

City of Braidwood, Illinois

Annual Financial Report

Year Ended April 30, 2023



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City of Braidwood, Illinois

Year Ended April 30, 2023

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Independent Auditors' Report

Mayor and City Council
City of Braidwood, Illinois

Qualified and Unmodified Opinions

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
General Corporate Fund	Unmodified
Bauer & D'Orazio Development	Unmodified
Enterprise Fund - Water Operations	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the respective financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities of the City of Braidwood, Illinois, as of April 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accounting with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Business-Type Activities, General Corporate Fund, Bauer & D'Orazio Development, Enterprise Fund - Water Operations, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Business-Type Activities, General Corporate Fund, Bauer & D'Orazio Development, Enterprise Fund - Water Operations, and Aggregate Remaining Fund Information of the City of Braidwood, Illinois, as of April 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accounting with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

The City has not adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this departure from accounting principles generally accepted in the United States of America would affect the liabilities, net position, expenses and disclosures has not been determined.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Required Supplementary Information

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

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 accompanying information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing 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. In our opinion, the information listed as supplementary information on the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wipfli LLP

Wipfli LLP
Sterling, Illinois

March 4, 2025

Management's Discussion and Analysis

City of Braidwood, Illinois

Management's Discussion and Analysis

April 30, 2023

As management of the City of Braidwood (the "City"), we offer readers of the city's financial statements this narrative overview and analysis of the financial activity of the City for the fiscal year ended April 30, 2023. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- The City's overall net position decreased as a result of this year's operations. Net position of governmental activities decreased by \$1,283,330 and net position of the business-type activities increased by \$561,812.
- During the year, government-wide revenues for the primary government totaled \$9,110,168, while expenses totaled \$9,831,686, resulting in a decrease to net position of \$721,518.
- The City's net position totaled \$36,273,037 on April 30, 2023, which includes \$32,939,975 net investment in capital assets, \$3,346,976 subject to external restrictions, and a deficit in unrestricted net position of \$13,914.
- The General Corporate Fund reported a net increase this year of \$917,034, resulting in a fund balance of \$2,394,926.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

City of Braidwood, Illinois

Management's Discussion and Analysis

April 30, 2023

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

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

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains ten individual governmental funds at April 30, 2023. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Corporate Fund, the Bauer & D'Orazio Development Fund, and Debt Service Fund, which are considered to be major funds. Data from the other eight governmental funds are aggregated into a single presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of the governmental funds, except the Police Forfeiture, Bauer & D'Orazio Development, and Debt Service funds. A budgetary comparison schedule has been provided for the funds to demonstrate compliance within this budget.

City of Braidwood, Illinois

Management's Discussion and Analysis

April 30, 2023

Proprietary Fund - The City maintains one enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its water, sewer, and garbage operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the enterprise fund, which is considered to be a major fund of the City.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City maintains two fiduciary funds: the Police Pension Trust Fund and Custodial Funds.

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

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to budgetary information, the City's progress in funding its obligation to provide pension benefits to its employees and the funds' statements of revenues, expenditures, and changes in fund balance – budget and actual.

Combining and Individual Fund Statements. The combining statements, referred to earlier in connection with nonmajor governmental funds can be found immediately following the notes to required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$36,273,037 at the close of April 30, 2023.

The City's General revenues reflected a decrease compared to the prior year by \$4,806,798 due primarily to the elimination of the FY22 permanent transfer between the Governmental Funds and the Enterprise Fund of \$5,228,169. The permanent transfer was created to eliminate the uncollectible interfund balances between the various funds.

The City's sales and use taxes increased compared to FY22 by \$75,695.

The City's total expenses increased by \$1,685,469, with the greatest increase in the General Government line. The General Government expenses increased from the FY22 amount of \$1,968,201 to \$3,672,968, which consisted of the \$1.8 million redevelopment payment that the City paid to the Bauer & D'Orazio developer for the sale of the land to construct the various car dealerships.

The other large increase was in expenses compared to FY22 was for Public Safety of \$327,861.

City of Braidwood, Illinois
Management's Discussion and Analysis
April 30, 2023

Government-wide Financial Analysis (continued)

By far the largest portion of the City's net position reflects its investments in capital assets (e.g., land, buildings, machinery and equipment).

Statement of Net Position
April 30,

	Governmental Activities		Business-Type Activities		Total	
	2023	Restated 2022	2023	2022	2023	2022
Current and other assets	\$ 9,141,804	\$ 7,804,455	\$ 1,913,008	\$ 1,880,994	\$ 11,054,812	\$ 9,685,449
Capital assets	11,774,199	12,168,273	29,473,648	30,021,315	41,247,847	42,189,588
Total assets	<u>20,916,003</u>	<u>19,972,728</u>	<u>31,386,656</u>	<u>31,902,309</u>	<u>52,302,659</u>	<u>51,875,037</u>
Deferred outflows of resources	<u>3,704,361</u>	<u>2,299,318</u>	<u>207,323</u>	<u>22,162</u>	<u>3,911,684</u>	<u>2,321,480</u>
Current liabilities	\$ 1,052,909	549,792	125,099	158,477	1,178,008	708,269
Noncurrent liabilities	6,608,145	3,103,080	6,752,221	7,361,273	13,360,366	10,464,353
Total liabilities	<u>7,661,054</u>	<u>3,652,872</u>	<u>6,877,320</u>	<u>7,519,750</u>	<u>14,538,374</u>	<u>11,172,622</u>
Deferred inflows of resources	<u>5,393,687</u>	<u>5,770,221</u>	<u>9,245</u>	<u>259,119</u>	<u>5,402,932</u>	<u>6,029,340</u>
Net position						
Net investment in capital assets	10,031,810	12,153,917	22,908,165	22,832,855	32,939,975	34,986,772
Restricted	3,175,192	2,503,567	171,784	-	3,346,976	2,503,567
Unrestricted (deficit)	<u>(1,641,379)</u>	<u>(1,808,531)</u>	<u>1,627,465</u>	<u>1,312,747</u>	<u>(13,914)</u>	<u>(495,784)</u>
Total net position	<u>\$ 11,565,623</u>	<u>\$ 12,848,953</u>	<u>\$ 24,707,414</u>	<u>\$ 24,145,602</u>	<u>\$ 36,273,037</u>	<u>\$ 36,994,555</u>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

City of Braidwood, Illinois
Management's Discussion and Analysis
April 30, 2023

Government-wide Financial Analysis (continued)

Statement of Activities
April 30,

	Governmental Activities		Business-type Activities		Total	
	2023	Restated 2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 555,439	\$ 479,609	\$ 3,512,874	\$ 3,304,507	\$ 4,068,313	\$ 3,784,116
Grants/contributions	442,725	730,063	-	-	442,725	730,063
General Revenues						
Taxes	4,415,243	4,386,456	-	-	4,415,243	4,386,456
Investment income	118,410	5,829	-	-	118,410	5,829
Other revenues	65,477	39,841	-	50	65,477	39,891
Total revenues	<u>5,597,294</u>	<u>5,641,798</u>	<u>3,512,874</u>	<u>3,304,557</u>	<u>9,110,168</u>	<u>8,946,355</u>
Expenses						
Governmental activities						
General government	3,672,968	1,968,201	-	-	3,672,968	1,968,201
Public safety	2,529,180	2,201,319	-	-	2,529,180	2,201,319
Highways and streets	625,921	592,387	-	-	625,921	592,387
Interest	52,555	2,398	-	-	52,555	2,398
Business-type activities						
Water and sewer	-	-	2,379,796	2,831,326	2,379,796	2,831,326
Garbage	-	-	571,266	550,586	571,266	550,586
Total expenses	<u>6,880,624</u>	<u>4,764,305</u>	<u>2,951,062</u>	<u>3,381,912</u>	<u>9,831,686</u>	<u>8,146,217</u>
Change in net position before transfers	(1,283,330)	877,493	561,812	(77,355)	(721,518)	800,138
Transfers in (out)	-	5,228,169	-	(5,228,169)	-	-
Change in net position	(1,283,330)	6,105,662	561,812	(5,305,524)	(721,518)	800,138
Net position-beginning	<u>12,848,953</u>	<u>6,743,291</u>	<u>24,145,602</u>	<u>29,451,126</u>	<u>36,994,555</u>	<u>36,194,417</u>
Net position-ending	<u>\$ 11,565,623</u>	<u>\$ 12,848,953</u>	<u>\$ 24,707,414</u>	<u>\$ 24,145,602</u>	<u>\$ 36,273,037</u>	<u>\$ 36,994,555</u>

Governmental Activities. The City's net position decreased by \$1,283,330. Revenues remained fairly flat compared to fiscal year 2022. Expenses increased from April 30, 2022 to April 30, 2023 by \$2,116,319 mainly due to an increase in general government and public safety expenses.

Major expense factors included:

- The City made a \$1,800,000 redevelopment agreement payment to Bauer & D'Orazio Development.
- Police pension expense increased \$148,546.

City of Braidwood, Illinois

Management's Discussion and Analysis

April 30, 2023

Government-wide Financial Analysis (continued)

Business-type Activities. The City's net position increased by \$561,812. Revenues increased from April 30, 2022 to April 30, 2023 by \$208,317. Charges for services represent the vast majority of all revenues of the business-type activities. The City's business-type activities rely to a significant extent on fees and charges for support.

Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at April 30, 2023.

As of the end of the current fiscal year, the City governmental funds reported a combined ending fund balance of \$5,290,443 an increase of \$1,038,771 from the previous year.

Fund balance in the General Corporate Fund increased by \$917,034 from the prior year due to a surplus of revenue compared to expenditures and transfers.

Proprietary Fund. The proprietary fund statements share the same focus as the government-wide financial statements, reporting both short-term and long-term information about financial status. The City's proprietary fund include the water, sewer, and garbage operations. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

As of the end of the current fiscal year, the City's enterprise fund net position totaled \$24,707,414, an increase of \$561,812 from the previous year.

City of Braidwood, Illinois
Management's Discussion and Analysis
April 30, 2023

Budgetary Highlights

The budgetary statement for the General Corporate Fund shows the original and final budget, actual revenues and expenditures for the year ended April 30, 2023 and whether the activity was over or under budget. Revenues in the General Corporate Fund were over budget by \$426,243 and expenditures were under budget by \$358,445 for the year ended April 30, 2023.

	Original and Final Budget	Actual	(Over) Under Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Taxes	\$ 3,369,600	\$ 3,736,716	\$ (367,116)
Fines, fees and forfeitures	107,600	88,203	19,397
Reimbursements	171,520	178,235	(6,715)
Franchise fees	70,000	54,808	15,192
Licenses & permits	102,900	145,323	(42,423)
Grants	165,000	121,932	43,068
Donations	4,000	-	4,000
Interest income	1,216	104,832	(103,616)
Other	36,200	24,230	11,970
Total revenues	<u>4,028,036</u>	<u>4,454,279</u>	<u>(426,243)</u>
Expenditures:			
Administrative	1,002,869	680,996	321,873
Development	125,800	156,594	(30,794)
Police protection	2,194,150	2,199,835	(5,685)
Street	395,721	443,500	(47,779)
Repairs and maintenance	2,150	1,019	1,131
Debt service	-	5,701	(5,701)
Capital outlay	175,000	49,600	125,400
Total expenditures	<u>3,895,690</u>	<u>3,537,245</u>	<u>358,445</u>
Excess/(deficiency)	<u>132,346</u>	<u>917,034</u>	<u>(784,688)</u>
Other financing sources:			
Transfers in	-	-	-
Gain (loss) on sale assets	5,000	-	5,000
Net change in fund balance	<u>\$ 137,346</u>	<u>\$ 917,034</u>	<u>\$ (779,688)</u>

The General Corporate Fund total revenues were over the budgeted amount by \$426,243 mostly due to an increase in taxes collected. Also, the General Fund reflected a \$103,616 increase in interest income from the investment of City's monies compared to the budgeted amount of \$1,216. The General Corporate Fund total expenditures were under budget by \$358,445 mostly due to the City not spending federal COVID grant as originally anticipated and deferment of various capital projects due to supply chain issues.

City of Braidwood, Illinois
Management's Discussion and Analysis
April 30, 2023

Capital Assets

The City's investment in capital assets for its governmental activities as of April 30, 2023 amounts to \$11,774,199, which is net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, infrastructure, fixtures and equipment, including vehicles, and leased equipment.

	Capital Assets Net of Depreciation April 30,			
	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Land	\$ 3,242,160	\$ 3,242,160	\$ 419,775	\$ 419,775
Buildings and improvements	1,007,932	1,063,416	17,765,079	18,102,626
Infrastructure	7,213,917	7,621,454	11,153,416	11,369,208
Fixtures and equipment	301,078	226,887	135,378	129,706
Leased equipment	9,112	14,356	-	-
Total	\$ 11,774,199	\$ 12,168,273	\$ 29,473,648	\$ 30,021,315

Additional information on the City's capital assets can be found in Note 4 of this report.

Long-Term Debt

The City's balance of long-term debt for governmental activities as of April 30, 2023 was \$1,742,389, which includes a lease for the purchase of office equipment and 2022 general obligation debt certificates. The City issued \$1,800,000 of general obligation debt certificates during the fiscal year to purchase land for the Bauer & D'Orazio Development.

The City's balance of long-term debt for business-type activities as of April 30, 2023 was \$6,565,483, which includes the wastewater treatment works loan, issued through the Illinois Environmental Protection Agency.

The City's balance of accrued compensated absences as of April 30, 2023 was \$302,042 for governmental activities and \$186,738 for business-type activities.

Additional information on the City's long-term debt can be found in Note 5 of this report.

City of Braidwood, Illinois
Management's Discussion and Analysis
April 30, 2023

Economic Factors and Other Information

The City intends to continue to closely monitor expenditures and allocate resources to areas that best meet the needs of its citizenry. The City will continue to actively seek out grants and all other available revenue sources.

The City is consistently working to incentivize economic development within the community to reduce the economic burden on its taxpayers and increase the benefits provided. The City has over the next two fiscal years hired 3 additional police officers and promoted 3 officers to the rank of Sergeant.

Through the use of the City's distribution of American Rescue Plan monies, the City has performed over \$700,000 in infrastructure improvements to its utility infrastructure.

The City has started construction projects on North English and South Division to repave those roads to improve the infrastructure of the community.

Request for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Braidwood City Hall, 141 W. Main St., Braidwood, IL 60408.

Basic Financial Statements

City of Braidwood, Illinois

Statement of Net Position

April 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,270,217	\$ 1,462,592	\$ 6,732,809
Receivables			
Property taxes	2,151,883	-	2,151,883
Accounts	22,006	445,519	467,525
Loans	575,985	-	575,985
Other	501,186	-	501,186
Prepaid items	150,702	55,560	206,262
Net pension assets	247,378	171,784	419,162
Internal balances	222,447	(222,447)	-
Capital assets not being depreciated	3,242,160	419,775	3,661,935
Capital assets being depreciated	8,532,039	29,053,873	37,585,912
Total assets	20,916,003	31,386,656	52,302,659
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	298,556	207,323	505,879
Pension items - Police Pension	3,405,805	-	3,405,805
Total deferred outflows of resources	3,704,361	207,323	3,911,684
Total assets and deferred outflows of resources	\$ 24,620,364	\$ 31,593,979	\$ 56,214,343
LIABILITIES			
Accounts payable	\$ 43,077	\$ 82,036	\$ 125,113
Accrued payroll and related liabilities	31,304	9,663	40,967
Accrued interest payable	-	33,400	33,400
Advances from grantors	801,734	-	801,734
Noncurrent liabilities			
Due within one year	172,702	667,033	839,735
Due in more than one year	6,612,237	6,085,188	12,697,425
Total liabilities	7,661,054	6,877,320	14,538,374
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	2,151,883	-	2,151,883
Unavailable revenues	575,985	-	575,985
Pension items - IMRF	13,313	9,245	22,558
Pension items - police pension	2,652,506	-	2,652,506
Total deferred inflows of resources	5,393,687	9,245	5,402,932
Total liabilities and deferred inflows of resources	13,054,741	6,886,565	19,941,306
NET POSITION			
Net investment in capital assets	10,031,810	22,908,165	32,939,975
Restricted			
Economic development	1,122,369	-	1,122,369
Employee benefits	172,868	-	172,868
Audit services	-	-	-
Highway and streets	1,495,154	-	1,495,154
Public safety	137,423	-	137,423
Net pension asset	247,378	171,784	419,162
Unrestricted (Deficit)	(1,641,379)	1,627,465	(13,914)
Total net position	11,565,623	24,707,414	36,273,037
Total liabilities, deferred inflows of resources, and net position	\$ 24,620,364	\$ 31,593,979	\$ 56,214,343

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Statement of Activities

April 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 3,672,968	\$ 200,131	\$ 94,497	\$ -	\$ (3,378,340)	\$ -	\$ (3,378,340)
Public safety	2,529,180	355,308	27,435	-	(2,146,437)	-	(2,146,437)
Highways and streets	625,921	-	252,791	68,002	(305,128)	-	(305,128)
Interest	52,555	-	-	-	(52,555)	-	(52,555)
Total governmental activities	6,880,624	555,439	374,723	68,002	(5,882,460)	-	(5,882,460)
Business-type activities:							
Water and sewer	2,379,796	2,806,668	-	-	-	426,872	426,872
Garbage	571,266	706,206	-	-	-	134,940	134,940
Total business-type activities	2,951,062	3,512,874	-	-	-	561,812	561,812
Total primary government	\$ 9,831,686	\$ 4,068,313	\$ 374,723	\$ 68,002	\$ (5,882,460)	\$ 561,812	\$ (5,320,648)
			General revenues:				
			Taxes:				
			Property		1,965,076	-	1,965,076
			Sales and use tax		984,616	-	984,616
			Shared income tax		965,315	-	965,315
			Replacement		33,232	-	33,232
			Gaming		73,156	-	73,156
			Utility		313,098	-	313,098
			Telecommunications		62,811	-	62,811
			Hotel/motel		17,939	-	17,939
			Investment income		118,410	-	118,410
			Gain (loss) sale of assets		(136,988)	-	(136,988)
			Miscellaneous		202,465	-	202,465
			Transfers		-	-	-
			Total general revenues		4,599,130	-	4,599,130
			Change in net position		(1,283,330)	561,812	(721,518)
			Net position, beginning of year, as restated		12,848,953	24,145,602	36,994,555
			Net position, end of year		\$ 11,565,623	\$ 24,707,414	\$ 36,273,037

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois
Balance Sheet - Governmental Funds
April 30, 2023

	Major Funds				Total Governmental Funds
	General Corporate	Bauer & D'Orazio Development	Debt Service	Non-major Governmental	
ASSETS					
Cash and cash equivalents	\$ 2,737,802	\$ -	\$ -	\$ 2,532,415	5,270,217
Receivables					
Property taxes	1,335,681	-	-	816,202	2,151,883
Accounts	-	-	-	22,006	22,006
Loans	-	-	575,985	-	575,985
Other	501,186	-	-	-	501,186
Prepaid items	27,536	-	-	123,166	150,702
Due from other funds	-	-	-	377,910	377,910
	<u>\$ 4,602,205</u>	<u>\$ -</u>	<u>\$ 575,985</u>	<u>\$ 3,871,699</u>	<u>\$ 9,049,889</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ -	\$ -	\$ 118,821	\$ 36,642	\$ 155,463
Accounts payable	38,560	-	-	4,517	43,077
Accrued payroll and related liabilities	31,304	-	-	-	31,304
Advances from grantors	801,734	-	-	-	801,734
	<u>871,598</u>	<u>-</u>	<u>118,821</u>	<u>41,159</u>	<u>1,031,578</u>
Deferred inflows of resources:					
Unavailable property taxes	1,335,681	-	-	816,202	2,151,883
Unavailable revenues	-	-	575,985	-	575,985
	<u>1,335,681</u>	<u>-</u>	<u>575,985</u>	<u>816,202</u>	<u>2,727,868</u>
Fund balances:					
Nonspendable:					
Prepaid items	27,536	-	-	123,166	150,702
Restricted:					
Economic development	-	-	-	1,122,369	1,122,369
Employee benefits	-	-	-	172,868	172,868
Audit services	-	-	-	-	-
Highway and streets	-	-	-	1,495,154	1,495,154
Public safety	-	-	-	137,423	137,423
Unassigned	2,367,390	-	(118,821)	(36,642)	2,211,927
	<u>2,394,926</u>	<u>-</u>	<u>(118,821)</u>	<u>3,014,338</u>	<u>5,290,443</u>
	<u>\$ 4,602,205</u>	<u>\$ -</u>	<u>\$ 575,985</u>	<u>\$ 3,871,699</u>	<u>\$ 9,049,889</u>

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
April 30, 2023

Total Fund Balance - Governmental Funds	\$ 5,290,443
Amounts reported for governmental activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the governmental funds	11,774,199
Net pension asset for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	247,378
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(4,740,508)
Differences between expected and actual experiences, assumption changes net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the Statement of Net Position	285,243
Differences between expected and actual experiences, assumption changes net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the Statement of Net Position	753,299
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Lease obligations	(9,307)
Bonds payable	(1,733,082)
Compensated absences	(302,042)
Net Position of Governmental Activities	\$ 11,565,623

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2023

	Major Funds			Non-major Governmental Funds	Total Governmental Funds
	General Corporate	Bauer & D'Orazio Development	Debt Service		
REVENUES					
Taxes:					
Property	\$ 1,286,549	\$ -	\$ -	\$ 678,527	\$ 1,965,076
Utility	313,098	-	-	-	313,098
Sales	720,222	-	-	-	720,222
Income	965,315	-	-	-	965,315
Replacement	33,232	-	-	-	33,232
Local use	264,394	-	-	-	264,394
Hotel/motel	17,939	-	-	-	17,939
State gaming	73,156	-	-	-	73,156
Telecommunications	62,811	-	-	-	62,811
Motor fuel	-	-	-	252,791	252,791
Fines, fees and forfeitures	88,203	-	-	267,105	355,308
Reimbursements	178,235	-	-	-	178,235
Franchise fees	54,808	-	-	-	54,808
Licenses and permits	145,323	-	-	-	145,323
Grants and donations	121,932	-	-	68,002	189,934
Investment income	104,832	-	-	13,578	118,410
Miscellaneous	24,230	-	-	-	24,230
Total revenues	<u>4,454,279</u>	<u>-</u>	<u>-</u>	<u>1,280,003</u>	<u>5,734,282</u>
EXPENDITURES					
Current:					
General government	838,609	1,800,000	-	421,453	\$ 3,060,062
Public safety	2,199,835	-	-	208,518	2,408,353
Highway and streets	443,500	-	-	172,472	615,972
Debt service:					
Principal payment	5,049	-	66,918	-	71,967
Interest and fiscal charges	652	-	51,903	-	52,555
Capital outlay	49,600	-	-	100,014	149,614
Total expenditures	<u>3,537,245</u>	<u>1,800,000</u>	<u>118,821</u>	<u>902,457</u>	<u>6,358,523</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>917,034</u>	<u>(1,800,000)</u>	<u>(118,821)</u>	<u>377,546</u>	<u>(624,241)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Gain (loss) sale of assets	-	-	-	(136,988)	(136,988)
Proceeds from debt	-	1,800,000	-	-	1,800,000
Total other financing sources (uses)	<u>-</u>	<u>1,800,000</u>	<u>-</u>	<u>(136,988)</u>	<u>1,663,012</u>
NET CHANGE IN FUND BALANCES	917,034	-	(118,821)	240,558	1,038,771
FUND BALANCE (DEFICIT), Beginning of year, restated	<u>1,477,892</u>	<u>-</u>	<u>-</u>	<u>2,773,780</u>	<u>4,251,672</u>
FUND BALANCE, End of year	<u>\$ 2,394,926</u>	<u>\$ -</u>	<u>\$ (118,821)</u>	<u>\$ 3,014,338</u>	<u>\$ 5,290,443</u>

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois
 Reconciliation of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the
 Statement of Activities
 For the Year Ended April 30, 2023

Net Change in Fund Balances - Total Government Funds	\$ 1,038,771
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense	
Purchase of capital assets	149,614
Depreciation	(543,688)
The repayment of long-term debt is reported as an expenditure when due in the governmental funds, but as a reduction of principal outstanding in the Statement of Activities	
Debt certificate	66,918
Capital leases	5,049
Change in compensated absences	(15,377)
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities and deferred outflows of resources on the government-wide statements	
Proceeds from the issuance of long-term debt	(1,800,000)
The change in the net pension asset (liability) is reported only in the Statement of Activities	
Illinois Municipal Retirement Fund	(780,106)
Police Pension Fund	(1,938,288)
The change in deferred outflows and inflows of resources is reported only in the Statement of Activities	
Illinois Municipal Retirement Fund	716,965
Police Pension Fund	1,816,812
Change in Net Position of Governmental Activities	\$ (1,283,330)

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Statement of Net Position

Proprietary Fund

April 30, 2023

	Enterprise Fund Water Operations
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,462,592
Accounts receivable	445,519
Prepaid items	55,560
Total current assets	1,963,671
NONCURRENT ASSETS	
Land	419,775
Fixtures and equipment	29,900,325
Buildings and improvements	935,067
Infrastructure	15,132,477
Less accumulated depreciation	(16,913,996)
Net pension asset - IMRF	171,784
Total noncurrent assets	29,645,432
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	207,323
Total assets and deferred outflows of resources	\$ 31,816,426
LIABILITIES	
CURRENT LIABILITIES	
Due to other funds	222,447
Accounts payable	\$ 82,036
Accrued payroll	9,663
Accrued interest payable	33,400
Compensated absences, current	46,685
IEPA loan payable, current	620,348
Total current liabilities	1,014,579
NONCURRENT LIABILITIES	
Compensated absences	140,053
IEPA loan payable	5,945,135
Total noncurrent liabilities	6,085,188
Total liabilities	7,099,767
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	9,245
Total liabilities and deferred inflows of resources	7,109,012
NET POSITION	
Net investment in capital assets	22,908,165
Restricted for net pension asset	171,784
Unrestricted	1,627,465
Total net position	24,707,414
Total liabilities, deferred inflows of resources, and net position	\$ 31,816,426

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois
Statement of Revenues, Expenses and Change in Net Position
Proprietary Fund
For the Year Ended April 30, 2023

	Enterprise Fund Water Operations
Operating revenues	
Sewer charges	\$ 1,919,714
Water charges	886,954
Garbage charges	706,206
Total operating revenues	3,512,874
Operating expenses	
Water and sewer operations	1,466,888
Garbage operations	571,266
Total operating expenses	2,038,154
OPERATING INCOME BEFORE DEPRECIATION	1,474,720
Depreciation	838,601
Operating income	636,119
Non-operating revenues (expenses)	
Investment income	-
Interest expense	(74,307)
Total non-operating revenues (expenses)	(74,307)
Income (loss) before transfers	561,812
Transfer out to other funds	-
Change in net position	561,812
Net position, beginning of year	24,145,602
Net position, end of year	\$ 24,707,414

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Statement of Cash Flows

Proprietary Fund

For the Year Ended April 30, 2023

	<u>Enterprise Fund</u> <u>Water</u> <u>Operations</u>
Cash flows from operating activities	
Receipts from customers and users	\$ 3,340,915
Payments to suppliers	(1,511,590)
Payments to employees	(582,534)
Net cash from operating activities	<u>1,246,791</u>
Cash flows from noncapital financing activities	
Interfund transactions, net cash from noncapital financing activities	<u>(155,463)</u>
Cash flows from capital and related financing activities	
Capital asset additions	(290,934)
Principal payments in long-term debt	(622,977)
Interest paid on long-term debt	(77,507)
Net cash from capital and related financing activities	<u>(991,418)</u>
Cash flows from investing activities	
Interest received	<u>-</u>
Net increase (decrease) in cash and cash equivalents	99,910
Cash and cash equivalents, beginning of year	<u>1,362,682</u>
Cash and cash equivalents, end of year	<u>\$ 1,462,592</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ 636,119
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	838,601
Accounts receivable	(171,959)
Prepaid items	3,150
Net pension asset - IMRF	392,168
Deferred outflows - IMRF	(185,161)
Accounts payable	(32,342)
Accrued payroll	2,164
Compensated absences payable	13,925
Deferred inflows - IMRF	<u>(249,874)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,246,791</u>

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois
Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2023

	<u>Police Pension Trust Fund</u>	<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$ 11,768	\$ 4,015
Investments		
Illinois police officers' pension investment fund	5,301,848	-
Money market mutual funds	43,890	-
Due from municipality	11,479	-
Prepaid items	2,742	-
Total assets	<u>5,371,727</u>	<u>4,015</u>
LIABILITIES		
Accounts payable	1,830	-
Total liabilities	<u>1,830</u>	<u>-</u>
NET POSITION		
Restricted		
Pensions	5,369,897	-
Individuals, organizations, and other governments	-	4,015
	<u>\$ 5,369,897</u>	<u>\$ 4,015</u>

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended April 30, 2023

	Police Pension Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 249,210	\$ -
Plan members	423,281	-
Donations	-	11,550
Total contributions	<u>672,491</u>	<u>11,550</u>
Investment income:		
Net appreciation in fair value of investments	536,597	-
Interest and dividends	(354,770)	-
Total investment income	<u>181,827</u>	<u>-</u>
Less: investment expense	(16,562)	-
Net investment income	<u>165,265</u>	<u>-</u>
Total additions	<u>837,756</u>	<u>11,550</u>
DEDUCTIONS		
Benefits and refunds	413,249	-
Administrative expenses	34,287	-
Benevolent expenses	-	709
Police charity expenses	-	4,800
National night out expenses	-	5,777
Total deductions	<u>447,536</u>	<u>11,286</u>
CHANGE IN NET POSITION	390,220	264
NET POSITION, Beginning of year	<u>4,979,677</u>	<u>3,751</u>
NET POSITION, End of year	<u>\$ 5,369,897</u>	<u>\$ 4,015</u>

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Braidwood, Illinois (the "City") is located in Will County, Illinois, and is a municipal corporation governed by an elected board. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made upon the significance of its operational or financial relationship with the primary government.

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

The City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34" under which these financial statements include all organizations, activities, functions and component units for which the City is financially accountable. Financially accountable is defined as the appointment of a voting majority of the component unit's Board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden or fiscal dependency on the City. The City's financial statements present the Pension Trust Fund as a fiduciary component unit.

Government-Wide Financial Statements

The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the City. Eliminations have been made to minimize the double counting of internal activities of the City. The financial activities of the City consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Position presents the primary government's assets and liabilities with the difference reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position, if applicable, results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general services, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the City's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The City has one major proprietary fund, consisting of water, sewer and refuse operations.

A fund is considered major if it is the primary operating fund of the City, meets the following criteria or the City considers it to be a major fund:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least ten percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or proprietary fund are at least five percent of the corresponding total for all governmental and proprietary funds combined.

Measurement Focus and Basis of Accounting and Financial Statement Presentation

Government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund and pension trust fund financial statements. Revenues and contributions are recorded when earned and expenses including benefits and refunds paid are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes and State shared revenues. On the accrual basis, revenues from taxes are recognized when the City has a legal claim to the resources. Grants, entitlements, state shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Sales taxes, excise taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

The City reports the following major governmental funds:

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

Bauer & D'Orazio Development - This fund was created during fiscal year 2024 to account for the debt proceeds of the 2022 Debt Certificates and sale of land to the Bauer & D'Orazio developers to construction automobile dealerships.

Debt Service Fund - This fund is used to account for the debt service payments of the 2022 Debt Certificates and the loan receivable with Bauer & D'Orazio to reimburse the City for debt services payments until the dealerships open.

The City reports the following major enterprise fund:

Water Operations Fund - Accounts for provision of water, sewer and refuse services, repair, and improvement services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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

Additionally, the City reports the following fiduciary funds:

Police Pension Trust Fund - accounts for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by State statutes and by the City through an annual property tax levy.

Custodial Fund - accounts for assets held on behalf of third parties and does not involve the measurement of operating results.

Cash and Cash Equivalents

The City considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments, with an original maturity of three months or less when purchased.

Investments

Investments are generally stated at fair value. Investments in Illinois Police Officers Pension Investment Fund (IPOPIF) is measured at the Net Asset Value (NAV) per share as determined by the pool. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses, consistent with the consumption method of accounting.

Loan Receivable

The City recognizes a loan receivable and deferred inflow of resources in the governmental fund financial statements. At the commencement of the loan receivable, the City measures the loan receivable at the present value of the payments expected to be received during the estimated term. Subsequently, the loan receivable is reduced by the principal portion of loan payments received. The deferred inflow of resources is initially measured as the initial amount of the loan receivable. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the loan.

No allowance for uncollectible accounts has been provided, since it is believed that the loan receivable will be fully collected.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, and storm sewers), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$25,000 for land, land as right of way, improvements other than buildings, specialized vehicles, intangibles assets, and other equipment; \$50,000 for building and structures and infrastructure; 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. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Category</u>	<u>Years</u>
Buildings and structures	50
Infrastructure	50
Improvements other than buildings	25
Specialized vehicles or equipment	20
Other equipment or vehicles	10
Intangible assets	10

Deferred Outflows/Inflows of Resources

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

City of Braidwood, Illinois

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Transactions

The City has the following types of transactions between funds:

Loans - amounts provided with a requirement for repayment. Interfund loans are reported as "due from other funds" in lender funds and "due to other funds in borrower funds" in borrower funds in the fund balance sheets or fund statements of net position.

Reimbursements - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers - flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

Unearned Revenue

The City defers revenue recognition in connection with resources that have been received, but not yet earned.

Compensated Absences

Vacation leave is recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds when due is recorded as an expense and liability of those funds as the benefits accrue to employees.

Property Tax Revenue

The City's policy is to record property taxes when they have been levied and extended and are both measurable and available. Property taxes receivable are initially recorded at the gross levy amount less an allowance for uncollectible taxes, determined by management estimate. The receivable and the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position.

The bond and interest fund was specifically established to account for and service the long-term obligations for the governmental funds' debt. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

Lease Accounting

The City is a lessee in two noncancelable leases. If the contract provides the City the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the City's incremental borrowing rate. This rate is used to calculate the present value of future lease payments.

For all underlying classes of assets, the City does not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the City is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The City recognizes short-term leases with lease costs included in short-term lease expense. The City recognizes short-term lease cost on a straight-line basis over the lease term.

With the implementation of GASB Statement No. 87, all new leases entered into by the City whose net present value is less than \$25,000, the City elected to recognize the payments as an expense in the period incurred.

However, the City has 1 set of leases that are being restated for the implementation of GASB Statement No. 87 with a net present value less than \$25,000 in which it will include the leases within long-term obligations until the leases are paid off to remain consistent with how the leases were reported, prior to the implementation of GASB Statement No. 87.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances

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

Nonspendable - amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. The City Board is the highest level of decision-making authority for the City that can, by adoption of ordinance prior to the end of the year, commit fund balance. Once adopted, the limitation remains in place until a similar action is taken (adoption of another ordinance) to remove or revise the limitation.

Assigned - amounts the City intends to use for specific purposes as determined by the City Board. It assumed that creation of a fund automatically assigns fund balance.

Unassigned - amounts that are available for any purpose. These amounts are typically reported in the General Fund and have not been restricted, committed, or assigned to specific purposes. these amounts also include funds with negative fund balances.

Net position/fund balance is displayed in the order of the relative strength of the spending constraints placed on the purposes for which resources can be used. The City's flow of funds assumption prescribes that 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 the assigned and unassigned funds.

Recently Adopted Accounting Pronouncement

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City has adopted the requirements of the guidance effective May 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 2: Deposits and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure, the City’s deposits may not be returned to it. The City does not have a policy for custodial credit risk. As of April 30, 2023, the carrying amount of the City’s deposits (including fiduciary funds) were \$3,348,863 with bank balances totaling \$3,496,618. Of the bank balance, the City had uncollateralized deposits of \$552,142 at April 30, 2023.

The City is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

The Illinois Funds – The City had \$2,891,273 invested with the Illinois Funds at April 30, 2023. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds’ share price, which is the price the investment could be sold for. The fair value of the positions in the pool is the same as the value of the pool shares. Because these investments are highly liquid, the City reports them as cash equivalents in the statement of financial position and as investments for disclosure purposes.

Illinois Metropolitan Investment Fund – The City had \$488,080 invested with the Illinois Municipal Metropolitan Investment Fund (IMET) at April 30, 2023. IMET is not registered with the SEC. Oversight for IMET is provided by the IMET Board. The Board is responsible for policy formulation, as well as policy and administration oversight. The fair value of the positions in the pool is the same as the value of the pool shares. Because these investments are highly liquid, the City reports them as cash equivalents in the statement of financial position and as investments for disclosure purposes.

Investments

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of April 30, 2023, the City had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	5 - 10	More than 10
Local government investment pools	\$ 3,379,353	\$ 3,379,353	\$ -	\$ -	\$ -
Money market mutual funds	43,890	43,890	-	-	-
Illinois Police Officers Pension Investment Fund	5,301,848	5,301,848	-	-	-
Total investments	\$ 8,725,091	\$ 8,725,091	\$ -	\$ -	\$ -

City of Braidwood, Illinois

Notes to the Financial Statements

Note 2: Deposits and Investments (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. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report, which can be obtained from IPOPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund on October 3, 2022.

IPOPIF is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021 and amended on April 12, 2024. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF 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 3 of the Illinois Pension Code.

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 5.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Credit Risk - The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in Illinois Funds and U.S. agency securities. As of April 30, 2023, the City's investments in debt securities were rated as follows:

Investment	Credit Rating	Rating Source
Local government investment pool	AAA	Standard and Poor's

Concentration of credit risk is the risk that the City has too high a percentage of the investments invested in one type of investment. The City's investment policy requires diversification of investment to avoid unreasonable risk.

Custodial Credit Risk - Investments. For an investment, this is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The equity mutual funds are subject to custodial credit risk. The City's investment policy does not address custodial credit risk for investments.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 3: Property Taxes

The City annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the City Board of Commissioners. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Will County and issued on or about February 1 and August 1 and are repayable in two installments on or about June 1 and September 1. The County collects such taxes and periodically remits them to the City.

Property taxes for 2022 attached as an enforceable lien on January 1, 2022, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2023, and are payable in two installments on or about June 1, 2023 and September 1, 2023. The County collects such taxes and remits them periodically. As the 2022 tax levy is intended to fund expenditures for the 2023-2024 fiscal year, these taxes are unavailable/deferred as of April 30, 2023.

The 2022 tax levy, which attached as an enforceable lien on property as of January 1, 2023, has not been recorded as a receivable as of April 30, 2023 as the tax has not yet been levied by the City and will not be levied until December 2023 and, therefore, the levy is not measurable at April 30, 2023.

Note 4: Capital Assets

Capital asset activity for the year ended April 30, 2023 was as follows:

Governmental activities:	Restated Balance May 1, 2022	Additions	Deletions	Balance April 30, 2023
Capital assets not being depreciated:				
Land	\$ 3,242,160	\$ -	\$ -	\$ 3,242,160
Subtotal	3,242,160	-	-	3,242,160
Capital assets being depreciated:				
Infrastructure	17,632,676	-	-	17,632,676
Buildings and improvements	2,269,355	-	-	2,269,355
Fixtures and equipment	1,254,279	149,614	-	1,403,893
Leased assets - equipment	14,356	-	-	14,356
Subtotal	<u>21,170,666</u>	<u>149,614</u>	<u>-</u>	<u>21,320,280</u>
Accumulated depreciation and amortization	<u>(12,244,553)</u>	<u>(543,688)</u>	<u>-</u>	<u>(12,788,241)</u>
Capital assets being depreciated, net	<u>8,926,113</u>	<u>(394,074)</u>	<u>-</u>	<u>8,532,039</u>
Total governmental activities capital assets, net	<u>\$ 12,168,273</u>	<u>\$ (394,074)</u>	<u>\$ -</u>	<u>\$ 11,774,199</u>

City of Braidwood, Illinois

Notes to the Financial Statements

Note 4: Capital Assets (Continued)

Business-type activities:	Balance May 1, 2022	Additions	Deletions	Balance April 30, 2023
Capital assets not being depreciated:				
Land	\$ 419,775	\$ -	\$ -	\$ 419,775
Capital assets being depreciated:				
Infrastructure	15,132,477	-	-	15,132,477
Buildings and improvements	29,646,564	253,761	-	29,900,325
Fixtures and equipment	897,894	37,173	-	935,067
Subtotal	<u>45,676,935</u>	<u>290,934</u>	<u>-</u>	<u>45,967,869</u>
Accumulated depreciation	<u>(16,075,393)</u>	<u>(838,603)</u>	<u>-</u>	<u>(16,913,996)</u>
Total capital assets being depreciated, net	<u>29,601,542</u>	<u>(547,669)</u>	<u>-</u>	<u>29,053,873</u>
Total business-type activities capital assets, net	<u>\$ 30,021,317</u>	<u>\$ (547,669)</u>	<u>\$ -</u>	<u>\$ 29,473,648</u>

Depreciation and amortization expense was charged to the governmental functions as follows for the year ended April 30, 2023:

Governmental activities:	
General government	\$ 40,481
Highway and streets	423,108
Public safety	<u>80,099</u>
Total	<u>\$ 543,688</u>

Depreciation expense was charged to the business-type functions as follows for the year ended April 30, 2023:

Business-type activities:	
Water and sewer	\$ <u>838,603</u>
Total	<u>\$ 838,603</u>

City of Braidwood, Illinois

Notes to the Financial Statements

Note 5: Long-Term Obligations

Long-term obligation activity for the year ended April 30, 2023 was as follows:

	Restated Balance May 1, 2022	Issued	Retired	Balance April 30, 2023	Due Within One Year
<i>Governmental activities</i>					
Lease obligations	\$ 14,356	\$ -	\$ 5,049	\$ 9,307	\$ 5,215
2022 Debt Certificates	-	1,800,000	66,918	1,733,082	91,976
Compensated absences	286,665	87,043	71,666	302,042	75,511
Net pension liability - police pension	<u>2,802,220</u>	<u>1,938,288</u>	-	<u>4,740,508</u>	-
Total governmental	<u>\$ 3,103,241</u>	<u>\$ 3,825,331</u>	<u>\$ 143,633</u>	<u>\$ 6,784,939</u>	<u>\$ 172,702</u>
<i>Business-type activities</i>					
2010 IEPA loan	\$ 7,188,460	\$ -	\$ 622,977	\$ 6,565,483	\$ 620,348
Compensated absences	<u>172,813</u>	<u>57,128</u>	<u>43,203</u>	<u>186,738</u>	<u>46,685</u>
Total business-type	<u>\$ 7,361,273</u>	<u>\$ 57,128</u>	<u>\$ 666,180</u>	<u>\$ 6,752,221</u>	<u>\$ 667,033</u>

Lease Obligations

On July 16, 2019, the City entered into a lease agreement for the purchase of an office copier for \$15,229. The City makes monthly payments of \$292 with an interest rate of 5.61%, with a final payment due in August 2024.

On September 8, 2020 the City entered into a lease agreement for the purchase of an office copier for \$9,037. The City makes monthly payments of \$183 with an interest rate of 8.05%, with a final payment due in September 2025.

2022 Debt Certificates

On July 5, 2022 the City issued direct placement debt certificates with Federated Bank in the amount of \$1,800,000. Monthly payments are \$13,180 with interest at 3.85% and a final balloon payment of \$367,263 due in March 2035. The interest rate will be reset on July 1, 2027 and July 1, 2032.

2010 Illinois EPA Wastewater Treatment Works Loan

On December 15, 2010 the City's application for a wastewater treatment works loan, under the provision of the Environmental Protection Agency, was approved in the amount of \$10,000,000. During the year ended April 30, 2014, the City received approval to increase the loan to \$12,010,311. The loan bears interest at 1.25% and final payment is due December 2032.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 5: Long-Term Obligations (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for capital leases and IEPA loan are as follows:

Fiscal year	Principal				Interest	Total
	Leases	2022 Debt Certificates	IEPA Loan			
2024	\$ 5,215	\$ 91,976	\$ 610,037	\$ 146,800	\$ 854,028	
2025	3,192	96,731	628,127	133,956	862,006	
2026	900	100,523	636,003	122,130	859,556	
2027	-	104,463	643,978	110,197	858,638	
2028	-	108,554	652,053	98,031	858,638	
					4,303,501	
2029-2033	-	610,018	3,395,285	298,198	4	
2034	-	620,817	-	36,395	657,212	
Total	<u>\$ 9,307</u>	<u>\$ 1,733,082</u>	<u>\$ 6,565,483</u>	<u>\$ 945,707</u>	<u>\$ 9,253,579</u>	

Note 6: Loan Receivable

Changes in loan receivable consisted of the following for the year ended April 30, 2023:

	Balance 5/1/2022	Additions	Reductions	Balance 4/30/2023	Amounts due Within One Year
Bauer & D'Orazio, LLC	\$ -	\$ 575,985	\$ -	\$ 575,985	\$ 247,723
Total loan receivable	<u>\$ -</u>	<u>\$ 575,985</u>	<u>\$ -</u>	<u>\$ 575,985</u>	<u>\$ 247,723</u>

On August 23, 2022, the City entered into a redevelopment agreement with a Bauer & D'Orazio, LLC (the Developers) to finance a land purchase for the construction of 2 automobile dealerships (dealerships). The City issued 2022 debt certificates for \$1,800,000 to pay for the land. In the redevelopment agreement, the developers agreed to reimburse the City for the debt service payments on the 2022 debt certificates until the dealerships are open for operations. The City expects the dealerships to open in June 2026. As of April 30, 2023, the City has not received any payments on the loan receivable. The loan receivable balance was calculated based on the net present value of the monthly \$13,180 debt service payments from August 2022 - June 2026 and 3.85% interest rate of the 2022 debt certificates.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 6: Loan Receivable (Continued)

Future loan receivable payments as of April 30, 2023, are:

	Loan receivable		
	Principal	Interest	Total
2024	\$ 247,723	\$ 29,046	\$ 276,769
2025	148,114	10,040	158,154
2026	153,916	4,238	158,154
2027	26,232	127	26,359
Total	\$ 575,985	\$ 43,451	\$ 619,436

Note 7: Interfund Receivables and Payables

Interfund receivable and payable balances at April 30, 2023, are as follows:

Fund	Due from other funds	Due to other funds
Debt Service	-	118,821
Non-major governmental funds	377,910	36,642
Water Operations Fund	-	222,447
Total	\$ 377,910	\$ 377,910

All interfund loans reflects operating advances which are expected to be repaid or reported as a transfer in the following fiscal year. In fiscal year 2023, the outstanding balances between funds is the result of cash shortfalls in the Debt Service, Audit, Liability Insurance and FICA and Medicare funds.

Note 8: Illinois Municipal Retirement Fund

Plan Description. The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefit Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at www.imrf.org.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the regular plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Illinois Municipal Retirement Fund (Continued)

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in amounts equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3 percent of the original amount of January 1 every year after retirement.

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 employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lessor of:

- 3 percent the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount

Employees Covered by Benefit Terms. As of December 31, 2022 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive plan members entitled to but not yet receiving benefits	17
Active employees	17
Total	56

Contributions. As set by statute, the City’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City’s annual contribution rate for calendar year 2022 was 1.60%. For the fiscal year ended April 30, 2023, the City contributed \$13,774 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The City’s net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was market value of assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- The IMRF-specific rates for **Mortality**:
 - For **Non-Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
 - For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
 - For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Illinois Municipal Retirement Fund (Continued)

- The **Long-Term Expected Rate of Return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2022:

<i>Asset Class</i>	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.5 %	6.50 %
International equity	18.0	7.60
Fixed income	25.5	4.90
Real estate	10.5	6.20
Alternative investments	9.5	
Private equity	0.0	9.90
Hedge funds	0.0	-
Commodities	0.0	6.25
Cash Equivalents	1.0	4.00
	100.0 %	

Discount Rate. A single discount rate of 7.25% was used to measure the total pension liability as of December 31, 2022. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The single discount rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability. The following table shows the components of the City's annual pension liability and related plan fiduciary net position for the calendar year ended December 31, 2022:

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (Asset) (A)-(B)
Balances at January 1, 2022	\$ 5,206,865	\$ 6,798,301	\$ (1,591,436)
Changes for the year:			
Service Cost	90,806	-	90,806
Interest on the total pension liability	372,915	-	372,915
Differences between expected and actual experience	(36,288)	-	(36,288)
Contributions - employer	-	16,076	(16,076)
Contributions - employees	-	45,214	(45,214)
Net investment income	-	(803,339)	803,339
Benefit payments and refunds	(217,217)	(217,217)	0
Administrative expenses	-	(2,792)	2,792
Net Changes	<u>210,216</u>	<u>(962,058)</u>	<u>1,172,274</u>
Balance at December 31, 2022	<u>\$ 5,417,081</u>	<u>\$ 5,836,243</u>	<u>\$ (419,162)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1.00% lower or 1.00% higher:

	1% lower 6.25%	Current Discount Rate 7.25%	1% higher 8.25%
Net pension liability (asset)	<u>\$ 213,708</u>	<u>\$ (419,162)</u>	<u>\$ (909,714)</u>

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Illinois Municipal Retirement Fund (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows or Resources Related to Pensions:

For the year ended April 30, 2023, the City recognized pension expense of \$20,275 for the regular plan. At April 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the IMRF regular plan pension from the following sources:

<i>Deferred amounts to be recognized in pension expense in future periods:</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 20,927	\$ 22,558
Changes of assumptions	-	-
Net difference between projected and actual earnings on investment	481,826	-
Contributions subsequent to the measurement date	3,126	0
Total	\$ 505,879	\$ 22,558

The City reported \$3,126 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<i>Year ending December 31,</i>	Net deferred outflows (inflows) of resources
2023	\$ (3,740)
2024	75,098
2025	150,742
2026	258,095
Thereafter	-
Total	\$ 480,195

City of Braidwood, Illinois

Notes to the Financial Statements

Note 9: Police Pension Plan

Plan Administration: Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan administered by the City of Braidwood. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. An actuarial valuation was performed as of April 30, 2023, and, accordingly, the most recent available information has been presented. Management of the Police Pension Plan is vested in the Police Pension Board which consists of five members, representing the City, active police employees, and retiree beneficiaries. There have been no changes in the makeup of the Board during the fiscal year ended April 30, 2023.

Plan Membership - Membership in the Plan consisted of the following at April 30, 2023, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>9</u>
Total	<u><u>22</u></u>

Benefits provided: The Illinois Pension Code (40 ILCS 5/Art. 3) is the authority under which pension benefit terms are established. The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more 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 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary.

Covered employees hired on or after January 1, 2011, attaining the age of 55 or more with 10 or more years of creditable service, are entitled to receive an annual retirement benefit of 2.5 percent of final average salary for each year of service, with an initial maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions: Covered employees are required to contribute 9.91 percent of their base salary to the plan. If any employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the City. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the actuarial liabilities of the pension fund by 2040. Only the state legislature can amend the contribution requirements. For the year ended April 30, 2023, the City's contribution was \$249,210 or 34.59% of covered-employee payroll, to the Police Pension Fund.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 9: Police Pension Plan (Continued)

Investment Policy - ILCS limit the Plan's investments to those allowable by ILCS and require the Plan's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Plan's investment policy authorizes the Plan to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Plan may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities.

The Plan's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class*	Target Asset Allocation	Long-term Expected Real Rate of Return
US Large	23.0 %	4.15 %
US Small	5.0	4.54
International Developed	18.0	4.64
International Developed Small	5.0	(0.25)
Emerging Markets	7.0	5.31
Private Equity (Direct)	7.0	7.15
Bank Loans	3.0	2.48
High Yield Corp. Credit	3.0	2.48
Emerging Market Debt	3.0	2.82
Private Credit	5.0	4.37
US TIPS	3.0	(0.12)
Real Estate/Infrastructure	8.0	4.00
Cash	1.0	(0.27)
Short-Term Gov't/Credit	3.0	0.73
US Treasury	3.0	(0.60)
Core Plus Fixed Income	3.0	0.73
	<u>100.0 %</u>	

*Asset classes listed were disclosed in the Illinois Police Officers' Pension Investment Fund Actuarial Experience Study dated March 4, 2022.

ILCS limit the Plan's investments in equities and mutual funds to 45%. Securities in any one company should not exceed 5% of the total fund.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 9: Police Pension Plan (Continued)

The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio. The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return excluding inflation for each major asset class included in the Plan's target asset allocation as of April 30, 2023 are shown above.

Investment Information - The City consolidated the investment of the Police Pension Fund with the Illinois Police Officers' Pension Investment Fund (IPOPIF). The IPOPIF is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police officer pension funds. IPOPIF was created by Public Act 1010610, 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 IPOPIF by Illinois suburban and downstate police officer pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2022. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund on October 3, 2022.

At year-end the Police Pension Fund has \$5,301,848 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF 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 1113.1 through 1113.12 or Article 3 of the Illinois Pension Code.

Net Pension Liability - The components of the net pension liability of the Police Pension Fund as of April 30, 2023 calculated in accordance with GASB Statement No. 67 were as follows:

Total pension liability	\$ 10,110,405
Plan fiduciary net position	5,369,897
Employer's net pension liability	4,740,508
Plan fiduciary net position as a percent of total pension liability	53 %

City of Braidwood, Illinois

Notes to the Financial Statements

Note 9: Police Pension Plan (Continued)

Discount rate: The discount rate used to measure the total pension liability is 5.46 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's projected fiduciary net position will be able to cover future benefit payments. To the extent projected benefit payments are covered by the Plan's projected fiduciary net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent that projected benefit payments are not covered by the Plan's projected fiduciary net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Discount Rate Sensitivity - The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 5.46% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1% point lower 4.46% or 1% point higher 6.46% than the current rate:

	1% lower 4.46	Current Discount Rate 5.46	1% higher 6.46
Net pension liability	\$ 6,393,976	\$ 4,740,508	\$ 3,414,975

City of Braidwood, Illinois

Notes to the Financial Statements

Note 9: Police Pension Plan (Continued)

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at April 30, 2023:

Measurement date	April 30, 2023
Valuation date	May 1, 2022
Assumptions:	
Discount rate	5.46%
Long-term rate of return	6.50%
Consumer price index	2.25%
Inflation rate	2.25%
Projected total payroll increases	3.25%
Mortality	<p>-Active mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.</p> <p>-50% of active member deather are assumed to be in the line of duty.</p> <p>-Retiree mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.</p> <p>-Disabled mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.</p>
Marital assumptions	<p>Active Members: 80% of active members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses.</p> <p>Retiree and Disabled Members: Actual spousal data was utilized for retiree and disabled members.</p>

City of Braidwood, Illinois

Notes to the Financial Statements

Note 9: Police Pension Plan (Continued)

Change in Net Pension Liability - The following table shows the components of the City's annual pension liability and related plan fiduciary net position for the fiscal year ended April 30, 2023:

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at May 1, 2022	\$ 7,781,896	\$ 4,979,676	\$ 2,802,220
Changes for the year:			
Service Cost	209,334	-	209,334
Interest	536,138	-	536,138
Actuarial experience	718,361	-	718,361
Changes in assumptions	1,372,901	-	1,372,901
Changes in benefit terms	(94,976)	-	(94,976)
Contributions - employer	-	249,210	(249,210)
Contributions - employees	-	71,392	(71,392)
Contributions - other	-	351,890	(351,890)
Net investment income	-	165,265	(165,265)
Benefit payments, including refunds	(413,249)	(413,249)	-
Administrative expense	-	(34,287)	34,287
Net Changes	<u>2,328,509</u>	<u>390,221</u>	<u>1,938,288</u>
Balances at April 30, 2023	<u>\$ 10,110,405</u>	<u>\$ 5,369,897</u>	<u>\$ 4,740,508</u>

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended April 30, 2023, the City recognized pension expense of \$370,686.

The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 654,461	\$ (911,881)
Changes in assumptions	2,375,207	(1,740,625)
Net difference between projected and actual earnings on pension plan investments	<u>376,137</u>	<u>-</u>
Total	<u>\$ 3,405,805</u>	<u>\$ (2,652,506)</u>

City of Braidwood, Illinois

Notes to the Financial Statements

Note 9: Police Pension Plan (Continued)

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

<i>Year Ending April 30,</i>	Net Deferred Outflows (Inflows) of Resources
2024	\$ 438,681
2025	418,098
2026	473,002
2027	(329,810)
2028	(118,956)
Thereafter	(127,716)
Total	\$ 753,299

Note 10: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees; and natural disasters. The City has purchased insurance from private insurance companies. Risks covered by medical, dental and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

Note 11: Stewardship, Compliance, and Accountability

Budgetary Information

The City follows these procedures in establishing the budgeting data reflected in the financial statements:

- (a) Prior to June 30, the Treasurer submits to the City Board of Commissioners a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures/expenses and the means to finance them.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) Prior to July 31, the budget is legally enacted through passage of an appropriations ordinance.
- (d) The Treasurer is authorized to transfer budgeted amounts between departments within any fund; however, revisions that alter the total expenditures of any fund must be approved by the City Board of Commissioners.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 11: Stewardship, Compliance, and Accountability (Continued)

- (e) Formal budgetary integration is employed as a management control device during the year.
- (f) Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.
- (g) Appropriations lapse at the end of the fiscal year.

The budget amounts are as originally adopted by the City Board. The City budgets revenue, expenditures/expenses and transfers based on anticipated funds to be received. Budgets reflect gains or losses, by fund, for each fiscal year.

As of April 30, 2023, the following funds had expenditures in excess of budget:

Debt Service	\$	118,821
FICA and Medicare	\$	14,795
Audit	\$	10,500
Police Forfeiture	\$	131,736

Fund Equity Deficit - The following funds reported deficit fund balances as of April 30, 2023:

Debt Service	\$	118,821
FICA and Medicare	\$	21,966
Audit	\$	10,885
Liability Insurance	\$	3,791

The City intends to eliminate these deficit balances with future property taxes and general revenues.

Note 12: New Governmental Accounting Standards

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This statement is effective for periods beginning after June 15, 2022.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 99, Omnibus 2022, improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and 2023.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 12: New Governmental Accounting Standards (Continued)

GASB Statement No. 100, Accounting Changes and Error Corrections, enhances accounting and financial reporting for accounting changes in error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, Compensated Absences, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, Certain Risk Disclosures, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units vulnerable to the risk of a substantial impact. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures and additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Management of the City is still in the process of determining what effect, if any, the above statements will have on the basic financial statements and related disclosures.

Note 13: Prior Year Restatement

The City's beginning net position or fund balance has been restated to reflect the cumulative effect of prior year adjustments. A summary of the restatements as of April 30, 2023 is as follows:

<i>Year Ended April 30, 2023</i>	Governmental Activities	General Fund
Net position/fund balance, beginning of year, as previously reported	\$ 13,001,303	\$ 1,644,435
Deferred revenue adjustment	(420,910)	(420,910)
GASB Statement 87, Lease, implementation	14,193	-
Change in income tax receivable accrual	254,367	254,367
Total	\$ 12,848,953	\$ 1,477,892

Required Supplementary Information

City of Braidwood, Illinois
Required Supplementary Information
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
IMRF Regular Plan - Last 8 Calendar Years
(Schedule built prospectively from 2015)

Calendar year ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:								
Service cost	\$ 90,806	\$ 86,557	\$ 97,022	\$ 115,679	\$ 115,842	\$ 108,419	\$ 100,425	\$ 91,645
Interest on the total pension liability	372,915	349,846	336,387	315,563	301,104	278,606	264,289	270,925
Benefit changes	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(36,288)	75,053	(38,866)	16,989	(95,824)	126,665	(90,155)	(362,756)
Assumption changes	-	-	(37,478)	-	145,633	(122,004)	-	-
Benefit payments and refunds	(217,217)	(173,547)	(158,834)	(144,526)	(113,080)	(77,754)	(97,578)	(87,786)
Net change in total pension liability	210,216	337,909	198,231	303,705	353,675	313,932	176,981	(87,972)
Total pension liability - beginning	5,206,865	4,868,956	4,670,725	4,367,020	4,013,345	3,699,413	3,522,432	3,610,404
Total pension liability - ending (a)	5,417,081	5,206,865	\$4,868,956	\$4,670,725	\$4,367,020	\$4,013,345	\$3,699,413	\$3,522,432
Plan fiduciary net position:								
Employer contributions	\$ 16,076	\$ 67,440	\$ 41,106	\$ 35,525	\$ 54,422	\$ 67,752	\$ 62,522	\$ 58,276
Employee contributions	45,214	42,305	39,420	42,859	47,738	49,736	41,681	39,024
Pension plan net investment income	(803,339)	962,792	712,880	798,497	(207,272)	680,060	254,970	20,136
Benefit payments and refunds	(217,217)	(173,547)	(158,834)	(144,526)	(113,080)	(77,754)	(97,578)	(87,786)
Administrative expense	(2,792)	(18,050)	37,398	17,478	9,231	(37,538)	56,753	(348,172)
Net change in plan fiduciary net position	(962,058)	880,940	671,970	749,833	(208,961)	682,256	318,348	(318,522)
Plan fiduciary net position - beginning	6,798,301	5,917,361	5,245,391	4,495,558	4,704,519	4,022,263	3,703,915	4,022,437
Plan fiduciary net position - ending (b)	5,836,243	\$ 6,798,301	\$ 5,917,361	\$5,245,391	\$4,495,558	\$4,704,519	\$4,022,263	\$3,703,915
Net pension liability(asset) - Ending (a) - (b)	(419,162)	(1,591,436)	(1,048,405)	(574,666)	(128,538)	(691,174)	(322,850)	(181,483)
Plan fiduciary net position as a percentage of total pension liability	107.74%	130.56%	121.53%	112.30%	102.94%	117.22%	108.73%	105.15%
Covered valuation payroll	\$ 1,004,744	\$ 940,114	\$ 869,251	\$ 952,411	\$ 1,060,847	\$ 1,105,253	\$ 926,255	\$ 867,205
Net pension liability as a percentage of covered valuation payroll	-41.72%	-169.28%	-120.61%	-60.34%	-12.12%	-62.54%	-34.86%	-20.93%

This schedule should present information for the last ten years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

See Notes to Required Supplementary Information

City of Braidwood, Illinois
Required Supplementary Information
Multiyear Schedule of IMRF Contributions
Last 8 Fiscal Years

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2023	\$ 13,774 *	\$ 13,774	\$ -	\$ 1,005,257	1.37%
2022	33,690	33,690	-	981,552	3.43%
2021	40,855	41,106	(251)	869,251	4.73%
2020	35,525	35,525	-	952,411	3.73%
2019	54,422	54,422	-	1,060,847	5.13%
2018	67,752	67,752	-	1,105,253	6.13%
2017	62,522	62,522	-	926,255	6.75%
2016	58,276	58,276	-	867,205	6.72%

* Estimated based on calendar year 2022 contribution rate of 1.60%, calendar year 2023 contribution rate of 0.92%, and covered valuation payroll of \$1,005,257.

This schedule should present information for the last ten years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

See Notes to Required Supplementary Information

City of Braidwood, Illinois
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Police Pension Fund - Last 9 Fiscal Years
(Schedule built prospectively from 2015)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:									
Service cost	\$ 209,334	\$352,734	\$213,258	\$357,943	\$314,874	\$261,245	\$245,300	\$173,313	\$ -
Interest on the total pension liability	536,138	447,687	459,414	445,174	482,373	456,831	397,878	376,687	-
Benefit changes	(94,976)	-	-	238,283	-	-	-	-	-
Difference between expected and actual experience	718,361	(143,384)	(379,516)	(43,065)	(1,092,340)	(50,595)	529,502	-	-
Assumption changes	1,372,901	(2,538,215)	2,676,467	(164,434)	-	-	(14,092)	-	-
Benefit payments and refunds	(413,249)	(620,781)	(245,233)	(246,543)	(307,839)	(241,215)	(262,030)	(185,929)	-
Net change in total pension liability	2,328,509	(2,501,959)	2,724,390	587,358	(602,932)	426,266	896,558	364,071	-
Total pension liability - beginning	7,781,896	10,283,855	7,559,465	6,972,107	7,575,039	7,148,773	6,252,215	5,888,144	-
Total pension liability - ending (a)	\$10,110,405	\$7,781,896	\$10,283,855	\$7,559,465	\$6,972,107	\$7,575,039	\$7,148,773	\$6,252,215	\$5,888,144
Plan fiduciary net position:									
Employer contributions	\$ 249,210	\$230,100	\$195,292	\$341,906	\$481,355	\$376,580	\$201,188	\$230,493	\$ 292,560
Employee contributions	71,392	69,992	66,829	89,565	99,380	80,876	58,565	66,826	85,272
Other contributions	351,890	116,013	-	-	-	-	97,331	-	-
Pension plan net investment income	164,940	(379,878)	842,615	220,429	255,848	169,196	243,105	40,949	191,773
Benefit payments and refunds	(413,249)	(620,781)	(245,233)	(246,543)	(307,839)	(241,215)	(262,030)	(185,929)	(141,088)
Administrative expense	(33,962)	(37,787)	(46,198)	(66,287)	(69,816)	(67,010)	(43,940)	(50,077)	(28,222)
Net change in plan fiduciary net position	390,221	(622,341)	813,305	339,070	458,928	318,427	294,219	102,262	400,295
Plan fiduciary net position - beginning	4,979,676	5,602,017	4,788,712	4,449,642	3,990,714	3,672,287	3,378,068	3,275,806	2,875,511
Plan fiduciary net position - ending (b)	\$5,369,897	\$4,979,676	\$5,602,017	\$4,788,712	\$4,449,642	\$3,990,714	\$3,672,287	\$3,378,068	\$3,275,806
Employer net pension liability (asset) - Ending (a) - (b)	\$4,740,508	\$2,802,220	\$4,681,838	\$2,770,753	\$2,522,465	\$3,584,325	\$3,476,486	\$2,874,147	\$2,612,338
Plan fiduciary net positions as a percentage of total pension liability	53.11%	63.99%	54.47%	63.35%	63.82%	52.68%	51.37%	54.03%	55.63%
Covered-employee payroll	\$ 719,963	\$697,301	\$681,557	\$1,194,612	\$1,008,537	\$847,229	\$820,561	\$679,411	\$760,573
Net pension liability as a percentage of covered-employee payroll	658.44%	401.87%	686.93%	231.94%	250.11%	423.06%	423.67%	423.04%	343.47%

Covered-employee payroll shown above for the current year is estimated based on the prior covered-employee payroll and expected increases for the plan members during the fiscal year.

This schedule should present information for the last ten years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

See Notes to Required Supplementary Information

City of Braidwood, Illinois
 Required Supplementary Information
 Schedule of Employer Contributions
 Police Pension Fund - Last 9 Fiscal Years
 (Schedule built prospectively from 2015)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 320,316	\$275,971	\$396,555	\$357,451	\$381,983	\$276,619	\$238,985	\$228,582	\$237,082
Contributions in relation to the actuarially determined contribution	249,210	230,100	195,292	341,906	481,355	376,579	201,188	230,493	292,560
CONTRIBUTION DEFICIENCY (EXCESS)	\$71,106	\$45,871	\$201,263	\$15,545	(\$99,372)	(\$99,960)	\$37,797	(\$1,911)	(\$55,478)
Covered valuation payroll	\$ 719,963	\$697,301	\$681,557	\$1,194,612	\$1,008,537	\$847,229	\$820,561	\$679,411	\$760,573
Contributions as a percentage of covered valuation payroll	34.6%	33.0%	28.7%	28.6%	47.7%	44.5%	24.5%	33.9%	38.5%

This schedule should present information for the last ten years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

See Notes to Required Supplementary Information

City of Braidwood, Illinois
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended April 30, 2023

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property taxes	\$ 1,286,000	\$ 1,286,549	\$ (549)
Utility tax	275,000	313,098	(38,098)
State sales tax	600,000	720,222	(120,222)
State income taxes	800,000	965,315	(165,315)
Local use taxes	238,800	264,394	(25,594)
Telecommunication taxes	70,000	62,811	7,189
Replacement taxes	14,800	33,232	(18,432)
Hotel/motel taxes	20,000	17,939	2,061
State video gaming taxes	65,000	73,156	(8,156)
Liquor license	18,500	21,800	(3,300)
Other licenses	1,600	3,500	(1,900)
Business annual licenses	4,000	3,310	690
Grants	165,000	121,932	43,068
Donations	4,000	-	4,000
Franchise fee	70,000	54,808	15,192
Interest income	1,216	104,832	(103,616)
Miscellaneous	36,200	24,230	11,970
Contractor's registration	21,000	24,500	(3,500)
Building permits	57,500	92,113	(34,613)
Zoning fees	300	100	200
Fines and forfeitures	97,600	82,703	14,897
Impound fee	10,000	5,500	4,500
Reimbursements	171,520	178,235	(6,715)
Total revenues	4,028,036	4,454,279	(426,243)
EXPENDITURES			
Administrative			
Salary and benefits	409,269	407,640	1,629
Professional development	3,500	2,337	1,163
Professional services	108,000	76,188	31,812
Utilities - telephone	4,100	6,069	(1,969)
Utilities - gas/electric	5,000	3,447	1,553
Postage printing and supplies	18,000	11,708	6,292
Ordinance codification	2,500	-	2,500
Claypool drainage	5,000	8,745	(3,745)
Donations	1,500	277	1,223
Maintenance	17,000	65,037	(48,037)

See Notes to Required Supplementary Information

City of Braidwood, Illinois
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended April 30, 2023

	Original and Final Budget	Actual	(Over) Under Budget
Operating supplies and expenses	\$ 44,500	\$ 21,494	\$ 23,006
Grant expenses	375,000	51,623	323,377
Marketing and promotional items	1,500	903	597
Equipment	8,000	25,528	(17,528)
Development			
Salary and benefits	38,500	51,054	(12,554)
Professional services	80,000	101,031	(21,031)
Utilities - telephone	2,500	-	2,500
Postage printing and supplies	2,350	1,743	607
Equipment	1,000	439	561
Operating supplies and expenses	1,450	2,327	(877)
Police protection			
Salary and benefits	1,558,000	1,568,238	(10,238)
Pension contributions	255,000	255,555	(555)
Professional development	13,000	33,853	(20,853)
Uniforms	14,150	12,600	1,550
Professional services	211,500	176,628	34,872
Utilities - telephone	15,000	15,686	(686)
Maintenance	44,500	41,148	3,352
Postage printing and supplies	9,500	4,539	4,961
Operating supplies and expenses	11,500	10,284	1,216
Equipment	16,500	30,739	(14,239)
Fuel	45,500	50,565	(5,065)
Street			
Salary and benefits	283,771	294,217	(10,446)
Professional development	1,000	60	940
Professional services	40,750	43,387	(2,637)
Utilities - telephone	5,000	6,272	(1,272)
Maintenance	28,000	40,829	(12,829)
Fuel	19,000	23,751	(4,751)
Postage printing and supplies	2,200	7,741	(5,541)
Equipment	15,000	24,833	(9,833)
Operating supplies and expenses	1,000	2,410	(1,410)
Repairs and maintenance			
City Hall/Police Department	250	26	224
Railroad depot	200	-	200

See Notes to Required Supplementary Information

City of Braidwood, Illinois
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended April 30, 2023

	Original and Final Budget	Actual	(Over) Under Budget
Food pantry	\$ 1,500	\$ 993	\$ 507
Route 66 park	100	-	100
American legion	100	-	100
Debt service			
Principal payment	-	5,049	(5,049)
Interest and fiscal charges	-	652	(652)
Capital outlay	175,000	49,600	125,400
Total expenditures	<u>3,895,690</u>	<u>3,537,245</u>	<u>358,445</u>
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	<u>132,346</u>	<u>917,034</u>	<u>(784,688)</u>
OTHER FINANCING SOURCES (USES)			
Gain (loss) sale of assets	5,000	-	5,000
Transfer in	-	-	-
Total other financing sources (uses)	<u>5,000</u>	<u>-</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 137,346</u>	\$ 917,034	<u>\$ (779,688)</u>
FUND BALANCE, Beginning of year as restated		<u>1,477,892</u>	
FUND BALANCE, End of year		<u>\$ 2,394,926</u>	

See Notes to Required Supplementary Information

City of Braidwood, Illinois

Notes to Required Supplementary Information

Note 1: Summary of Significant Accounting Policies

Budgetary Data: A budget to actual comparison is presented for the General Fund. The budgets are prepared on a basis consistent with generally accepted accounting principles. See Note 11 to the financial statements for further information regarding individual funds presented in the budgetary comparison with an excess of expenditures over appropriations.

Note 2: Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2022 Contribution Rate from IMRF*

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

Methods and Assumptions Used to Determine 2022 Contribution Rates:

- Actuarial Cost Method Aggregate Entry Age Normal.
- Amortization Method Level Percentage of Payroll, Closed.
- Remaining Amortization Period Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 21-year closed period.

Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years; and one employer was financed over 27 years).
- Asset Valuation Method 5-Year smoothed market; 20% corridor.
- Wage growth 2.75%.
- Price Inflation 2.25%.
- Salary Increases 2.85% to 13.75% including inflation.
- Investment Rate of Return 7.25%.

Supplementary Information

City of Braidwood, Illinois
Combining Balance Sheet
Non-Major Governmental Funds
For the Year Ended April 30, 2023

	Motor Feul Tax	FICA and Medicare	Audit	Illinois Municipal Retirement	Liability Insurance	TIF #3	Police Forfeiture	Total Nonmajor Funds
ASSETS								
Cash in bank	\$ 1,477,665	\$ -	\$ -	\$ 172,868	\$ -	\$ 744,459	\$ 137,423	\$ 2,532,415
Property tax receivable	-	162,644	18,612	43,668	284,914	306,364	-	816,202
Accounts receivable	22,006	-	-	-	-	-	-	22,006
Prepaid items	-	-	-	-	123,166	-	-	123,166
Due from other funds	-	-	-	-	-	377,910	-	377,910
Total assets	<u>\$ 1,499,671</u>	<u>\$ 162,644</u>	<u>\$ 18,612</u>	<u>\$ 216,536</u>	<u>\$ 408,080</u>	<u>\$ 1,428,733</u>	<u>\$ 137,423</u>	<u>\$ 3,871,699</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Due to other funds	\$ -	\$ 21,966	\$ 10,885	\$ -	\$ 3,791	\$ -	\$ -	\$ 36,642
Accounts payable	4,517	-	-	-	-	-	-	4,517
Accrued payroll and related liabilities	-	-	-	-	-	-	-	-
Total liabilities	<u>4,517</u>	<u>21,966</u>	<u>10,885</u>	<u>-</u>	<u>3,791</u>	<u>-</u>	<u>-</u>	<u>41,159</u>
Deferred inflows of resources:								
Unavailable property taxes	-	162,644	18,612	43,668	284,914	306,364	-	816,202
Fund balance:								
Nonspendable:								
Prepaid items	-	-	-	-	123,166	-	-	123,166
Restricted:								
Economic development	-	-	-	-	-	1,122,369	-	1,122,369
Employee benefits	-	-	-	172,868	-	-	-	172,868
Audit services	-	-	-	-	-	-	-	-
Highway and streets	1,495,154	-	-	-	-	-	-	1,495,154
Public safety	-	-	-	-	-	-	137,423	137,423
Unassigned (deficit)	-	(21,966)	(10,885)	-	(3,791)	-	-	(36,642)
Total fund balances (deficit)	<u>1,495,154</u>	<u>(21,966)</u>	<u>(10,885)</u>	<u>172,868</u>	<u>119,375</u>	<u>1,122,369</u>	<u>137,423</u>	<u>3,014,338</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,499,671</u>	<u>\$ 162,644</u>	<u>\$ 18,612</u>	<u>\$ 216,536</u>	<u>\$ 408,080</u>	<u>\$ 1,428,733</u>	<u>\$ 137,423</u>	<u>\$ 3,871,699</u>

City of Braidwood, Illinois
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Non-Major Governmental Funds
For the Year Ended April 30, 2023

	Motor Fuel Tax	FICA and Medicare	Audit	Illinois Municipal Retirement	Liability Insurance	TIF #3	Police Forfeiture	Total
REVENUES								
Property taxes	\$ -	\$ 161,252	\$ 18,139	\$ 49,616	\$ 246,479	\$ 203,041	\$ -	\$ 678,527
Intergovernment revenues	252,791	-	-	-	-	-	-	252,791
Grants and donations	68,002	-	-	-	-	-	-	68,002
Fine and forfeitures	-	-	-	-	-	-	267,105	267,105
Investment income	-	-	-	-	-	13,523	55	13,578
Total revenues	<u>320,793</u>	<u>161,252</u>	<u>18,139</u>	<u>49,616</u>	<u>246,479</u>	<u>216,564</u>	<u>267,160</u>	<u>1,280,003</u>
EXPENDITURES								
Current:								
General government	-	58,870	29,500	9,766	260,329	62,988	-	421,453
Public safety	-	107,061	-	1,265	-	-	100,192	208,518
Highways and Streets	150,842	18,414	-	3,216	-	-	-	172,472
Debt service	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	59,199	40,815	100,014
Total expenditures	<u>150,842</u>	<u>184,345</u>	<u>29,500</u>	<u>14,247</u>	<u>260,329</u>	<u>122,187</u>	<u>141,007</u>	<u>902,457</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>169,951</u>	<u>(23,093)</u>	<u>(11,361)</u>	<u>35,369</u>	<u>(13,850)</u>	<u>94,377</u>	<u>126,153</u>	<u>377,546</u>
OTHER FINANCING SOURCES (USES)								
Transfer in	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-
Gain (loss) sale of assets	-	-	-	-	-	(136,988)	-	(136,988)
Proceeds from debt	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,988)</u>	<u>-</u>	<u>(136,988)</u>
NET CHANGE IN FUND BALANCES	169,951	(23,093)	(11,361)	35,369	(13,850)	(42,611)	126,153	240,558
FUND BALANCE (DEFICIT), Beginning of year	<u>1,325,203</u>	<u>1,127</u>	<u>476</u>	<u>137,499</u>	<u>133,225</u>	<u>1,164,980</u>	<u>11,270</u>	<u>2,773,780</u>
FUND BALANCE, End of year	<u>\$ 1,495,154</u>	<u>\$ (21,966)</u>	<u>\$ (10,885)</u>	<u>\$ 172,868</u>	<u>\$ 119,375</u>	<u>\$ 1,122,369</u>	<u>\$ 137,423</u>	<u>\$ 3,014,338</u>

City of Braidwood, Illinois
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Illinois Municipal Retirement Fund
For the Year Ended April 30, 2023

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property tax	\$ 51,150	\$ 49,616	\$ 1,534
Total revenues	<u>51,150</u>	<u>49,616</u>	<u>1,534</u>
EXPENDITURES			
IMRF			
Administration	12,500	3,928	8,572
Police protection	3,000	1,265	1,735
Street	13,650	3,216	10,434
Water and sewer	22,000	5,838	16,162
Total expenditures	<u>51,150</u>	<u>14,247</u>	<u>36,903</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	35,369	<u>\$ (35,369)</u>
FUND BALANCE, Beginning of year		<u>137,499</u>	
FUND BALANCE, End of year		<u>\$ 172,868</u>	

City of Braidwood, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Motor Fuel Tax Fund

For the Year Ended April 30, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
REVENUES			
Taxes:			
Motor fuel	\$ 238,758	\$ 252,791	\$ (14,033)
Grants	68,002	68,002	-
Total revenues	<u>306,760</u>	<u>320,793</u>	<u>(14,033)</u>
EXPENDITURES			
Highways and streets			
Engineering	15,000	18,838	(3,838)
Legal	750	-	750
Street maintenance	116,760	15,350	101,410
Utilities	65,000	40,051	24,949
Rock salt	85,000	67,537	17,463
Miscellaneous	24,250	9,066	15,184
Total expenditures	<u>306,760</u>	<u>150,842</u>	<u>155,918</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>169,951</u>	<u>(169,951)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 169,951</u>	<u>\$ (169,951)</u>
FUND BALANCE (DEFICIT), Beginning of year		<u>1,325,203</u>	
FUND BALANCE, End of year		<u>\$ 1,495,154</u>	

City of Braidwood, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual FICA and Medicare Fund For the Year Ended April 30, 2023

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property tax	\$ 169,550	\$ 161,252	\$ 8,298
Total revenues	169,550	161,252	8,298
EXPENDITURES			
FICA			
Administration	21,530	21,781	(251)
Development	100	47	53
Police protection	75,390	86,768	(11,378)
Street	14,000	14,924	(924)
Water and sewer	25,690	25,883	(193)
Medicare			
Administration	5,140	5,094	46
Development	25	11	14
Police protection	17,175	20,293	(3,118)
Street	3,500	3,490	10
Water and sewer	7,000	6,054	946
Total expenditures	169,550	184,345	(14,795)
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total Transfers	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	(23,093)	\$ 23,093
FUND BALANCE (DEFICIT), Beginning of year		1,127	
FUND BALANCE, End of year		\$ (21,966)	

City of Braidwood, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Audit Fund

For the Year Ended April 30, 2023

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property taxes	\$ 19,000	\$ 18,139	\$ 861
Total revenues	19,000	18,139	861
EXPENDITURES			
General government			
Audit services	19,000	29,500	(10,500)
Total expenditures	19,000	29,500	(10,500)
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total Transfers	-	-	-
NET CHANGE IN FUND BALANCES	\$ -	(11,361)	11,361
FUND BALANCE (DEFICIT), Beginning of year		476	
FUND BALANCE, End of year		\$ (10,885)	

City of Braidwood, Illinois
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Liability Insurance
For the Year Ended April 30, 2023

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property taxes	\$ 250,800	\$ 246,479	\$ 4,321
Total revenues	<u>250,800</u>	<u>246,479</u>	<u>4,321</u>
EXPENDITURES			
General government	275,000	260,329	14,671
Total expenditures	<u>275,000</u>	<u>260,329</u>	<u>14,671</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (24,200)</u>	(13,850)	<u>\$ (10,350)</u>
FUND BALANCE (DEFICIT), Beginning of year		<u>133,225</u>	
FUND BALANCE, End of year		<u>\$ 119,375</u>	

City of Braidwood, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

TIF #3 Fund

For the Year Ended April 30, 2023

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Taxes	\$ 115,000	\$ 203,041	\$ (88,041)
Investment income	2,500	13,523	(11,023)
Total revenues	117,500	216,564	(99,064)
EXPENDITURES			
Current:			
General government			
Contractual services	280,000	62,988	217,012
Capital outlay	20,000	59,199	(39,199)
Total expenditures	300,000	122,187	177,813
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(182,500)	94,377	(276,877)
OTHER FINANCING SOURCES (USES)			
Gain (loss) sale of assets	-	(136,988)	(136,988)
NET CHANGE IN FUND BALANCE	\$ (182,500)	(42,611)	\$ (276,877)
FUND BALANCE, Beginning of year		1,164,980	
FUND BALANCE, End of year		\$ 1,122,369	

City of Braidwood, Illinois
Statement of Revenues, Expenses, and Changes in
Net Position - Budget and Actual
Water Operations Fund
For the Year Ended April 30, 2023

	Original and Final Budget	Actual	(Over) Under Budget
OPERATING REVENUES			
Water	\$ 813,000	\$ 763,905	\$ 49,095
Water capacity fees	1,500	7,000.00	(5,500)
Water meters	7,000	10,000	(3,000)
Water shutoffs	2,500	6,750	(4,250)
Sewer	1,500,000	1,698,177	(198,177)
Sewer permits	400	420	(20)
Sewer capacity fees	6,000	21,000	(15,000)
Sewer disposal fees	150,000	209,035	(59,035)
Garbage collection fees	700,000	706,206	(6,206)
Penalties	66,207	76,852	(10,645)
Miscellaneous revenue	18,990	13,529	5,461
Total revenues	<u>3,265,597</u>	<u>3,512,874</u>	<u>(247,277)</u>
OPERATING EXPENSES			
Salary and benefits	598,747	598,623	124
Pension expense	-	(42,867)	42,867
Contractual	570,000	571,266	(1,266)
Utilities	300,000	193,956	106,044
Maintenance	66,500	64,328	2,172
Professional fees	118,250	101,086	17,164
Depreciation	864,150	838,601	25,549
IEPA annual fees	17,500	17,500	-
Liability insurance	105,000	5,382	99,618
Postage, printing, supplies, etc.	23,000	17,953	5,047
Fuel-gasoline	10,000	10,106	(106)
Equipment and tools	35,000	36,830	(1,830)
Chemicals, sand, salt, and water testing	190,000	246,624	(56,624)
Repairs and install costs - water meters	135,000	160,323	(25,323)
Capital outlay	115,000	37,959	77,041
General	17,500	19,085	(1,585)
Total expenditures	<u>3,165,647</u>	<u>2,876,755</u>	<u>288,892</u>
OPERATING INCOME (LOSS)	<u>99,950</u>	<u>636,119</u>	<u>(536,169)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	50	-	50
Interest expense	(100,000)	(74,307)	(25,693)
Total non-operating revenues (expenses)	<u>(99,950)</u>	<u>(74,307)</u>	<u>(25,643)</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>-</u>	<u>561,812</u>	<u>(561,812)</u>
TRANSFERS			
Transfer out	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN NET POSITION	<u>\$ -</u>	<u>561,812</u>	<u>\$ (561,812)</u>
NET POSITION, Beginning of year		<u>24,145,602</u>	
NET POSITION, End of year		<u>\$ 24,707,414</u>	

City of Braidwood, Illinois

Schedule of Legal Debt Margin For the Year Ended April 30, 2023

Assessed valuation - 2022 tax year		<u>\$ 143,490,645</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 12,376,068
Debt:		
Lease obligations	5,215	
2022 Debt Certificates	<u>1,733,082</u>	
Total Debt		<u>1,738,297</u>
Legal debt margin		<u>\$ 10,637,771</u>