description and amount of all constraints recorded by the Village in the fund financial statements:

<u>Governmental Funds</u>	
Restricted:	
Tax Increment Financing District	\$ 589,038
Motor Fuel Tax Fund	407,668
Impact Fees Fund	30,166
Total Restricted	<u>\$ 1,026,872</u>
Committed:	
Internal Service Fund	<u>\$ 273,739</u>

When expenditures are incurred for which the Village has both restricted and unrestricted funds available, the Village spends any restricted funds before using unrestricted sources. Likewise, the Village uses committed, assigned and then unassigned balances, in that order, when spending amounts for which all three categories are available.

(e) Budgetary Control

Budgets are adopted on a basis consistent with the modified cash basis of accounting. Annual appropriated budgets are adopted for all governmental funds. All annual appropriations lapse at fiscal year-end.

On March 15, 2021 the Village Board approved an ordinance adopting the appropriations which is the budgetary data reflected in these financial statements. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.

(f) Risk Management

The Village is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the Village carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverages in the past three years.

(g) Estimates

The Village uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

At March 31, 2022, the carrying amount of the Village's deposits was \$5,029,294 and the bank balance was \$5,104,367. The deposits were comprised of checking, interest checking, money market funds and certificates of deposit.

At March 31, 2022, the Village had the following deposits and investments:

<u>Investment</u>	<u>Weighted Average Maturity (Days)</u>	<u>Fair Value</u>
The Illinois Funds (external investment pool)	Daily	\$ 735,461
Petty Cash		615
Deposits as reported above		<u>5,029,294</u>
Total deposits and investments		<u>\$ 5,765,370</u>
As Reported in the Statement of Net Position:		
Cash and Cash Equivalents		\$ 4,608,169
Investments		<u>1,157,201</u>
		<u>\$ 5,765,370</u>

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. As of March 31, 2022, all cash deposit balances in excess of FDIC insurance were collateralized with investments by the financial institution.

Interest Rate Risk. The Village's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The Village only maintains investments in the Illinois Funds, which is an external investment pool.

The Illinois Funds are pooled investments that are operated by the State of Illinois as a not-for-profit common law trust and are not registered with the SEC. The funds are monitored regularly through the State by internal and external audits. The goals of the funds are to provide liquidity and to maintain balances that are equal to the par value of the invested shares with no loss to market fluctuations. The fair value of the Village's position in the pool is the same as the value of the pool shares.

Credit Risk. As of March 31, 2022, the credit rating of the Village's investment was as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
The Illinois Funds (external investment pool)	AAAm	---

Concentration of Credit Risk. As of March 31, 2022, the Village did not have a concentration of credit risk.

Foreign Currency Risk. As of March 31, 2022, the Village has no foreign currency risk.

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 3: PROPERTY TAXES

The Village's property tax is levied each year on all taxable real property located in the Village on or before the second Tuesday in December. The Board passed the levy on November 11, 2021. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments. The County had not mailed tax bills as of March 31, 2022. Past mailing practices of the County have been subsequent to March 31 of each year. The Village begins to receive significant distributions of tax receipts in June and July after the bills are mailed by the County. The Village budgets and records property tax revenue in the year the property taxes are received.

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	Maximum Levy	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rates:</u>				
General	\$ 0.2500	\$ 0.2257	\$ 0.2269	\$ 0.2407
Bonds and Interest	None	0.0487	0.0512	0.0593
IMRF	None	0.1703	0.1651	0.1565
Police Protection	0.0750	0.0736	0.0712	0.0739
Audit	None	0.0095	0.0098	0.0109
Civil Defense (ESDA)	0.0500	<u>0.0100</u>	<u>0.0104</u>	<u>0.0099</u>
Total		<u>\$ 0.5378</u>	<u>\$ 0.5346</u>	<u>\$ 0.5512</u>
Assessed Valuations		<u>\$ 100,576,132</u>	<u>\$ 96,965,343</u>	<u>\$ 91,417,649</u>
<u>Tax Extensions:</u>				
General		\$ 227,000	\$ 220,014	\$ 220,042
Bonds and Interest		48,981	49,646	54,211
IMRF		171,281	160,090	143,069
Police Protection		74,024	69,039	67,558
Audit		9,555	9,503	9,965
Civil Defense (ESDA)		<u>10,058</u>	<u>10,084</u>	<u>9,050</u>
Total		<u>\$ 540,899</u>	<u>\$ 518,376</u>	<u>\$ 503,895</u>
Tax Collections		<u>\$ -</u>	<u>\$ 516,119</u>	<u>\$ 502,644</u>
Percent Collected		<u>0.00%</u>	<u>99.56%</u>	<u>99.75%</u>

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2022 was as follows:

	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 83,840	\$ -	\$ -	\$ 83,840
Capital assets, being depreciated:				
Buildings and improvements	1,175,458	-	2,409	1,173,049
Infrastructure	1,058,210	-	-	1,058,210
Vehicles and equipment	<u>1,064,483</u>	<u>101,309</u>	<u>160,304</u>	<u>1,005,488</u>
Total capital assets being depreciated	<u>3,298,151</u>	<u>101,309</u>	<u>162,713</u>	<u>3,236,747</u>
Less accumulated depreciation for:				
Building and improvements	473,492	38,884	2,409	509,967
Infrastructure	154,096	28,406	-	182,502
Vehicles and equipment	<u>875,967</u>	<u>77,942</u>	<u>153,794</u>	<u>800,115</u>
Total accumulated depreciation	<u>1,503,555</u>	<u>145,232</u>	<u>156,203</u>	<u>1,492,584</u>
Total capital assets, being depreciated, net	<u>1,794,596</u>	<u>(43,923)</u>	<u>6,510</u>	<u>1,744,163</u>
Governmental activities capital assets, net	<u>\$ 1,878,436</u>	<u>\$ (43,923)</u>	<u>\$ 6,510</u>	<u>\$ 1,828,003</u>
 <u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 426,700	\$ -	\$ -	\$ 426,700
Capital assets, being depreciated:				
Buildings and improvements	8,916,854	4,534,806	137,734	13,313,926
Swimming pool	1,112,996	-	-	1,112,996
Distribution and collection system	15,517,907	276,322	59,203	15,735,026
Vehicles and equipment	<u>2,959,771</u>	<u>36,130</u>	<u>937,101</u>	<u>2,058,800</u>
Total capital assets, being depreciated	<u>28,507,528</u>	<u>4,847,258</u>	<u>1,134,038</u>	<u>32,220,748</u>
Less accumulated depreciation for:				
Buildings and improvements	5,662,309	229,374	137,734	5,753,949
Swimming pool	561,405	52,177	-	613,582
Distribution and collection system	10,813,334	532,840	59,203	11,286,971
Vehicles and equipment	<u>2,167,248</u>	<u>137,432</u>	<u>929,778</u>	<u>1,374,902</u>
Total accumulated depreciation	<u>19,204,296</u>	<u>951,823</u>	<u>1,126,715</u>	<u>19,029,404</u>
Total capital assets, being depreciated, net	<u>9,303,232</u>	<u>3,895,435</u>	<u>7,323</u>	<u>13,191,344</u>
Business-type activities capital assets, net	<u>\$ 9,729,932</u>	<u>\$ 3,895,435</u>	<u>\$ 7,323</u>	<u>\$ 13,618,044</u>

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 26,041
Public safety	62,894
Highways and streets	46,374
Sanitation	<u>9,923</u>
Total depreciation expense - governmental activities	<u>\$ 145,232</u>
Business-type activities:	
Electric light and power	\$ 606,606
Water	149,323
Sewer	126,400
Swimming pool	<u>69,494</u>
Total depreciation expense - business-type activities	<u>\$ 951,823</u>

NOTE 5: RETIREMENT FUND COMMITMENTS

(a) Illinois Municipal Retirement Fund

Plan Description. The Village'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 Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, members are required to contribute 4.50 percent 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 employer annual required contribution rate for calendar year 2021 was 8.18 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Covered Employees. The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	24
Inactive, non-Retired Members	13
Active Members	<u>29</u>
Total	<u>66</u>

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Discount Rate. GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) 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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 1.84%; and the resulting single discount rate is 7.25%.

Actuarial Valuation Date	12/31/21
Measurement Date of the Net Pension Liability	12/31/21
Fiscal Year End	03/31/22
Development of the Single Discount Rate as of December 31, 2021	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	1.84%
Last year ending December 31 in the 2022 to 2121 projection period for which projected benefit payments are fully funded	2121
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate calculated using December 31, 2020 Measurement Date	7.25%

The Long-Term Municipal Bond Rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2021.

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Actuarial Assumptions. The following are the actuarial assumptions used in the calculation of the total pension liability.

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-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	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.

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Net Pension Liability. The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

Total pension liability	
Service Cost	\$ 178,277
Interest on the Total Pension Liability	579,094
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(161,061)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(348,786)</u>
Net change in total pension liability	\$ 247,524
Total pension liability - beginning	<u>8,072,759</u>
Total pension liability - ending	<u>\$ 8,320,283</u>
Plan fiduciary net position	
Contributions - employer	\$ 162,734
Contributions - employee	89,524
Net investment income	1,414,299
Benefit payments, including refunds of employee contributions	(348,786)
Other (Net Transfer)	<u>(110,780)</u>
Net change in plan fiduciary net position	\$ 1,206,991
Plan fiduciary net position - beginning	<u>8,601,128</u>
Plan fiduciary net position - ending	<u>\$ 9,808,119</u>
Net pension liability/(asset)	<u>\$ (1,487,836)</u>
Plan fiduciary net position as a percentage of the total pension liability	117.88%
Covered valuation payroll	\$ 1,989,432
Net pension liability as a percentage of covered valuation payroll	-74.79%

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 9,281,648	\$ 8,320,283	\$ 7,578,616
Plan Fiduciary Net Position	<u>9,808,119</u>	<u>9,808,119</u>	<u>9,808,119</u>
Net Pension Liability/(Asset)	<u>\$ (526,471)</u>	<u>\$ (1,487,836)</u>	<u>\$ (2,229,503)</u>

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ -	\$ 219,930
Changes in assumptions	50,924	43,868
Contributions subsequent to valuation date	31,012	-
Net difference between projected and actual earnings on pension plan investments	-	1,065,116
Total	<u>\$ 81,936</u>	<u>\$ 1,328,914</u>

Year Ending <u>December 31,</u>	Net Deferred Inflows of <u>Resources</u>
2022	\$ (307,551)
2023	(463,452)
2024	(316,371)
2025	(190,616)
2026	-
Thereafter	-
	<u>\$ (1,277,990)</u>

(b) Social Security

All employees, including those qualifying for coverage under the Illinois Municipal Retirement Fund, are covered under Social Security. The Village paid \$168,016, the required contribution for the current fiscal year.

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6: LEGAL DEBT MARGIN

The computation of legal debt margin at March 31, 2022 is as follows:

Bonded Debt Limit*	\$ 8,941,861
Bonded Indebtedness	<u>173,998</u>
Legal Debt Margin	<u>\$ 8,767,863</u>

- * The bonded indebtedness of the Village is limited by Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes to 8.625% of the assessed valuation of taxable tangible property.

NOTE 7: LINE OF CREDIT

The Village has a \$1,100,000 line of credit with a local bank which expires December 12, 2022, interest is at 2.09%. The highest balance at any time during the current fiscal year was \$1,099,602. The Village had an outstanding balance of \$0 at March 31, 2022.

NOTE 8: LONG-TERM DEBT

The Village has the following long-term debt as of March 31, 2022.

Notes Payable

\$140,000 loan with Citizens Community Bank to be repaid in five annual payments of \$30,344, including interest at 2.74%. The loan was used to pay for upgrades to the police department building. The loan is unsecured. The balance outstanding as of March 31, 2022 is \$86,208. The loan will be repaid by the General Fund.

\$87,780 loan with Citizens Community Bank to be repaid in three annual payments of \$30,371, including interest at 1.86%. The loan was used to pay for two police vehicles. The loan is unsecured. The balance outstanding as of March 31, 2022 is \$87,780. The loan will be repaid by the General Fund.

\$148,000 loan with Citizens Community Bank to be repaid in seven annual payments of \$23,168, including interest at 2.34%. The loan was used to purchase a boring machine to be split between the Electric Light and Power and Water Funds. The loan is unsecured. The balance outstanding as of March 31, 2022 is \$108,129.

\$119,900 loan with Citizens Community Bank to be repaid in seven annual payments of \$18,740, including interest at 2.30%. The loan was used to purchase equipment to be split between the Electric Light and Power, Water, and Sewer Funds. The loan is unsecured. The balance outstanding as of March 31, 2022 is \$103,611.

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

\$36,130 loan with Citizens Community Bank to be repaid in three annual payments of \$12,626, including interest at 2.40%. The loan was used to purchase a vehicle to be split between the Water, and Sewer Funds. The loan is unsecured. The balance outstanding as of March 31, 2022 is \$36,130.

Upon default with the loans being held by the banks, the lender may declare the full unpaid balance and interest to be due immediately.

Annual debt service requirements to maturity for notes payable are as follows:

Year Ended March 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 56,668	\$ 4,046	\$ 48,478	\$ 6,056
2024	57,984	2,731	49,856	4,978
2025	59,336	1,386	51,049	3,508
2026	-	-	39,608	2,300
2027	-	-	40,532	1,415
2028	-	-	18,347	432
	<u>\$ 173,988</u>	<u>\$ 8,163</u>	<u>\$ 247,870</u>	<u>\$ 18,689</u>

Bonds Payable

\$330,000 General Obligation Refunding Bonds, Series 2020A dated November 10, 2020, due in annual installments of \$45,000 to \$50,000 through December 1, 2026; interest at 1.59%. The amount of bonds outstanding as of March 31, 2022 is \$240,000. These bonds are being retired by the Swimming Pool Fund.

\$2,290,000 General Obligation Refunding Bonds, Alternate Revenue Source, Series 2020B dated November 10, 2020, due in annual installments of \$385,000 to \$395,000 through December 1, 2025; interest at 1.03%. The amount of bonds outstanding as of March 31, 2022 is \$1,545,000. These bonds are being retired by the Electric Light and Power Fund.

\$540,000 General Obligation Refunding Bonds, Alternate Revenue Source, Series 2020C dated November 10, 2020, due in semi-annual installments of \$5,000 to \$185,000 through November 1, 2025; interest at 1.57%. The amount of bonds outstanding as of March 31, 2022 is \$535,000. These bonds are being retired by the TIF Fund.

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Annual debt service requirements to maturity for bonds are as follows:

Year Ended March 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
	2023	\$ 5,000	\$ 8,400	\$ 430,000
2024	160,000	8,321	430,000	15,048
2025	185,000	5,809	430,000	10,337
2026	185,000	2,904	445,000	5,658
2027	-	-	50,000	795
	<u>\$ 535,000</u>	<u>\$ 25,434</u>	<u>\$ 1,785,000</u>	<u>\$ 51,568</u>

IEPA Loans

\$583,674 loan with the Illinois Environmental Protection Agency to be repaid with semi-annual installments of \$18,648, including interest at 2.925%. The loan was used to assist in the construction of sewer lines on North State Street. The balance outstanding as of March 31, 2022 is \$360,752.

\$1,085,569 loan with the Illinois Environmental Protection Agency to be repaid with semi-annual installments of \$33,757, including interest at 1.86%. The loan was used to assist in the construction of the North Trunk Extension/Deerfield Relief Sewer Project. The balance outstanding as of March 31, 2022 is \$880,173.

\$1,419,663 loan with the Illinois Environmental Protection Agency to be repaid with semi-annual installments, including interest at 1.01%. The loan was used to assist in the construction of the Sewer Plant. Repayment has not begun as the IEPA has not distributed the full loan amount. Interest is being accrued until repayment begins. The balance outstanding as of March 31, 2022 is \$1,419,663. The IEPA has forgiven \$1,950,000 of this loan.

Annual debt service requirements to maturity for EPA Loans are as follows:

Year Ended March 31,	EPA Loans	
	Principal	Interest
2023	\$ 80,566	\$ 24,247
2024	103,573	56,999
2025	125,578	34,992
2026	127,703	32,868
2027	129,865	30,705
2028-2032	683,216	119,636
2033-2037	588,335	65,335
2038-2042	242,689	36,111
2043-2047	255,254	23,546
2048-2052	268,469	10,331
2053	55,340	420
	<u>\$ 2,660,588</u>	<u>\$ 435,190</u>

VILLAGE OF FREEBURG, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following is a summary of changes in long-term debt for the year ended March 31, 2022.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Business-type Activities:</u>					
Bonds Payable	\$ 2,205,000	\$ -	\$ 420,000	\$ 1,785,000	\$ 430,000
Notes from Direct Borrowings:					
Notes Payable	231,906	36,130	20,166	247,870	48,478
EPA Loans	1,319,889	1,419,563	78,964	2,660,588	80,566
	<u>\$ 3,756,795</u>	<u>\$ 1,455,793</u>	<u>\$ 519,130</u>	<u>\$ 4,693,458</u>	<u>\$ 559,044</u>
<u>Governmental Activities:</u>					
Bonds Payable	\$ 540,000	\$ -	\$ 5,000	\$ 535,000	\$ 5,000
Notes from Direct Borrowings:					
Notes Payable	113,446	87,780	27,238	173,988	56,668
	<u>\$ 653,446</u>	<u>\$ 87,780</u>	<u>\$ 32,238</u>	<u>\$ 708,988</u>	<u>\$ 61,668</u>

NOTE 9: ACTUAL EXPENDITURES IN EXCESS OF BUDGET

The General Fund of the Village had actual expenditures of \$2,787,622 that exceeded the budgeted amount of \$2,760,208.

NOTE 10: INTERFUND TRANSFERS

The Village's General Fund made transfers to the Swimming Pool Fund for \$19,087 and to the Internal Service Fund for \$176,508 to provide cash for operations and to provide funds for a reserve balance.

NOTE 11: SUBSEQUENT EVENTS

The Village has evaluated events occurring after the financial statement date through September 6, 2022 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

VILLAGE OF FREEBURG, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2022

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Revenues:			
Property Tax	\$ 578,500	\$ 578,500	\$ 578,922
Replacement Tax	5,800	5,800	13,653
Sales Tax	420,000	420,000	623,973
State Income Tax	460,000	460,000	622,275
Local Use Tax	135,000	135,000	170,258
Excise Tax	85,000	85,000	43,613
Video Gaming Tax	55,000	55,000	99,690
Franchise Tax	25,000	25,000	27,696
Utility Tax	251,000	251,000	251,739
Licenses and Permits	41,000	41,000	68,564
Fines and Penalties	12,400	12,400	10,813
Garbage Collection	264,000	264,000	259,713
Rental/Lease Income	12,250	12,250	7,055
Investment Earnings	5,500	5,500	2,715
Grants	26,529	26,529	304,086
Reimbursements	94,000	94,000	124,501
Donations	13,000	13,000	29,469
Miscellaneous	10,500	10,500	14,957
Debt Proceeds	-	-	87,780
Total Revenues	2,494,479	2,494,479	3,341,472
Expenditures:			
Current:			
General Government	371,186	371,186	358,853
Public Safety:			
Police	1,375,978	1,375,978	1,384,857
Civil Defense	6,450	6,450	9,660
Highways and Streets	525,480	525,480	439,646
Sanitation	251,600	251,600	267,358
Capital Outlay	172,900	172,900	101,309
Debt Service	30,400	30,400	30,344
Transfers	26,214	26,214	195,595
Total Expenditures	2,760,208	2,760,208	2,787,622
Net Change in Fund Balances	\$ (265,729)	\$ (265,729)	553,850
Change for modified cash basis reporting			
None			-
As reported on the Statement of Revenues and Expenditures			
Arising From Modified Cash Basis Transactions			\$ 553,850

VILLAGE OF FREEBURG, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
MARCH 31, 2022

	<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	\$ 178,277	\$ 188,039	\$ 175,047	\$ 159,826	\$ 179,569	\$ 177,858	\$ 166,984
Interest	579,094	556,659	532,041	516,984	525,190	501,542	466,844
Difference between expected and actual experience	(161,061)	(47,668)	(51,203)	(113,945)	(251,274)	(44,602)	96,660
Assumption changes	-	(51,770)	-	202,420	(221,760)	(16,734)	16,488
Benefit payments, including refunds	<u>(348,786)</u>	<u>(313,083)</u>	<u>(332,557)</u>	<u>(322,474)</u>	<u>(340,069)</u>	<u>(302,922)</u>	<u>(240,854)</u>
Net change in total pension liability	247,524	332,177	323,328	442,811	(108,344)	315,142	506,122
Total pension liability - beginning	<u>8,072,759</u>	<u>7,740,582</u>	<u>7,417,254</u>	<u>6,974,443</u>	<u>7,082,787</u>	<u>6,767,645</u>	<u>6,261,523</u>
Total pension liability - ending	<u>\$ 8,320,283</u>	<u>\$ 8,072,759</u>	<u>\$ 7,740,582</u>	<u>\$ 7,417,254</u>	<u>\$ 6,974,443</u>	<u>\$ 7,082,787</u>	<u>\$ 6,767,645</u>
Plan Fiduciary Net Position							
Contributions - employer	162,734	171,378	147,694	167,746	174,004	177,706	186,321
Contributions - employee	89,524	86,750	82,460	76,557	76,243	76,818	77,063
Net investment income	1,414,299	1,067,262	1,179,023	(354,450)	1,093,030	390,015	28,944
Benefit payments, including refunds	(348,786)	(313,083)	(332,557)	(322,474)	(340,069)	(302,922)	(240,854)
Other	<u>(110,780)</u>	<u>61,094</u>	<u>31,790</u>	<u>49,773</u>	<u>(349,403)</u>	<u>60,649</u>	<u>(83,002)</u>
Net change in plan fiduciary net position	1,206,991	1,073,401	1,108,410	(382,848)	653,805	402,266	(31,528)
Plan fiduciary net position - beginning	<u>8,601,128</u>	<u>7,527,727</u>	<u>6,419,317</u>	<u>6,802,165</u>	<u>6,148,360</u>	<u>5,746,094</u>	<u>5,777,622</u>
Plan fiduciary net position - ending	<u>\$ 9,808,119</u>	<u>\$ 8,601,128</u>	<u>\$ 7,527,727</u>	<u>\$ 6,419,317</u>	<u>\$ 6,802,165</u>	<u>\$ 6,148,360</u>	<u>\$ 5,746,094</u>
Net Pension Liability	<u>\$ (1,487,836)</u>	<u>\$ (528,369)</u>	<u>\$ 212,855</u>	<u>\$ 997,937</u>	<u>\$ 172,278</u>	<u>\$ 934,427</u>	<u>\$ 1,021,551</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>117.83%</u>	<u>106.55%</u>	<u>97.25%</u>	<u>86.55%</u>	<u>97.53%</u>	<u>86.81%</u>	<u>84.91%</u>
Covered-employee Payroll	<u>\$ 1,989,432</u>	<u>\$ 1,927,771</u>	<u>\$ 1,832,439</u>	<u>\$ 1,701,273</u>	<u>\$ 1,694,296</u>	<u>\$ 1,707,064</u>	<u>\$ 1,712,505</u>
Net position liability as a percentage of covered-employee payroll	<u>-74.79%</u>	<u>-27.41%</u>	<u>11.62%</u>	<u>58.66%</u>	<u>10.17%</u>	<u>54.74%</u>	<u>59.65%</u>

VILLAGE OF FREEBURG, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
MARCH 31, 2022

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 162,736	\$ 171,379	\$ 147,695	\$ 167,746	\$ 174,004	\$ 177,705	\$ 186,321
Contributions in relation to actuarial determined contribution	<u>162,734</u>	<u>171,378</u>	<u>147,694</u>	<u>167,746</u>	<u>174,004</u>	<u>177,706</u>	<u>186,321</u>
Contribution deficiency (excess)	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>
Covered-employee Payroll	<u>1,989,432</u>	<u>1,927,771</u>	<u>1,832,439</u>	<u>1,701,273</u>	<u>1,694,296</u>	<u>1,707,064</u>	<u>1,712,505</u>
Contributions as a percentage of covered-employee payroll	<u>8.18%</u>	<u>8.89%</u>	<u>8.06%</u>	<u>9.86%</u>	<u>10.27%</u>	<u>10.41%</u>	<u>10.88%</u>

Actuarial valuation date for above is December 31, 2021.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	22 years
Asset Valuation Method:	5-Year smoothed market; 20% corridor
Actuarial Assumptions:	
Interest Rate	7.25%
Wage Growth	3.25%
Price Inflation	2.50%

VILLAGE OF FREEBURG, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
MARCH 31, 2022

	<u>Impact Fees</u>	<u>Motor Fuel Tax</u>	<u>TIF</u>	<u>Total</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 30,166	\$ 407,668	\$ 589,038	\$ 1,026,872
Total Assets	<u>\$ 30,166</u>	<u>\$ 407,668</u>	<u>\$ 589,038</u>	<u>\$ 1,026,872</u>
 <u>Liabilities and Fund Balance</u>				
Liabilities:				
None	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:				
Restricted	<u>30,166</u>	<u>407,668</u>	<u>589,038</u>	<u>1,026,872</u>
Total Fund Balance	<u>30,166</u>	<u>407,668</u>	<u>589,038</u>	<u>1,026,872</u>
Total Liabilities and Fund Balance	<u>\$ 30,166</u>	<u>\$ 407,668</u>	<u>\$ 589,038</u>	<u>\$ 1,026,872</u>

VILLAGE OF FREEBURG, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2022

	Impact Fees	Motor Fuel Tax	TIF	Total
Revenues:				
Motor Fuel Tax	\$ -	\$ 171,137	\$ 262,113	\$ 433,250
Grants	-	95,649	-	95,649
Investment Income	87	222	1,786	2,095
Total Revenues	<u>87</u>	<u>267,008</u>	<u>263,899</u>	<u>530,994</u>
Expenditures:				
Current:				
Highways and Streets	-	127,098	-	127,098
Debt Service:				
Principal	-	-	5,000	5,000
Interest and Fees	-	-	8,266	8,266
Total Expenditures	<u>-</u>	<u>127,098</u>	<u>13,266</u>	<u>140,364</u>
Excess of Revenues Over Expenditures	<u>87</u>	<u>139,910</u>	<u>250,633</u>	<u>390,630</u>
Fund Balance, Beginning of Year	<u>30,079</u>	<u>267,758</u>	<u>338,405</u>	<u>636,242</u>
Fund Balance, End of Year	<u>\$ 30,166</u>	<u>\$ 407,668</u>	<u>\$ 589,038</u>	<u>\$ 1,026,872</u>



**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH TAX INCREMENT FINANCING ACT**

To the Honorable Mayor and Board
of Trustees of the Village of
Freeburg, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Village of Freeburg, Illinois ("Village"), as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Village'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 governmental activities (modified cash basis), the business-type activities (accrual basis), each major fund (governmental-modified cash basis, proprietary-accrual basis), and the aggregate remaining fund information of the Village of Freeburg, Illinois as of March 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Freeburg, Illinois and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The governmental fund financial statements and the governmental activities in the government-wide financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the governmental funds financial statements and the governmental activities in the government-wide financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the presentation of the governmental fund financial statements and the governmental activities in the government-wide financial statements in the circumstances. Management is also responsible for the preparation and fair presentation of the business-type and proprietary fund financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Village'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 Village'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.

Other Matters

The management of the Village of Freeburg, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the government's compliance with 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

The results of our tests indicate that for the items tested, the Village of Freeburg, Illinois, complied with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". Nothing came to our attention that caused us to believe that, for the items not tested, the Village of Freeburg, Illinois was not in compliance with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

C. J. Schwan & Company LLC

Certified Public Accountants

Alton, Illinois

September 6, 2022

