



CITY OF BEARDSTOWN, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2023



SIKICH.COM

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Beardstown
Beardstown, Illinois

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these 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 City 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.

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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 GAAS 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 GAAS, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements.

Such 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 and individual fund financial statements and schedules are fairly stated, in all material respects, in related to the basic financials statements as a whole.

Sikich LLP

Naperville, Illinois
March 25, 2024

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF BEARDSTOWN, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2023

	Governmental Activities	Business-Type Activities	Total	Component Unit	
				Library	Museum
ASSETS					
Cash	\$ 5,834,781	\$ 2,063,693	\$ 7,898,474	\$ 527,881	\$ 27,029
Investments	257,059	153,008	410,067	-	-
Capital assets (net of accumulated depreciation)	-	13,024,812	13,024,812	617,275	-
Total assets	6,091,840	15,241,513	21,333,353	1,145,156	27,029
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
LIABILITIES					
Unearned revenue	741,117	-	741,117	-	-
Noncurrent liabilities					
Due within one year	-	434,498	434,498	-	-
Due within more than one year	-	2,505,332	2,505,332	-	-
Total liabilities	741,117	2,939,830	3,680,947	-	-
DEFERRED INFLOWS OF RESOURCES					
None	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
NET POSITION					
Net investment in capital assets	-	10,084,982	10,084,982	617,275	-
Restricted for					
Public safety	373,451	-	373,451	-	-
Public works	1,115,675	-	1,115,675	-	-
Workers' compensation	67,595	-	67,595	-	-
Social Security	9,354	-	9,354	-	-
Retirement	122,693	-	122,693	-	-
Economic devleopment	642,583	-	642,583	-	-
Specific purpose	388,879	-	388,879	63,420	-
Unrestricted	2,630,493	2,216,701	4,847,194	464,461	27,029
TOTAL NET POSITION	\$ 5,350,723	\$ 12,301,683	\$ 17,652,406	\$ 1,145,156	\$ 27,029

See accompanying notes to financial statements.

CITY OF BEARDSTOWN, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,056,977	\$ 454,031	\$ -	\$ -
Public safety	2,573,401	667,336	4,052	-
Public works	859,251	-	244,645	267,255
Economic development	1,056,076	-	-	-
Interest	-	-	-	-
Total governmental activities	<u>6,545,705</u>	<u>1,121,367</u>	<u>248,697</u>	<u>267,255</u>
Business-Type Activities				
Water	1,139,765	1,198,306	-	-
Sewer	487,490	326,670	-	67,500
Total business-type activities	<u>1,627,255</u>	<u>1,524,976</u>	<u>-</u>	<u>67,500</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 8,172,960</u>	<u>\$ 2,646,343</u>	<u>\$ 248,697</u>	<u>\$ 334,755</u>
COMPONENT UNITS				
Library	\$ 147,532	\$ 7,294	\$ 34,646	\$ -
Museum	\$ 13,540	\$ 3,324	\$ -	\$ -

Net (Expense) Revenue and Change in Net Position					
Primary Government			Component Unit		
Governmental Activities	Business-Type Activities	Total	Library	Museum	
\$ (1,602,946)	\$ -	\$ (1,602,946)	\$ -	\$ -	
(1,902,013)	-	(1,902,013)	-	-	
(347,351)	-	(347,351)	-	-	
(1,056,076)	-	(1,056,076)	-	-	
-	-	-	-	-	
(4,908,386)	-	(4,908,386)	-	-	
-	58,541	58,541	-	-	
-	(93,320)	(93,320)	-	-	
-	(34,779)	(34,779)	-	-	
(4,908,386)	(34,779)	(4,943,165)	-	-	
-	-	-	(105,592)	-	
-	-	-	-	(10,216)	
General Revenues					
Taxes					
Property	1,653,710	-	1,653,710	52,059	-
Sales and use	1,317,567	-	1,317,567	-	-
Utility	632,581	-	632,581	-	-
Other	209,030	-	209,030	-	-
Intergovernmental					
State income tax	961,553	-	961,553	-	-
Personal property replacement tax	526,984	-	526,984	-	-
Investment income	14,004	4,865	18,869	16,431	58
Miscellaneous	248,247	15,799	264,046	26,175	14,008
Total	5,563,676	20,664	5,584,340	94,665	14,066
CHANGE IN NET POSITION	655,290	(14,115)	641,175	(10,927)	3,850
NET POSITION, MAY 1	4,695,433	12,315,798	17,011,231	1,156,083	23,179
NET POSITION, APRIL 30	\$ 5,350,723	\$ 12,301,683	\$ 17,652,406	\$ 1,145,156	\$ 27,029

See accompanying notes to financial statements.

CITY OF BEARDSTOWN, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ARISING FROM MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

April 30, 2023

	<u>General</u>	<u>ARPA</u>	<u>Motor Fuel Tax</u>	<u>Tax Increment Financing #1</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
ASSETS						
Cash	\$ 2,502,840	\$ 742,642	\$ 1,115,675	\$ 573,462	\$ 900,162	\$ 5,834,781
Investments	-	-	-	-	257,059	257,059
TOTAL ASSETS	\$ 2,502,840	\$ 742,642	\$ 1,115,675	\$ 573,462	\$ 1,157,221	\$ 6,091,840
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Unearned revenue	\$ -	\$ 741,117	\$ -	\$ -	\$ -	\$ 741,117
Total liabilities	-	741,117	-	-	-	741,117
FUND BALANCES						
Restricted						
Public safety	-	-	-	-	373,451	373,451
Public works	-	-	1,115,675	-	-	1,115,675
Workers' compensation	-	-	-	-	67,595	67,595
Social Security	-	-	-	-	9,354	9,354
Retirement	-	-	-	-	122,693	122,693
Economic development	-	-	-	573,462	69,121	642,583
Specific purpose	-	1,525	-	-	387,354	388,879
Assigned						
Capital projects	-	-	-	-	127,653	127,653
Subsequent year's budget	1,047,137	-	-	-	-	1,047,137
Unrestricted						
Unassigned	1,455,703	-	-	-	-	1,455,703
Total fund balances	2,502,840	1,525	1,115,675	573,462	1,157,221	5,350,723
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,502,840	\$ 742,642	\$ 1,115,675	\$ 573,462	\$ 1,157,221	\$ 6,091,840

See accompanying notes to financial statements.

CITY OF BEARDSTOWN, ILLINOIS

**STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2023

	General	ARPA	Motor Fuel Tax	Tax Increment Financing #1	Nonmajor Governmental	Total
REVENUES COLLECTED						
Property taxes	\$ 384,201	\$ -	\$ -	\$ 501,722	\$ 767,787	\$ 1,653,710
Other taxes	2,148,055	-	-	-	11,124	2,159,179
Charges for services	137,898	-	-	-	983,469	1,121,367
Intergovernmental	1,492,588	-	311,900	200,000	-	2,004,488
Investment income	4,473	1,418	2,148	1,321	4,644	14,004
Miscellaneous income	214,083	-	-	-	34,164	248,247
Total revenues collected	4,381,298	1,418	314,048	703,043	1,801,188	7,200,995
EXPENDITURES PAID						
Current						
General government	973,100	-	-	-	826,453	1,799,553
Public safety	1,506,502	-	-	-	1,066,899	2,573,401
Public works	809,369	-	49,882	-	-	859,251
Economic development	-	-	-	623,270	-	623,270
Capital outlay	221,780	-	-	424,566	43,884	690,230
Total expenditures paid	3,510,751	-	49,882	1,047,836	1,937,236	6,545,705
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	870,547	1,418	264,166	(344,793)	(136,048)	655,290
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	178,766	178,766
Transfers (out)	(170,526)	-	-	(8,240)	-	(178,766)
Total other financing sources (uses)	(170,526)	-	-	(8,240)	178,766	-
NET CHANGE IN FUND BALANCES	700,021	1,418	264,166	(353,033)	42,718	655,290
FUND BALANCES, MAY 1	1,802,819	107	851,509	926,495	1,114,503	4,695,433
FUND BALANCES, APRIL 30	\$ 2,502,840	\$ 1,525	\$ 1,115,675	\$ 573,462	\$ 1,157,221	\$ 5,350,723

See accompanying notes to financial statements.

CITY OF BEARDSTOWN, ILLINOIS

**STATEMENT OF ASSETS, LIABILITIES AND NET POSITION
ARISING FROM MODIFIED CASH BASIS
PROPRIETARY FUNDS**

April 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,741,789	\$ 321,904	\$ 2,063,693
Investments	107,000	46,008	153,008
Capital assets (net of accumulated depreciation)	8,724,719	4,300,093	13,024,812
Total assets	<u>10,573,508</u>	<u>4,668,005</u>	<u>15,241,513</u>
LIABILITIES			
Noncurrent liabilities			
Due within one year	349,498	85,000	434,498
Due in greater than one year	2,245,332	260,000	2,505,332
Total liabilities	<u>2,594,830</u>	<u>345,000</u>	<u>2,939,830</u>
NET POSITION			
Net investment in capital assets	6,129,889	3,955,093	10,084,982
Unrestricted	1,848,789	367,912	2,216,701
TOTAL NET POSITION	<u>\$ 7,978,678</u>	<u>\$ 4,323,005</u>	<u>\$ 12,301,683</u>

See accompanying notes to financial statements.

CITY OF BEARDSTOWN, ILLINOIS

**STATEMENT OF REVENUES COLLECTED, EXPENSES PAID AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS**

For the Year Ended April 30, 2023

	Water	Sewer	Total
OPERATING REVENUES			
Charges for services	\$ 1,198,306	\$ 326,670	\$ 1,524,976
Total operating revenues	<u>1,198,306</u>	<u>326,670</u>	<u>1,524,976</u>
OPERATING EXPENSES			
Operations	<u>820,733</u>	<u>299,197</u>	<u>1,119,930</u>
Total operating expenses	<u>820,733</u>	<u>299,197</u>	<u>1,119,930</u>
OPERATING INCOME BEFORE DEPRECIATION	377,573	27,473	405,046
Depreciation	<u>305,865</u>	<u>177,244</u>	<u>483,109</u>
OPERATING INCOME (LOSS)	<u>71,708</u>	<u>(149,771)</u>	<u>(78,063)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	3,993	872	4,865
Miscellaneous	13,443	2,356	15,799
Interest expense	(4,754)	(11,049)	(15,803)
Loss on disposal of capital assets	<u>(8,413)</u>	<u>-</u>	<u>(8,413)</u>
Total non-operating revenues (expenses)	<u>4,269</u>	<u>(7,821)</u>	<u>(3,552)</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	<u>75,977</u>	<u>(157,592)</u>	<u>(81,615)</u>
CAPITAL GRANTS AND CONTRIBUTIONS	<u>-</u>	<u>67,500</u>	<u>67,500</u>
CHANGE IN NET POSITION	75,977	(90,092)	(14,115)
NET POSITION, MAY 1	<u>7,902,701</u>	<u>4,413,097</u>	<u>12,315,798</u>
NET POSITION, APRIL 30	<u>\$ 7,978,678</u>	<u>\$ 4,323,005</u>	<u>\$ 12,301,683</u>

See accompanying notes to financial statements.

CITY OF BEARDSTOWN, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2023

	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,198,306	\$ 326,670	\$ 1,524,976
Receipts from miscellaneous	13,443	2,356	15,799
Payments to suppliers	(541,594)	(200,933)	(742,527)
Payments to employees	(279,139)	(98,264)	(377,403)
Net cash from operating activities	391,016	29,829	420,845
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
None	-	-	-
Net cash from noncapital financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	(150,000)	-	(150,000)
Capital grants and contributions received	-	67,500	67,500
Principal payments on long-term debt	(349,498)	(80,000)	(429,498)
Interest payments on long-term debt	(4,757)	(11,049)	(15,806)
Net cash from capital and related financing activities	(504,255)	(23,549)	(527,804)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	3,993	872	4,865
Net cash from investing activities	3,993	872	4,865
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(109,246)	7,152	(102,094)
CASH AND CASH EQUIVALENTS, MAY 1	1,851,035	314,752	2,165,787
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 1,741,789	\$ 321,904	\$ 2,063,693
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 71,708	\$ (149,771)	\$ (78,063)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Receipts from miscellaneous	13,443	2,356	15,799
Depreciation	305,865	177,244	483,109
NET CASH FROM OPERATING ACTIVITIES	\$ 391,016	\$ 29,829	\$ 420,845

See accompanying notes to financial statements.

CITY OF BEARDSTOWN, ILLINOIS

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS**

April 30, 2023

	Pension Trust Funds	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 144,288	\$ 111,637
Investments		
Held in the Illinois Firefighters' Pension Investment Fund	1,112,670	-
Investments, at fair value		
Held in the Illinois Police Officers' Pension Investment Fund	1,591,222	-
	<hr/>	<hr/>
Total assets	2,848,180	111,637
	<hr/>	<hr/>
LIABILITIES		
None	-	-
	<hr/>	<hr/>
Total liabilities	-	-
	<hr/>	<hr/>
NET POSITION		
Restricted for other governments	-	111,637
Restricted for pensions	2,848,180	-
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 2,848,180	\$ 111,637
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

CITY OF BEARDSTOWN, ILLINOIS

STATEMENT OF CHANGES IN NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS

For the Year Ended April 30, 2023

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions - employer	\$ 284,978	\$ -
Contributions - employee	71,822	-
Contributions - residents	-	1,322,585
	<hr/>	<hr/>
Total contributions	356,800	1,322,585
	<hr/>	<hr/>
Investment income		
Net appreciation in fair value of investments	39,416	-
Interest earned on investments	29,896	228
	<hr/>	<hr/>
Total investment income	69,312	228
	<hr/>	<hr/>
Less investment expense	(4,834)	-
	<hr/>	<hr/>
Net investment income	64,478	228
	<hr/>	<hr/>
Total additions	421,278	1,322,813
	<hr/>	<hr/>
DEDUCTIONS		
Benefits and refunds		
Retirement pension	184,708	-
Disability pension	28,788	-
Surviving spouse pension	48,991	-
Refund of contributions	31,976	-
Administrative	30,190	-
Contractual services		
Sewer treatment fees disbursed	-	1,312,214
	<hr/>	<hr/>
Total deductions	324,653	1,312,214
	<hr/>	<hr/>
CHANGE IN NET POSITION	96,625	10,599
	<hr/>	<hr/>
NET POSITION		
May 1	2,751,555	101,038
	<hr/>	<hr/>
April 30	\$ 2,848,180	\$ 111,637
	<hr/>	<hr/>

See accompanying notes to financial statements.

CITY OF BEARDSTOWN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Beardstown, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)), except as described in Note 1d. 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 City's accounting policies are described below.

The City operates under a Mayoral-Council form of government and provides the following services as authorized by statute: public safety (Police and Fire), streets, library, water and sewer utility, public improvements, building and zoning, financial and general administrative services.

a. Reporting Entity

The City is considered to be a primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and 34*, since its council is separately elected and fiscally independent. In accordance with these pronouncements, the basic financial statements include all funds for which the City is financially accountable. Additionally, management has determined that there are two fiduciary component units that are required to be included in the financial statements of the City as pension trust funds.

The City had determined that the Beardstown Houston Library (the Library) meets the requirements of GASB Statement No. 14 as amended by GASB Statement Nos. 39 and 61, because the Library is fiscally dependent on the City as the City appoints the Library Council, levies its taxes, and must approve its budget and debt issuances. This has resulted in the Library being reported as a discretely presented component unit of the City as it is legally separate from the City.

The City had determined that the Old Lincoln Courtroom and Museum (the Museum) meets the requirements of GASB Statement No. 14 as amended by GASB Statement Nos. 39 and 61, because the Museum is fiscally dependent on the City as the City appoints the Museum Board of Commissions, and must approve its budget and debt issuances. This has resulted in the Museum being reported as a discretely presented component unit of the City as it is legally separate from the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and a fiduciary component unit of the City. PPERS does not issue a stand-alone financial report.

Firefighters' Pension Employees Retirement System

The City's fire employees participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership and two fire employees elected by the membership constitute the pension board. The City and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's fire employees and because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund and a fiduciary component unit of the City. FPERS does not issue a stand-alone financial report.

b. Fund Accounting

The City uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for fiduciary activities that meet the definition contained in GASB Statement No. 84, *Fiduciary Activities*. The City utilizes a pension trust fund (for its Police and Firefighters' Pension Fund) and a custodial fund (for its Sanitary District Billings Fund), which is generally used to account for assets that the City holds in a fiduciary capacity for the Beardstown Sanitary District.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund.

The TIF #1 Fund accounts for the resources received and expended related to the Tax Increment Financing District #1.

The ARPA Fund accounts for the resources received and expended related to the American Rescue Plan Act.

The Motor Fuel Tax Fund is used to account for the maintenance and various street improvements in the City. Financing is provided by the City's share of motor fuel tax allotments. State statutes require those allotments to be used to maintain streets.

The City reports the following major proprietary funds:

The Water Fund accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The Sewer Fund accounts for the provision of wastewater services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The City reports pension trust funds as fiduciary component units to account for the Police Pension Fund and Firefighters' Pension Fund. Furthermore, the City reports the Sanitary District Billings Fund as a custodial fund.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The business-type and fiduciary financial statements are reported using the economic resources measurement focus and using the modified cash basis of accounting which is a comprehensive basis of accounting other than GAAP. Only in the business-type activities and propriety funds, the City reports capital assets and liabilities issued to acquire capital assets (excluding leases), not long-term operating liabilities. Revenues are recorded at the time of receipt by the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Expenses are recorded when the funds are disbursed. Depreciation of capital assets has also been shown on the government-wide financial statements for business-type activities only. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with GAAP.

Governmental activities and the governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting which is a comprehensive basis of accounting other than GAAP. Revenues are recorded at the time of receipt by the City. Expenditures are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with GAAP.

e. Cash and Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

g. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$5,000 (except for land which has no threshold) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized. Donated capital assets are recorded at acquisition value at the date of donation.

h. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium.

i. Fund Balance/Net Position

In the fund financial statements, governmental funds can report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Administrator; however, this has not been authorized through a formal policy. Any residual fund balance in the General Fund and any deficit fund balance in other governmental funds are reported as unassigned.

The City's flow of funds assumption specified that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

k. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The City and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City's invests in interest-bearing savings and money market accounts (also interest-bearing time deposits if FDIC insured and credit if main office is located in Illinois) and interest-bearing certificates of deposit.

The City investments its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds using "good judgment and care" for managing the overall portfolio. The primary objective is safety (preservation of capital and protection of investment principal), liquidity and yield.

The City maintains a cash pool that is available for use by all funds. In addition, cash and investments are separately held by several of the City's funds.

2. DEPOSITS AND INVESTMENTS (Continued)

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City's investment policy does not address this risk.

City Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not address this risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. The City's investment policy does not address this risk.

Concentration of credit risk is the risk that the City has too high a percentage of their investments invested in one type of investment. The City's investment policy does not address this risk.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The City's investment policy does not address this risk.

The City did not have any investments requiring fair value measurement as of April 30, 2023.

3. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the City.

- The property tax lien date is January 1;
- Property taxes are due to the County Collector in two installments, June 1 and September 1; and
- Property taxes for 2022 were levied in December 2022 and are normally received monthly beginning in June and generally ending by December 2023.

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Business-Type Activities

Business-type capital asset activity for the year ended April 30, 2023 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Waterworks system	\$ 13,216,265	\$ 150,000	\$ 20,188	\$ 13,346,077
Sewerage system	7,522,608	-	-	7,522,608
Total capital assets being depreciated	20,738,873	150,000	20,188	20,868,685
Less accumulated depreciation for				
Waterworks system	4,327,268	305,865	11,775	4,621,358
Sewerage system	3,045,271	177,244	-	3,222,515
Total accumulated depreciation	7,372,539	483,109	11,775	7,843,873
Total capital assets being depreciated, net	13,366,334	(333,109)	8,413	13,024,812
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 13,366,334	\$ (333,109)	\$ 8,413	\$ 13,024,812

5. LONG-TERM DEBT

A summary of long-term debt of the City for the year ended April 30, 2023 consisted of the following:

The City has issued general obligation alternate revenue bonds where the City has pledged sewer revenues for the payment of bond principal and interest. Alternate revenue bonds are direct obligations and pledge the full faith and credit of the City. Alternate revenue bonds currently outstanding are as follows:

a. General Obligation Alternate Revenue Source Bonds

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refunding	Balances April 30	Current Portion
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2016A, are due in annual installments ranging from \$30,000 to \$35,000 through March 1, 2027, interest rate of 2% are due semiannually on September 1 and March 1.	Water	\$ 165,000	\$ -	\$ 30,000	\$ 135,000	\$ 30,000

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

a. General Obligation Alternate Revenue Source Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refunding	Balances April 30	Current Portion
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2016B, are due in annual installments ranging from \$80,000 to \$90,000 through March 1, 2027, interest rate of 2% and payments are due semiannually on September 1 and March 1.	Sewer	\$ 425,000	\$ -	\$ 80,000	\$ 345,000	\$ 85,000
TOTAL		\$ 590,000	\$ -	\$ 110,000	\$ 480,000	\$ 115,000

b. Illinois Environmental Protection Agency Loans

The City, through the Illinois Environmental Protection Agency (IEPA), received interest-free loans for the construction of water and sewer facilities. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refunding	Balances April 30	Current Portion
IEPA Water Series of 2008 due in annual installments of \$96,154, interest free, through February 23, 2030	Water	\$ 769,232	\$ -	\$ 96,154	\$ 673,078	\$ 96,154
IEPA Water Series of 2009 due in annual installments of \$223,344, interest free, through February 6, 2031	Water	2,010,096	-	223,344	1,786,752	223,344
TOTAL		\$ 2,779,328	\$ -	\$ 319,498	\$ 2,459,830	\$ 319,498

c. Long-Term Liabilities Summarized

Transactions for the year ended April 30, 2023 are summarized as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-Type Activities					
General obligation bonds (alternate revenue source)	\$ 590,000	\$ -	\$ 110,000	\$ 480,000	\$ 115,000
IEPA loans payable	2,779,328	-	319,498	2,459,830	319,498
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 3,369,328	\$ -	\$ 429,498	\$ 2,939,830	\$ 434,498

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

d. Debt Service to Maturity

The annual requirements to amortize all debt outstanding of the City as of April 30, 2023 are as follows:

General Obligation Alternate Revenue Source Bonds

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 115,000	\$ 12,535	\$ 127,535
2025	120,000	9,642	129,642
2026	120,000	6,615	126,615
2027	125,000	3,375	128,375
TOTAL	\$ 480,000	\$ 32,167	\$ 512,167

Illinois Environmental Protection Agency Loans

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 319,498	\$ -	\$ 319,498
2025	319,498	-	319,498
2026	319,498	-	319,498
2027	319,498	-	319,498
2028	319,498	-	319,498
2029-2031	862,340	-	862,340
TOTAL	\$ 2,459,830	\$ -	\$ 2,459,830

e. Alternate Revenue Bonds

The City has pledged future water service revenues to repay the General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2016A. The bonds are payable from the water service revenues and are payable through fiscal year 2027. The total principal and interest remaining to be paid is \$144,315 for the Series 2016A bonds. Total water service revenues were \$1,098,005. The current year principal and interest of \$34,275 was 3.12% of the pledged revenue.

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

e. Alternate Revenue Bonds (Continued)

The City has pledged future wastewater service revenues to repay the General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2016B. The bonds are payable from the wastewater service revenues and are payable through fiscal year 2027. The total principal and interest remaining to be paid is \$367,852 for the Series 2016B bonds. Total wastewater service revenues were \$325,370. The current year principal and interest of \$90,570 was 27.84% of the pledged revenue.

f. Legal Debt Margin

The City is subject to a debt limitation of 8.625% of its assessed valuation of \$34,872,490. As of April 30, 2023, the City had \$3,007,752 of remaining legal debt margin.

6. INTERFUND ACTIVITY

Interfund transfers during the year ended April 30, 2023 consisted of the following:

	Transfer In	Transfer Out
General Fund	\$ -	\$ 170,526
TIF Fund	-	8,240
Nonmajor Governmental Fund (Cemetery Fund)	170,516	-
Nonmajor Governmental Fund (TIF #3 Fund)	8,240	-
Nonmajor Governmental Fund (Marina Campground Fund)	10	-
TOTAL	\$ 178,766	\$ 178,766

Significant transfers between funds for the year ended April 30, 2023 consist of the following:

- \$170,526 transferred to the Nonmajor Governmental Fund (Cemetery Fund) from the General Fund to support cemetery operations. This transfer will not be repaid.
- \$8,240 transferred to the Nonmajor Government Fund (TIF #3 Fund) from the TIF Fund to reimburse for TIF #3 project costs. This transfer will not be repaid.

7. RISK MANAGEMENT

The City purchases property, auto, general liability, workers' compensation, public officials bonds and health, dental, vision and life insurance from various insurance brokers for the benefit of its employees. Losses have not exceeded coverage in the current year or the preceding three years.

8. COMMITMENTS AND CONTINGENCIES

a. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

9. EMPLOYEE RETIREMENT SYSTEMS

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF - City) and the Sheriff's Law Enforcement Personnel (SLEP) (also administered by IMRF) which are an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all four plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The Police and Firefighters' Pension Plans do not issue separate reports.

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund - City and SLEP

Plan Administration

All employees (other than those covered by the SLEP Plan, Police and Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2022 (most recent measurement date), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>32</u>
TOTAL	<u><u>101</u></u>

At December 31, 2022 (most recent measurement date), SLEP membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>-</u>
TOTAL	<u><u>2</u></u>

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

Benefits Provided

City

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service.

Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all are established by state statute.

SLEP

SLEP having accumulated at least 20 years of service and terminating IMRF participation or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. SLEP members meeting the two qualifications described in the first sentence of this paragraph are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited. For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

Benefits Provided (Continued)

SLEP (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 55 with ten years of Tier 2 service credit are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited. The pension for participating members who retire between age 50 and 55 will be reduced by 1/2% for each month under age 55. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by ILCS.

Contributions

City

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended April 30, 2023 was \$93,225.

SLEP

Participating members are required to contribute 7.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. The employer contribution for the year ended April 30, 2023 was \$2,830.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

For nondisabled 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.

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2022 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability (Asset)

City

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2022	\$ 7,859,499	\$ 9,533,347	\$ (1,673,848)
Changes for the period			
Service cost	139,332	-	139,332
Interest	559,816	-	559,816
Difference between expected and actual experience	137,177	-	137,177
Changes in assumptions	-	-	-
Employer contributions	-	107,478	(107,478)
Employee contributions	-	68,931	(68,931)
Net investment income	-	(1,194,248)	1,194,248
Benefit payments and refunds	(415,143)	(415,143)	-
Other (net transfer)	-	74,223	(74,223)
Net changes	421,182	(1,358,759)	1,779,941
BALANCES AT DECEMBER 31, 2022	\$ 8,280,681	\$ 8,174,588	\$ 106,093

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

Changes in the Net Pension Liability (Asset) (Continued)

SLEP

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2022	\$ 256,363	\$ 261,796	\$ (5,433)
Changes for the period			
Service cost	-	-	-
Interest	17,990	-	17,990
Difference between expected and actual experience	1,287	-	1,287
Changes in assumptions	-	-	-
Employer contributions	-	3,194	(3,194)
Employee contributions	-	-	-
Net investment income	-	(53,195)	53,195
Benefit payments and refunds	(16,455)	(16,455)	-
Other (net transfer)	-	413	(413)
Net changes	2,822	(66,043)	68,865
BALANCES AT DECEMBER 31, 2022	\$ 259,185	\$ 195,753	\$ 63,432

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2023, the City recognized pension expense of \$93,225.

City

At April 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 88,076	\$ 166,650
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	561,657	-
Contributions subsequent to the measurement date	16,888	-
TOTAL	\$ 666,621	\$ 166,650

\$16,888 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending April 30,	
2024	\$ (206,252)
2025	117,412
2026	196,031
2027	375,892
Thereafter	-
TOTAL	\$ 483,083

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

SLEP

For the year ended April 30, 2023, the City recognized pension expense of \$2,830.

At April 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	25,334	-
Contributions subsequent to the measurement date	701	-
TOTAL	\$ 26,035	\$ -

\$701 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2024	\$ (1,583)
2025	4,257
2026	8,319
2027	14,341
2028	-
Thereafter	-
TOTAL	\$ 25,334

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

Discount Rate Sensitivity

City

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 1,028,465	\$ 106,093	\$ (635,313)

SLEP

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 97,191	\$ 63,432	\$ 35,928

The net pension liability, deferred outflows of resources and deferred inflows of resources are not reported on the City's financial statements as the City and its discretely presented component units report on the modified cash basis of accounting as discussed in Note 1d.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The plan is governed by a five-member Council. Two members of the Council are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership

At April 30, 2022 (most recent data available), membership consisted of:

Inactive plan members currently receiving benefits	5
Inactive plan members entitled to benefits but not yet receiving them	4
Active plan members	
Nonvested	8
TOTAL	17

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.50% of salary for each year of service. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the policeman during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded.

The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2023, the City's contribution was 66.18% of covered payroll.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the plan's deposits may not be returned to it. The plan's investment policy requires pledging of collateral for all bank balances held in the plan's name in excess of federal depository insurance, at amounts ranging from 110% to 115% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank.

Investments

Investments of the Plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual comprehensive financial report. For additional information on IPOPIF's investments, please refer to their annual comprehensive financial report as of June 30, 2023. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at April 30, 2023.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was \$1,591,222 at April 30, 2023. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2023. The plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Rate of Return

For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability at April 30, 2023 was 6.46%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.80% was blended with the index rate of 3.53% for tax-exempt general obligation bonds rated AA or better at April 30, 2023 to arrive at a discount rate of 6.46% used to determine the total pension liability.

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2022	\$ 3,085,138	\$ 1,582,501	\$ 1,502,637
Changes for the period			
Service cost	88,341	-	88,341
Interest	170,999	-	170,999
Difference between expected and actual experience	(490,572)	-	(490,572)
Changes in assumptions	116,665	-	116,665
Changes in benefit terms	(5,296)	-	(5,296)
Employer contributions	-	217,510	(217,510)
Employee contributions	-	32,570	(32,570)
Net investment income	-	56,945	(56,945)
Benefit payments and refunds	(153,820)	(153,820)	-
Administrative expense	-	(15,845)	15,845
Net changes	(273,683)	137,360	(411,043)
BALANCES AT APRIL 30, 2023	\$ 2,811,455	\$ 1,719,861	\$ 1,091,594

The funded status of the plan as of April 30, 2023 is 61.17%.

Changes in assumptions related to the discount rate and bond rate were made since the previous measurement period. There were also changes in benefit terms related to disabled members.

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2022 using the following actuarial methods and assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial valuation date	May 1, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Payroll increases	3.50%
Interest rate	3.53%
Cost of living adjustments	3.00% (Tier 1) 3.00% (Tier 2)
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010(A) study.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6.46% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.46%) or 1 percentage point higher (7.46%) than the current rate:

	1% Decrease (5.46%)	Current Discount Rate (6.46%)	1% Increase (7.46%)
Net pension liability	\$ 1,484,915	\$ 1,091,594	\$ 769,410

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2023, the City recognized pension expense of \$217,510. At April 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,667,282	\$ 425,595
Changes in assumptions	101,212	529,810
Net difference between projected and actual earnings on pension plan investments	177,384	-
TOTAL	\$ 2,945,878	\$ 955,405

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2024	\$ 428,471
2025	428,471
2026	428,469
2027	383,581
2028	372,902
Thereafter	(51,421)
TOTAL	\$ 1,990,473

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The Police Pension Fund net pension liability and deferred outflows and inflows of resources are not reported on the City’s financial statements as the City reports on the modified cash basis of accounting as discussed in Note 1d.

Firefighters’ Pension Plan

Plan Administration

Firefighter sworn personnel are covered by the Firefighters’ Pension Plan, a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The City accounts for the Firefighters’ Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the City Council are appointed by the City Mayor, one member is elected by pension beneficiaries, and two members are elected by active firefighter employees.

Plan Membership

At April 30, 2022 (most recent data available), membership consisted of:

Inactive plan members currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>3</u>
TOTAL	<u><u>7</u></u>

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtained by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements.

Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The City is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. For the year ended April 30, 2023, the City's contribution was 43.27% of covered payroll.

Illinois Firefighters' Pension Investment Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the plan.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Deposits with Financial Institutions (Continued)

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the fund's deposits may not be returned to it. The fund's investment policy requires that any funds deposited directly in financial institutions should be made with fully federally insured financial institutions and that any deposits in excess of FDIC insurance should be collateralized at 110% of the fair market value of the deposits. The collateral will be held in a safekeeping by a third party and evidenced by a written agreement.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual comprehensive financial report. For additional information on IFPIF's investments, please refer to their annual comprehensive financial report as of June 30, 2023. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at www.ifpif.org.

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at April 30, 2023.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IFPIF was \$1,112,670 at April 30, 2023. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2023. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by ILCS. The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

Investment Rate of Return

For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability at April 30, 2023 was 6.411%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fund's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.125% was blended with the index rate of 3.53% for tax-exempt general obligation bonds rated AA or better at April 30, 2023 to arrive at a discount rate of 6.411% used to determine the total pension liability.

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2022	\$ 1,660,976	\$ 1,169,054	\$ 491,922
Changes for the period			
Service cost	27,826	-	27,826
Interest	115,131	-	115,131
Difference between expected and actual experience	44,010	-	44,010
Changes in assumptions	150,240	-	150,240
Changes in benefit terms	(1,925)	-	(1,925)
Employer contributions	-	67,468	(67,468)
Employee contributions	-	14,743	(14,743)
Other contributions	-	24,509	(24,509)
Net investment income	-	5,106	(5,106)
Benefit payments and refunds	(140,644)	(140,644)	-
Administrative expense	-	(11,917)	11,917
Net changes	194,638	(40,735)	235,373
BALANCES AT APRIL 30, 2023	\$ 1,855,614	\$ 1,128,319	\$ 727,295

The funded status of the plan as of April 30, 2023 is 60.81%.

Changes in assumptions related to the discount rate and bond rate were made since the previous measurement period. There were also changes in benefit terms related to disabled members.

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2022 using the following actuarial methods and assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial valuation date	May 1, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Payroll increases	3.50%
Interest rate	3.53%
Cost of living adjustments	3.00% (Tier 1) 3.00% (Tier 2)
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010(A) study.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6.411% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.411%) or 1 percentage point higher (7.411%) than the current rate:

	1% Decrease (5.411%)	Current Discount Rate (6.411%)	1% Increase (7.411%)
Net pension liability	\$ 978,184	\$ 727,295	\$ 522,556

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2023, the City recognized pension expense of \$67,468. At April 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,662,738	\$ -
Changes in assumption	132,203	366,261
Net difference between projected and actual earnings on pension plan investments	144,569	-
TOTAL	\$ 1,939,510	\$ 366,261

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighters' pension will be recognized in pension expense as follows:

Year Ending April 30,	
2024	\$ 247,380
2025	247,380
2026	247,380
2027	219,601
2028	204,293
Thereafter	407,215
TOTAL	\$ 1,573,249

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The Firefighters' Pension Fund net pension liability and deferred outflows and inflows of resources are not reported on the City's financial statements as the City reports on the modified cash basis of accounting as discussed in Note 1d.

b. Plan Net Position

Police Pension Plan and Firefighters' Pension Plan

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 128,639	\$ 15,649	\$ 144,288
Investments at fair value			
Held in the Illinois Firefighters' Pension Investment Fund	-	1,112,670	1,112,670
Held in the Illinois Police Pension Investment Fund	1,591,222	-	1,591,222
	<hr/>	<hr/>	<hr/>
Total assets	1,719,861	1,128,319	2,848,180
LIABILITIES			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	-
NET POSITION RESTRICTED FOR PENSION			
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 1,719,861	\$ 1,128,319	\$ 2,848,180

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Changes in Plan Net Position

Police Pension Plan and Firefighters' Pension Plan

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 217,510	\$ 67,468	\$ 284,978
Employee	32,570	39,252	71,822
Total contributions	250,080	106,720	356,800
Investment income			
Net appreciation (depreciation) in fair value of investments	43,927	(4,511)	39,416
Interest	19,077	10,819	29,896
Total investment income	63,004	6,308	69,312
Less investment expense	(4,382)	(452)	(4,834)
Net investment income	58,622	5,856	64,478
Total additions	308,702	112,576	421,278
DEDUCTIONS			
Pension benefits	153,819	140,644	294,463
Administrative expenses	17,523	12,667	30,190
Total deductions	171,342	153,311	324,653
NET INCREASE (DECREASE)	137,360	(40,735)	96,625
NET POSITION RESTRICTED FOR PENSIONS			
May 1	1,582,501	1,169,054	2,751,555
April 30	\$ 1,719,861	\$ 1,128,319	\$ 2,848,180

10. OTHER POSTEMPLOYMENT BENEFITS

The City's other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources would not be reported on the City's financial statements as the City reports on the modified cash basis of accounting as discussed in Note 1d. Therefore, the City and its discretely presented component units have not recorded any postemployment benefit liability as of April 30, 2023.

11. SUBSEQUENT EVENTS

On May 2, 2023, the City entered into a lease agreement with NCL Government Capital for a street sweeper. Annual payments ranging from \$33,118 to \$93,000, plus interest at 6.59%, with payments due from May 2023 through May 2028.

On June 2, 2023, the City entered into a lease agreement with Bell Bank Equipment Finance for a tractor loader backhoe. Monthly payments of \$2,210, plus interest at 6.50%, will be due from July 2023 through June 2026.

On August 22, 2023, the City Council approved for the issuance of \$2,918,000 Sewage Revenue Bonds, Series 2023A, and \$385,000 Sewage Revenue Bonds, Series 2023B. These bonds will be utilized for defraying the cost of constructing, acquiring, improving and extending the sewerage system of the City.

12. DISCRETELY PRESENTED COMPONENT UNIT - BEARDSTOWN HOUSTON MEMORIAL PUBLIC LIBRARY

a. Financial Information

No separate financial statements are available for the Beardstown Houston Public Library (the Library).

b. Deposits and Investments

Library Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. The Library's investment policy does not address this risk. At April 30, 2023, \$70,762 of deposits were uninsured and uncollateralized at fiscal year end.

Library Investments

The Library categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

12. DISCRETELY PRESENTED COMPONENT UNIT - BEARDSTOWN HOUSTON MEMORIAL PUBLIC LIBRARY (Continued)

b. Deposits and Investments (Continued)

Library Investments (Continued)

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Library does not have any investments requirement fair value measurements as of April 30, 2023.

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. The Library's investment policy does not address this risk.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Library's investment policy does not address this risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. The Library's investment policy does not address this risk.

Concentration of credit risk is the risk that the Library has a high percentage of their investments invested in one type of investment. The Library's investment policy does not address this risk.

c. Property Tax Calendar

The following information gives significant dates on the property tax calendar of the Library:

- The property tax lien date is January 1;
- Property taxes are due to the County Collector in two installments, June 1 and September 1; and
- Property taxes for 2022 were levied in December 2022 and are normally received monthly beginning in June and generally ending by December 2023.

CITY OF BEARDSTOWN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DISCRETELY PRESENTED COMPONENT UNIT - BEARDSTOWN HOUSTON MEMORIAL PUBLIC LIBRARY (Continued)

d. Capital Assets

The following is a summary of the capital asset activity for the year ended April 30, 2023:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Buildings and improvements	\$ 1,143,101	\$ -	\$ -	\$ 1,143,101
Total capital assets being depreciated	<u>1,143,101</u>	<u>-</u>	<u>-</u>	<u>1,143,101</u>
Less accumulated depreciation for Buildings and improvements	<u>502,964</u>	<u>22,862</u>	<u>-</u>	<u>525,826</u>
Total accumulated depreciation	<u>502,964</u>	<u>22,862</u>	<u>-</u>	<u>525,826</u>
Total capital assets being depreciated, net	<u>640,137</u>	<u>(22,862)</u>	<u>-</u>	<u>617,275</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 640,137</u>	<u>\$ (22,862)</u>	<u>\$ -</u>	<u>\$ 617,275</u>

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

GOVERNMENTAL ACTIVITIES	
Culture and Recreation	<u>\$ 22,862</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 22,862</u>

13. DISCRETELY PRESENTED COMPONENT UNIT - LINCOLN COURTROOM AND MUSEUM

a. Financial Information

No separate financial statements are available for the Lincoln Courtroom and Museum (the Museum).

13. DISCRETELY PRESENTED COMPONENT UNIT - LINCOLN COURTROOM AND MUSEUM (Continued)

b. Deposits and Investments

Museum Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Museum's deposits may not be returned to it. The Museum's investment policy does not address this risk.

Museum Investments

The Museum categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Museum does not have any investments requirement fair value measurements as of April 30, 2023.

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. The Museum's investment policy does not address this risk.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Museum's investment policy does not address this risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Museum will not be able to recover the value of its investments that are in possession of an outside party. The Museum's investment policy does not address this risk.

Concentration of credit risk is the risk that the Museum has a high percentage of their investments invested in one type of investment. The Museum's investment policy does not address this risk.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

CITY OF BEARDSTOWN, ILLINOIS

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
GENERAL FUND**

For the Year Ended April 30, 2023

	Original and Final Budget	Actual
REVENUES COLLECTED		
Property taxes	\$ 99,419	\$ 384,201
Other taxes	2,098,625	2,148,055
Charges for services	107,500	137,898
Intergovernmental	2,037,633	1,492,588
Investment income	800	4,473
Miscellaneous income	232,300	214,083
	<hr/>	<hr/>
Total revenues collected	4,576,277	4,381,298
	<hr/>	<hr/>
EXPENDITURES PAID		
Current		
General government	1,894,757	973,100
Public safety	1,901,357	1,506,502
Public works	856,679	809,369
Capital outlay	441,000	221,780
	<hr/>	<hr/>
Total expenditures paid	5,093,793	3,510,751
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(517,516)	870,547
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(256,643)	(170,526)
	<hr/>	<hr/>
Total other financing sources (uses)	(256,643)	(170,526)
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (774,159)	700,021
	<hr/>	<hr/>
FUND BALANCE, MAY 1		1,802,819
		<hr/>
FUND BALANCE, APRIL 30		\$ 2,502,840
		<hr/>

(See independent auditor's report.)

CITY OF BEARDSTOWN, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES PAID -
BUDGET AND ACTUAL - MODIFIED CASH BASIS
GENERAL FUND

For the Year Ended April 30, 2023

	Original and Final Budget	Actual
EXPENDITURES PAID		
General government		
Administration		
Personal services	\$ 790,807	\$ 601,579
Contractual services	281,500	263,586
Commodities	144,000	91,644
Total administration	<u>1,216,307</u>	<u>956,809</u>
Golden age center		
Contractual services	2,500	1,267
Commodities	12,500	5,028
Total golden age center	<u>15,000</u>	<u>6,295</u>
Airport		
Contractual services	6,200	2,184
Commodities	657,250	7,812
Total airport	<u>663,450</u>	<u>9,996</u>
Total general government	<u>1,894,757</u>	<u>973,100</u>
Capital outlay	<u>37,000</u>	<u>23,886</u>
Public safety		
Police		
Personal services	794,407	892,768
Contractual services	241,800	126,008
Commodities	180,500	124,359
Total police	<u>1,216,707</u>	<u>1,143,135</u>
Fire		
Personal services	251,000	283,586
Contractual services	24,000	19,284
Commodities	387,000	45,115
Total fire	<u>662,000</u>	<u>347,985</u>

(This schedule is continued on the following page.)

CITY OF BEARDSTOWN, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES PAID -
BUDGET AND ACTUAL - MODIFIED CASH BASIS (Continued)
GENERAL FUND

For the Year Ended April 30, 2023

	Original and Final Budget	Actual
EXPENDITURES PAID (Continued)		
Public safety (Continued)		
Police and fire commission		
Commodities	\$ 22,650	\$ 15,382
Total police and fire commission	<u>22,650</u>	<u>15,382</u>
Total public safety	<u>1,901,357</u>	<u>1,506,502</u>
Capital outlay	<u>293,000</u>	<u>91,160</u>
Public works		
Building and grounds		
Personal services	40,000	38,516
Commodities	87,000	79,282
Total building and grounds	<u>127,000</u>	<u>117,798</u>
Street and alley		
Personal services	419,686	411,595
Contractual services	40,093	38,545
Commodities	269,900	241,431
Total building and grounds	<u>729,679</u>	<u>691,571</u>
Total public works	<u>856,679</u>	<u>809,369</u>
Capital outlay	<u>111,000</u>	<u>106,734</u>
TOTAL EXPENDITURES PAID	<u><u>\$ 5,093,793</u></u>	<u><u>\$ 3,510,751</u></u>

(See independent auditor's report.)

CITY OF BEARDSTOWN, ILLINOIS

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
AMERICAN RESCUE PLAN GRANT (ARPA) FUND**

For the Year Ended April 30, 2023

	Original and Final Budget	Actual
REVENUES COLLECTED		
Investment income	\$ -	\$ 1,418
Total revenues collected	-	1,418
EXPENDITURES PAID		
Capital outlay	740,532	-
Total expenditures paid	740,532	-
NET CHANGE IN FUND BALANCE	<u>\$ (740,532)</u>	1,418
FUND BALANCE, MAY 1		<u>107</u>
FUND BALANCE, APRIL 30		<u>\$ 1,525</u>

(See independent auditor's report.)

CITY OF BEARDSTOWN, ILLINOIS

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
MOTOR FUEL TAX FUND**

For the Year Ended April 30, 2023

	Original and Final Budget	Actual
REVENUES COLLECTED		
Intergovernmental	\$ 299,942	\$ 311,900
Investment income	350	2,148
	<hr/>	<hr/>
Total revenues collected	300,292	314,048
	<hr/>	<hr/>
EXPENDITURES PAID		
Current		
Public works	1,151,801	49,882
	<hr/>	<hr/>
Total expenditures paid	1,151,801	49,882
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (851,509)	264,166
	<hr/>	
FUND BALANCE, MAY 1		<hr/> 851,509
		<hr/>
FUND BALANCE, APRIL 30		\$ 1,115,675
		<hr/> <hr/>

(See independent auditor's report.)

CITY OF BEARDSTOWN, ILLINOIS

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
TIF #1 FUND**

For the Year Ended April 30, 2023

	Original and Final Budget	Actual
REVENUES COLLECTED		
Property taxes	\$ 503,843	\$ 501,722
Intergovernmental	200,000	200,000
Investment income	500	1,321
Total revenues collected	<u>704,343</u>	<u>703,043</u>
EXPENDITURES PAID		
Current		
Economic development	809,825	623,270
Capital outlay	746,013	424,566
Total expenditures paid	<u>1,555,838</u>	<u>1,047,836</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	<u>(851,495)</u>	<u>(344,793)</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	<u>(75,000)</u>	<u>(8,240)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (926,495)</u>	(353,033)
FUND BALANCE, MAY 1		<u>926,495</u>
FUND BALANCE, APRIL 30		<u>\$ 573,462</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF BEARDSTOWN, ILLINOIS

COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ARISING FROM MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2023

	Special Revenue			
	Project Tiger Pride	Christmas Food Basket	Canine	DUI
ASSETS				
Cash	\$ 12,049	\$ 9,710	\$ 1,998	\$ 10,004
Investments	-	-	-	-
TOTAL ASSETS	\$ 12,049	\$ 9,710	\$ 1,998	\$ 10,004
LIABILITIES AND FUND BALANCES				
LIABILITIES				
None	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
FUND BALANCES				
Restricted				
Public safety	-	-	1,998	10,004
Workers' compensation	-	-	-	-
Social Security	-	-	-	-
Retirement	-	-	-	-
Economic development	-	-	-	-
Specific purpose	12,049	9,710	-	-
Assigned				
Capital projects	-	-	-	-
Total fund balances	12,049	9,710	1,998	10,004
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,049	\$ 9,710	\$ 1,998	\$ 10,004

CITY OF BEARDSTOWN, ILLINOIS

COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ARISING FROM MODIFIED CASH BASIS (Continued)
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2023

	Special Revenue		
	Social Security	IMRF	Tax Increment Financing #4
ASSETS			
Cash	\$ 9,354	\$ 122,693	\$ 69,121
Investments	-	-	-
TOTAL ASSETS	\$ 9,354	\$ 122,693	\$ 69,121
LIABILITIES AND FUND BALANCES			
LIABILITIES			
None	\$ -	\$ -	\$ -
Total liabilities	-	-	-
FUND BALANCES			
Restricted			
Public safety	-	-	-
Workers' compensation	-	-	-
Social Security	9,354	-	-
Retirement	-	122,693	-
Economic development	-	-	69,121
Specific purpose	-	-	-
Assigned			
Capital projects	-	-	-
Total fund balances	9,354	122,693	69,121
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,354	\$ 122,693	\$ 69,121

Special Revenue		Capital Projects			Total
Cemetery	Tourism	Harbor Development	Police Vehicle		
\$ 50,868	\$ 17,580	\$ 115,577	\$ 12,076	\$ 900,162	
257,059	-	-	-	257,059	
<u>\$ 307,927</u>	<u>\$ 17,580</u>	<u>\$ 115,577</u>	<u>\$ 12,076</u>	<u>\$ 1,157,221</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	-	-	-	373,451	
-	-	-	-	67,595	
-	-	-	-	9,354	
-	-	-	-	122,693	
-	-	-	-	69,121	
307,927	17,580	-	-	387,354	
-	-	115,577	12,076	127,653	
<u>307,927</u>	<u>17,580</u>	<u>115,577</u>	<u>12,076</u>	<u>1,157,221</u>	
<u>\$ 307,927</u>	<u>\$ 17,580</u>	<u>\$ 115,577</u>	<u>\$ 12,076</u>	<u>\$ 1,157,221</u>	

(See independent auditor's report.)

CITY OF BEARDSTOWN, ILLINOIS

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2023

	Special Revenue			
	Project Tiger Pride	Christmas Food Basket	Canine	DUI
REVENUES COLLECTED				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Charges for services	-	-	-	2,193
Investment income	25	20	3	17
Miscellaneous income	-	7,415	2,450	-
Total revenues collected	25	7,435	2,453	2,210
EXPENDITURES PAID				
Current				
General government	-	5,112	-	-
Public safety	-	-	1,962	-
Capital outlay	-	-	-	-
Total expenditures paid	-	5,112	1,962	-
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	25	2,323	491	2,210
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	25	2,323	491	2,210
FUND BALANCES, MAY 1	12,024	7,387	1,507	7,794
FUND BALANCES, APRIL 30	\$ 12,049	\$ 9,710	\$ 1,998	\$ 10,004

Special Revenue					
Drug Enforcement	Ambulance WCC	Ambulance ECC	Workers Compensation	Garbage Surplus	
\$ -	\$ 251,796	\$ 232,427	\$ 92,101	\$ -	
-	-	-	-	-	
-	396,602	240,729	-	312,405	
8	344	548	152	77	
-	3,599	2,000	-	-	
8	652,341	475,704	92,253	312,482	
-	-	-	126,278	303,802	
-	623,296	441,641	-	-	
-	-	-	-	-	
-	623,296	441,641	126,278	303,802	
8	29,045	34,063	(34,025)	8,680	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
8	29,045	34,063	(34,025)	8,680	
3,776	116,633	177,924	101,620	31,408	
\$ 3,784	\$ 145,678	\$ 211,987	\$ 67,595	\$ 40,088	

(This statement is continued on the following pages.)

CITY OF BEARDSTOWN, ILLINOIS

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS (Continued)
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2023

	Special Revenue			
	Social Security	IMRF	Tax Increment Financing #3	Tax Increment Financing #4
REVENUES COLLECTED				
Property taxes	\$ 86,595	\$ 80,088	\$ -	\$ 24,780
Other taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	81	266	-	133
Miscellaneous income	-	-	-	-
Total revenues collected	<u>86,676</u>	<u>80,354</u>	<u>-</u>	<u>24,913</u>
EXPENDITURES PAID				
Current				
General government	133,797	63,012	-	-
Public safety	-	-	-	-
Capital outlay	-	-	8,240	-
Total expenditures paid	<u>133,797</u>	<u>63,012</u>	<u>8,240</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	<u>(47,121)</u>	<u>17,342</u>	<u>(8,240)</u>	<u>24,913</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	8,240	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,240</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(47,121)</u>	<u>17,342</u>	<u>-</u>	<u>24,913</u>
FUND BALANCES, MAY 1	<u>56,475</u>	<u>105,351</u>	<u>-</u>	<u>44,208</u>
FUND BALANCES, APRIL 30	<u>\$ 9,354</u>	<u>\$ 122,693</u>	<u>\$ -</u>	<u>\$ 69,121</u>

Special Revenue		Capital Projects			Total
Cemetery	Tourism	Harbor Development	Marina Campground	Police Vehicle	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 767,787
-	11,124	-	-	-	11,124
31,500	-	-	-	40	983,469
2,690	30	226	-	24	4,644
13,000	-	4,200	-	1,500	34,164
47,190	11,154	4,426	-	1,564	1,801,188
181,223	13,219	-	10	-	826,453
-	-	-	-	-	1,066,899
35,644	-	-	-	-	43,884
216,867	13,219	-	10	-	1,937,236
(169,677)	(2,065)	4,426	(10)	1,564	(136,048)
170,516	-	-	10	-	178,766
-	-	-	-	-	-
170,516	-	-	10	-	178,766
839	(2,065)	4,426	-	1,564	42,718
307,088	19,645	111,151	-	10,512	1,114,503
\$ 307,927	\$ 17,580	\$ 115,577	\$ -	\$ 12,076	\$ 1,157,221

(See independent auditor's report.)

FIDUCIARY FUNDS

CITY OF BEARDSTOWN, ILLINOIS

**COMBINING STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
PENSION TRUST FUNDS**

For the Year Ended April 30, 2023

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short term investments	\$ 128,639	\$ 15,649	\$ 144,288
Investments, at fair value			
Held in the Illinois Firefighters' Pension Investment Fund	-	1,112,670	1,112,670
Held in the Illinois Police Officers' Pension Investment Fund	1,591,222	-	1,591,222
	<hr/>	<hr/>	<hr/>
Total assets	1,719,861	1,128,319	2,848,180
LIABILITIES			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
NET POSITION RESTRICTED FOR PENSIONS	\$ 1,719,861	\$ 1,128,319	\$ 2,848,180
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(See independent auditor's report.)

CITY OF BEARDSTOWN, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN FIDUCIARY NET POSITION -
MODIFIED CASH BASIS
PENSION TRUST FUNDS

For the Year Ended April 30, 2023

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions - employer	\$ 217,510	\$ 67,468	\$ 284,978
Contributions - employee	32,570	39,252	71,822
Total contributions	250,080	106,720	356,800
Investment income			
Net appreciation (depreciation) in fair value of investments	43,927	(4,511)	39,416
Interest earned on investments	19,077	10,819	29,896
Total investment income	63,004	6,308	69,312
Less investment expense	(4,382)	(452)	(4,834)
Net investment income	58,622	5,856	64,478
Total additions	308,702	112,576	421,278
DEDUCTIONS			
Benefits and refunds			
Retirement pension	68,573	116,135	184,708
Disability pension	28,788	-	28,788
Surviving spouse pension	48,991	-	48,991
Refund of contributions	7,467	24,509	31,976
Administrative	17,523	12,667	30,190
Total deductions	171,342	153,311	324,653
NET INCREASE (DECREASE)	137,360	(40,735)	96,625
NET POSITION RESTRICTED FOR PENSIONS			
May 1	1,582,501	1,169,054	2,751,555
April 30	\$ 1,719,861	\$ 1,128,319	\$ 2,848,180

(See independent auditor's report.)

CITY OF BEARDSTOWN, ILLINOIS

NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2023

BUDGETS

The City prepares its budget ordinance (cash basis) in conformity with practices prescribed or permitted by the applicable statutes of the State of Illinois. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administrator submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them. The proposed budget is used to prepare the tentative budget ordinance.
2. The Annual Budget Ordinance is made available for public inspection for 30 days, after which a public hearing is conducted to obtain taxpayer comments.
3. Before April 30, the Annual Budget Ordinance is adopted.
4. The legal spending limit is established at the fund level.
5. The budget is the legal spending limit. The budget columns are the working budget on which staff relies during the year and are presented for information purposes.

COMPONENT UNITS

CITY OF BEARDSTOWN, ILLINOIS
COMPONENT UNIT - BEARDSTOWN HOUSTON MEMORIAL PUBLIC LIBRARY

STATEMENT OF NET POSITION AND COMBINING BALANCE SHEET - MODIFIED CASH BASIS

April 30, 2023

	General	Capital Projects	Grant
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and investments	\$ 397,719	\$ 66,742	\$ 63,420
Total current assets	397,719	66,742	63,420
NONCURRENT ASSETS			
Capital assets			
Not depreciated	-	-	-
Depreciated (net of accumulated depreciation)	-	-	-
Total noncurrent assets	-	-	-
Total assets	397,719	66,742	63,420
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	\$ 397,719	\$ 66,742	\$ 63,420
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/NET POSITION			
LIABILITIES			
None	\$ -	\$ -	\$ -
Total liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	-	-	-
FUND BALANCES/NET POSITION			
Net investment in capital assets	-	-	-
Assigned	-	66,742	-
Restricted	-	-	63,420
Unassigned/unrestricted	397,719	-	-
Total fund balances/net position	397,719	66,742	63,420
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/NET POSITION			
	\$ 397,719	\$ 66,742	\$ 63,420

CITY OF BEARDSTOWN, ILLINOIS
COMPONENT UNIT - BEARDSTOWN HOUSTON MEMORIAL PUBLIC LIBRARY

STATEMENT OF ACTIVITIES AND COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/NET POSITION
MODIFIED CASH BASIS

For the Year Ended April 30, 2023

	General	Capital Projects	Grant
REVENUES			
Taxes			
Property taxes	\$ 52,059	\$ -	\$ -
Intergovernmental	15,560	-	19,086
Charges for services	7,294	-	-
Investment income	15,806	625	-
Miscellaneous	26,026	-	149
Total revenues	116,745	625	19,235
EXPENDITURES			
Current			
Culture and recreation	100,846	-	23,824
Total expenditures	100,846	-	23,824
NET CHANGE IN FUND BALANCES/ NET POSITION	15,899	625	(4,589)
FUND BALANCES/ NET POSITION, MAY 1	381,820	66,117	68,009
FUND BALANCES/ NET POSITION, APRIL 30	\$ 397,719	\$ 66,742	\$ 63,420

Total	Adjustments	Statement of Activities
\$ 52,059	\$ -	\$ 52,059
34,646	-	34,646
7,294	-	7,294
16,431	-	16,431
26,175	-	26,175
<hr/> 136,605	<hr/> -	<hr/> 136,605
<hr/> 124,670	<hr/> 22,862	<hr/> 147,532
<hr/> 124,670	<hr/> 22,862	<hr/> 147,532
11,935	(22,862)	(10,927)
<hr/> 515,946	<hr/> 640,137	<hr/> 1,156,083
<hr/> <hr/> \$ 527,881	<hr/> <hr/> \$ 617,275	<hr/> <hr/> \$ 1,145,156

(See independent auditor's report.)

CITY OF BEARDSTOWN, ILLINOIS
COMPONENT UNIT - LINCOLN COURTROOM AND MUSEUM

STATEMENT OF NET POSITION AND COMBINING BALANCE SHEET - MODIFIED CASH BASIS

April 30, 2023

	General	Total	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and investments	\$ 27,029	\$ 27,029	\$ -	\$ 27,029
Total current assets	27,029	27,029	-	27,029
NONCURRENT ASSETS				
None	-	-	-	-
Total noncurrent assets	-	-	-	-
Total assets	27,029	27,029	-	27,029
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	\$ 27,029	\$ 27,029	\$ -	\$ 27,029
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION				
LIABILITIES				
None	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	-	-	-	-
FUND BALANCES/NET POSITION				
Unassigned/Unrestricted	27,029	27,029	-	27,029
Total fund balances/net position	27,029	27,029	-	27,029
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION				
	\$ 27,029	\$ 27,029	\$ -	\$ 27,029

(See independent auditor's report.)

CITY OF BEARDSTOWN, ILLINOIS
COMPONENT UNIT - LINCOLN COURTROOM AND MUSEUM

STATEMENT OF ACTIVITIES AND COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/NET POSITION
MODIFIED CASH BASIS

For the Year Ended April 30, 2023

	General	Total	Adjustments	Statement of Activities
REVENUES				
Charges for services	\$ 3,324	\$ 3,324	\$ -	\$ 3,324
Investment income	58	58	-	58
Miscellaneous	14,008	14,008	-	14,008
Total revenues	17,390	17,390	-	17,390
EXPENDITURES				
Current				
Culture and recreation	13,540	13,540	-	13,540
Total expenditures	13,540	13,540	-	13,540
NET CHANGE IN FUND BALANCES/ NET POSITION	3,850	3,850	-	3,850
FUND BALANCES/ NET POSITION, MAY 1	23,179	23,179	-	23,179
FUND BALANCES/ NET POSITION, APRIL 30	\$ 27,029	\$ 27,029	\$ -	\$ 27,029

(See independent auditor's report.)