

City of Braidwood, Illinois

Annual Financial Report

Year Ended April 30, 2024



City of Braidwood, Illinois

Year Ended April 30, 2024

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Independent Auditor's Report

Mayor and City Council
City of Braidwood, Illinois
Braidwood, Illinois

Report on the Audit of the Financial Statements

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, 2024, 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

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Business-Type Activities	Unmodified
General Corporate Fund	Unmodified
Debt Service Fund	Unmodified
Enterprise Fund - Water Operations	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on Governmental Activities

In our opinion, except for the described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of City of Braidwood, Illinois as of April 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Business-Type Activities, General Corporate Fund, Debt Service Fund, Enterprise Fund - Water Operations, and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, general corporate fund, debt service fund, enterprise fund - water operations, and aggregate remaining fund information the City of Braidwood, Illinois as of April 30, 2024, and respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

Matter Giving Rise to Qualified Opinion on 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 City of Braidwood, Illinois and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for unmodified and qualified opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), 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 City of Braidwood, Illinois' 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 GAAS and *Government 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 GAAS and *Government 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 of Braidwood, Illinois'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 City of Braidwood, Illinois'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 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 financial statements, and other knowledge we obtained during our audit of the 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. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Braidwood, Illinois's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The logo for Wipfli LLP, featuring the name "Wipfli" in a large, elegant, cursive script font, followed by "LLP" in a smaller, clean, sans-serif font.

Wipfli LLP

Sterling, Illinois
November 13, 2025

Management's Discussion and Analysis

City of Braidwood, Illinois

Management's Discussion and Analysis

April 30, 2024

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, 2024. 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 increased as a result of this year's operations. Net position of governmental activities increased by \$1,120,398 and net position of the business-type activities increased by \$668,210.
- During the year, government-wide revenues for the primary government totaled \$10,432,877, while expenses totaled \$8,644,269, resulting in an increase to net position of \$1,788,608.
- The City's net position totaled \$38,061,645 on April 30, 2024, which includes \$32,955,364 net investment in capital assets, \$4,276,745 subject to external restrictions, and \$829,536 in unrestricted net position.
- The General Corporate Fund reported a net increase this year of \$937,293, resulting in a fund balance of \$3,332,219.

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, 2024

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, 2024. 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 and Debt Service Fund, which are considered to be major funds. Data from the other 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 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, 2024

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 \$38,061,645 at the close of April 30, 2024.

The City's General revenues reflected an increase compared to the prior year by \$443,430 due primarily to the increase in property taxes of \$180,774 and no loss in the sale of assets. There was a \$136,988 loss in FY23.

The City's sales and use taxes decreased compared to FY23 by \$2,899.

The City's total expenses decreased by \$1,187,417, with the greatest increase in the General Government line. The General Government expenses decreased from the FY23 amount of \$3,672,968 to \$1,748,307. The decrease is due to a \$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 in FY23.

The other large increase was in expenses compared to FY23 was for Public Safety of \$540,690.

City of Braidwood, Illinois
Management's Discussion and Analysis
April 30, 2024

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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 10,294,614	\$ 9,141,804	\$ 2,912,961	\$ 1,913,008	\$ 13,207,575	\$ 11,054,812
Capital assets	11,908,405	11,774,199	28,635,600	29,473,648	40,544,005	41,247,847
Total assets	<u>22,203,019</u>	<u>20,916,003</u>	<u>31,548,561</u>	<u>31,386,656</u>	<u>53,751,580</u>	<u>52,302,659</u>
Deferred outflows of resources	2,755,592	3,704,361	151,183	207,323	2,906,775	3,911,684
Current liabilities	\$ 616,760	1,048,817	867,620	792,132	1,484,380	1,840,949
Noncurrent liabilities	6,427,630	6,612,237	5,452,045	6,085,188	11,879,675	12,697,425
Total liabilities	<u>7,044,390</u>	<u>7,661,054</u>	<u>6,319,665</u>	<u>6,877,320</u>	<u>13,364,055</u>	<u>14,538,374</u>
Deferred inflows of resources	5,228,200	5,393,687	4,455	9,245	5,232,655	5,402,932
Net position						
Net investment in capital assets	10,264,899	10,031,810	22,690,465	22,908,165	32,955,364	32,939,975
Restricted	4,000,357	3,175,192	276,388	171,784	4,276,745	3,346,976
Unrestricted (deficit)	<u>(1,579,235)</u>	<u>(1,641,379)</u>	<u>2,408,771</u>	<u>1,627,465</u>	<u>829,536</u>	<u>(13,914)</u>
Total net position	<u>\$ 12,686,021</u>	<u>\$ 11,565,623</u>	<u>\$ 25,375,624</u>	<u>\$ 24,707,414</u>	<u>\$ 38,061,645</u>	<u>\$ 36,273,037</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, 2024

Government-wide Financial Analysis (continued)

Statement of Activities						
April 30,						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program revenues						
Charges for services	\$ 623,067	\$ 555,439	\$ 3,838,266	\$ 3,512,874	\$ 4,461,333	\$ 4,068,313
Grants/contributions	928,984	442,725	-	-	928,984	442,725
General Revenues						
Taxes	4,640,118	4,415,243	-	-	4,640,118	4,415,243
Investment income	256,121	118,410	-	-	256,121	118,410
Other revenues	146,321	65,477	-	-	146,321	65,477
Total revenues	<u>6,594,611</u>	<u>5,597,294</u>	<u>3,838,266</u>	<u>3,512,874</u>	<u>10,432,877</u>	<u>9,110,168</u>
Expenses						
Governmental activities						
General government	1,748,307	3,672,968	-	-	1,748,307	3,672,968
Public safety	3,069,870	2,529,180	-	-	3,069,870	2,529,180
Highways and streets	591,064	625,921	-	-	591,064	625,921
Interest	64,972	52,555	-	-	64,972	52,555
Business-type activities						
Water and sewer	-	-	2,604,004	2,379,796	2,604,004	2,379,796
Garbage	-	-	566,052	571,266	566,052	571,266
Total expenses	<u>5,474,213</u>	<u>6,880,624</u>	<u>3,170,056</u>	<u>2,951,062</u>	<u>8,644,269</u>	<u>9,831,686</u>
Change in net position before transfers	1,120,398	(1,283,330)	668,210	561,812	1,788,608	(721,518)
Transfers in (out)	-	-	-	-	-	-
Change in net position	1,120,398	(1,283,330)	668,210	561,812	1,788,608	(721,518)
Net position-beginning	11,565,623	12,848,953	24,707,414	24,145,602	36,273,037	36,994,555
Net position-ending	<u>\$ 12,686,021</u>	<u>\$ 11,565,623</u>	<u>\$ 25,375,624</u>	<u>\$ 24,707,414</u>	<u>\$ 38,061,645</u>	<u>\$ 36,273,037</u>

Governmental Activities. The City's net position increased by \$1,120,398. Revenues increased April 30, 2023 to April 30, 2024 by \$997,317 due to an increase in grants and contributions. Expenses decreased from April 30, 2023 to April 30, 2024 by \$1,406,411 mainly due to a decrease in general government expenses.

Major expense factors included:

- Police pension expense increased \$497,600.

City of Braidwood, Illinois

Management's Discussion and Analysis

April 30, 2024

Government-wide Financial Analysis (continued)

Business-type Activities. The City's net position increased by \$668,210. Revenues increased from April 30, 2023 to April 30, 2024 by \$325,392. 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, 2024.

As of the end of the current fiscal year, the City governmental funds reported a combined ending fund balance of \$6,584,209 an increase of \$1,293,766 from the previous year.

Fund balance in the General Corporate Fund increased by \$937,293 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 \$25,375,624, an increase of \$668,210 from the previous year.

City of Braidwood, Illinois
Management's Discussion and Analysis
April 30, 2024

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, 2024 and whether the activity was over or under budget. Revenues in the General Corporate Fund were over budget by \$1,103,924 and expenditures were over budget by \$292,977 for the year ended April 30, 2024.

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Revenues:			
Taxes	\$ 3,369,600	\$ 3,826,011	\$ (456,411)
Fines, fees and forfeitures	107,600	72,653	34,947
Reimbursements	171,520	124,313	47,207
Franchise fees	70,000	66,055	3,945
Licenses & permits	102,900	132,305	(29,405)
Grants	165,000	650,809	(485,809)
Donations	4,000	-	4,000
Interest income	1,216	231,806	(230,590)
Other	30,200	22,008	8,192
Total revenues	<u>4,022,036</u>	<u>5,125,960</u>	<u>(1,103,924)</u>
Expenditures:			
Administrative	1,152,869	777,085	375,784
Development	125,800	181,420	(55,620)
Police protection	2,194,150	2,357,352	(163,202)
Street	420,721	409,719	11,002
Repairs and maintenance	2,150	525	1,625
Debt service	-	5,701	(5,701)
Capital outlay	-	456,865	(456,865)
Total expenditures	<u>3,895,690</u>	<u>4,188,667</u>	<u>(292,977)</u>
Excess/(deficiency)	<u>126,346</u>	<u>937,293</u>	<u>(810,947)</u>
Other financing sources:			
Transfers in	-	-	-
Gain (loss) on sale assets	5,000	-	5,000
Net change in fund balance	<u>\$ 131,346</u>	<u>\$ 937,293</u>	<u>\$ (805,947)</u>

The General Corporate Fund total revenues were over the budgeted amount by \$1,103,924 mostly due to an increase in taxes collected and grants received. Also, the General Fund reflected a \$230,590 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 over budget by \$292,977 mostly due to the significant increase in capital outlay expenditures.

City of Braidwood, Illinois
Management's Discussion and Analysis
April 30, 2024

Capital Assets

The City's investment in capital assets for its governmental activities as of April 30, 2024 amounts to \$11,908,405, 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	
	2024	2023	2024	2023
Land	\$ 3,242,160	\$ 3,242,160	\$ 419,775	\$ 419,775
Buildings and improvements	1,244,286	1,007,932	17,169,036	17,765,079
Infrastructure	6,805,452	7,213,917	10,937,620	11,153,416
Fixtures and equipment	612,639	301,078	109,169	135,378
Leased equipment	3,868	9,112	-	-
Total	\$ 11,908,405	\$ 11,774,199	\$ 28,635,600	\$ 29,473,648

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, 2024 was \$1,643,506, which includes a lease for the purchase of office equipment and 2022 general obligation debt certificates.

The City's balance of long-term debt for business-type activities as of April 30, 2024 was \$5,945,135, 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, 2024 was \$337,002 for governmental activities and \$180,049 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, 2024

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 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 will continue to identify roads that need to be repaired and set up road programs according to the need.

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, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,522,719	\$ 2,096,054	\$ 8,618,773
Receivables			
Property taxes	2,271,542	-	2,271,542
Accounts	22,277	305,588	327,865
Loans	575,985	-	575,985
Other	493,557	-	493,557
Prepaid items	161,217	51,956	213,173
Net pension assets	430,292	276,388	706,680
Internal balances	(182,975)	182,975	-
Capital assets not being depreciated	3,242,160	419,775	3,661,935
Capital assets being depreciated	8,666,245	28,215,825	36,882,070
Total assets	22,203,019	31,548,561	53,751,580
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	235,369	151,183	386,552
Pension items - Police Pension	2,520,223	-	2,520,223
Total deferred outflows of resources	2,755,592	151,183	2,906,775
Total assets and deferred outflows of resources	\$ 24,958,611	\$ 31,699,744	\$ 56,658,355
LIABILITIES			
Accounts payable	\$ 65,995	\$ 154,246	\$ 220,241
Accrued payroll and related liabilities	92,000	8,435	100,435
Accrued interest payable	-	31,800	31,800
Advances from grantors	274,591	-	274,591
Noncurrent liabilities			
Due within one year	184,174	673,139	857,313
Due in more than one year	6,427,630	5,452,045	11,879,675
Total liabilities	7,044,390	6,319,665	13,364,055
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	2,271,542	-	2,271,542
Unavailable revenues	575,985	-	575,985
Pension items - IMRF	6,937	4,455	11,392
Pension items - police pension	2,373,736	-	2,373,736
Total deferred inflows of resources	5,228,200	4,455	5,232,655
Total liabilities and deferred inflows of resources	12,272,590	6,324,120	18,596,710
NET POSITION			
Net investment in capital assets	10,264,899	22,690,465	32,955,364
Restricted			
Economic development	1,196,976	-	1,196,976
Employee benefits	207,731	-	207,731
Audit services	4,593	-	4,593
Highway and streets	1,621,122	-	1,621,122
Public safety	327,746	-	327,746
General	211,897	-	211,897
Net pension asset	430,292	276,388	706,680
Unrestricted (Deficit)	(1,579,235)	2,408,771	829,536
Total net position	12,686,021	25,375,624	38,061,645
Total liabilities, deferred inflows of resources, and net position	\$ 24,958,611	\$ 31,699,744	\$ 56,658,355

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Statement of Activities

April 30, 2024

	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	\$ 1,748,307	\$ 198,360	\$ 650,809	\$ -	\$ (899,138)	\$ -	\$ (899,138)
Public safety	3,069,870	424,707	-	-	(2,645,163)	-	(2,645,163)
Highways and streets	591,064	-	278,175	-	(312,889)	-	(312,889)
Interest	64,972	-	-	-	(64,972)	-	(64,972)
Total governmental activities	5,474,213	623,067	928,984	-	(3,922,162)	-	(3,922,162)
Business-type activities:							
Water and sewer	2,604,004	3,119,841	-	-	-	515,837	515,837
Garbage	566,052	718,425	-	-	-	152,373	152,373
Total business-type activities	3,170,056	3,838,266	-	-	-	668,210	668,210
Total primary government	\$ 8,644,269	\$ 4,461,333	\$ 928,984	\$ -	\$ (3,922,162)	\$ 668,210	\$ (3,253,952)
			General revenues:				
			Taxes:				
			Property	2,145,850	-	2,145,850	
			Sales and use tax	981,717	-	981,717	
			Shared income tax	1,031,984	-	1,031,984	
			Replacement	17,969	-	17,969	
			Gaming	106,147	-	106,147	
			Utility	274,885	-	274,885	
			Telecommunications	63,804	-	63,804	
			Hotel/motel	17,762	-	17,762	
			Investment income	256,121	-	256,121	
			Gain (loss) sale of assets	-	-	-	
			Miscellaneous	146,321	-	146,321	
			Transfers	-	-	-	
			Total general revenues	5,042,560	-	5,042,560	
			Change in net position	1,120,398	668,210	1,788,608	
			Net position, beginning of year	11,565,623	24,707,414	36,273,037	
			Net position, end of year	\$ 12,686,021	\$ 25,375,624	\$ 38,061,645	

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois
Balance Sheet - Governmental Funds
April 30, 2024

	Major Funds			Total Governmental Funds
	General Corporate	Debt Service	Non-major Governmental	
ASSETS				
Cash and cash equivalents	\$ 3,358,700	\$ -	\$ 3,164,019	6,522,719
Receivables				
Property taxes	1,429,791	-	841,751	2,271,542
Accounts	-	-	22,277	22,277
Loans	-	575,985	-	575,985
Other	493,557	-	-	493,557
Prepaid items	41,240	-	119,977	161,217
Due from other funds	-	-	377,910	377,910
	<u>-\$ 5,323,288</u>	<u>\$ 575,985</u>	<u>\$ 4,525,934</u>	<u>\$ 10,425,207</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ 148,917	\$ 276,975	\$ 134,993	\$ 560,885
Accounts payable	52,548	-	13,447	65,995
Accrued payroll and related liabilities	85,222	-	6,778	92,000
Advances from grantors	274,591	-	-	274,591
	<u>561,278</u>	<u>276,975</u>	<u>155,218</u>	<u>993,471</u>
Deferred inflows of resources:				
Unavailable property taxes	1,429,791	-	841,751	2,271,542
Unavailable revenues	-	575,985	-	575,985
	<u>1,429,791</u>	<u>575,985</u>	<u>841,751</u>	<u>2,847,527</u>
Fund balances:				
Nonspendable:				
Prepaid items	41,240	-	119,977	161,217
Restricted:				
Economic development	-	-	1,196,976	1,196,976
Employee benefits	-	-	207,731	207,731
Audit services	-	-	4,593	4,593
Highway and streets	-	-	1,621,122	1,621,122
Public safety	-	-	327,746	327,746
General	-	-	91,920	91,920
Unassigned	3,290,979	(276,975)	(41,100)	2,972,904
	<u>3,332,219</u>	<u>(276,975)</u>	<u>3,528,965</u>	<u>6,584,209</u>
	<u>\$ 5,323,288</u>	<u>\$ 575,985</u>	<u>\$ 4,525,934</u>	<u>\$ 10,425,207</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, 2024

Total Fund Balance - Governmental Funds	\$ 6,584,209
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	11,908,405
Net pension asset for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	430,292
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(4,631,296)
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	228,432
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	146,487
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Lease obligations	(4,092)
Debt certificates	(1,639,414)
Compensated absences	(337,002)
Net Position of Governmental Activities	<u>\$ 12,686,021</u>

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, 2024

	Major Funds		Non-major Governmental Funds	Total Governmental Funds
	General Corporate	Debt Service		
REVENUES				
Taxes:				
Property	\$ 1,331,743	\$ -	\$ 814,107	\$ 2,145,850
Utility	274,885	-	-	274,885
Sales	738,009	-	-	738,009
Income	1,031,984	-	-	1,031,984
Replacement	17,969	-	-	17,969
Local use	243,708	-	-	243,708
Hotel/motel	17,762	-	-	17,762
State gaming	106,147	-	-	106,147
Telecommunications	63,804	-	-	63,804
Motor fuel	-	-	278,175	278,175
Fines, fees and forfeitures	72,653	-	352,054	424,707
Reimbursements	124,313	-	-	124,313
Franchise fees	66,055	-	-	66,055
Licenses and permits	132,305	-	-	132,305
Grants and donations	650,809	-	-	650,809
Investment income	231,806	-	24,315	256,121
Miscellaneous	22,008	-	-	22,008
Total revenues	5,125,960	-	1,468,651	6,594,611
EXPENDITURES				
Current:				
General government	959,030	-	348,983	\$ 1,308,013
Public safety	2,357,352	-	214,918	2,572,270
Highway and streets	409,719	-	172,445	582,164
Debt service:				
Principal payment	5,215	93,668	-	98,883
Interest and fiscal charges	486	64,486	-	64,972
Capital outlay	456,865	-	217,678	674,543
Total expenditures	4,188,667	158,154	954,024	5,300,845
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	937,293	(158,154)	514,627	1,293,766
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Gain (loss) sale of assets	-	-	-	-
Proceeds from debt	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	937,293	(158,154)	514,627	1,293,766
FUND BALANCE (DEFICIT), Beginning of year	2,394,926	(118,821)	3,014,338	5,290,443
FUND BALANCE, End of year	\$ 3,332,219	\$ (276,975)	\$ 3,528,965	\$ 6,584,209

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, 2024

Net Change in Fund Balances - Total Government Funds	\$ 1,293,766
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>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</p>	
Purchase of capital assets	674,543
Depreciation	(540,337)
<p>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</p>	
Debt certificate	93,668
Leases	5,215
Change in compensated absences	(34,960)
<p>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</p>	
Proceeds from the issuance of long-term debt	-
<p>The change in the net pension asset (liability) is reported only in the Statement of Activities</p>	
Illinois Municipal Retirement Fund	182,914
Police Pension Fund	109,212
<p>The change in deferred outflows and inflows of resources is reported only in the Statement of Activities</p>	
Illinois Municipal Retirement Fund	(56,811)
Police Pension Fund	(606,812)
Change in Net Position of Governmental Activities	\$ 1,120,398

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Statement of Net Position

Proprietary Fund

April 30, 2024

	Enterprise Fund Water Operations
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 2,096,054
Accounts receivable	305,588
Prepaid items	51,956
Due to other funds	182,975
Total current assets	2,636,573
NONCURRENT ASSETS	
Land	419,775
Fixtures and equipment	29,900,325
Buildings and improvements	935,067
Infrastructure	15,132,477
Less accumulated depreciation	(17,752,044)
Net pension asset - IMRF	276,388
Total noncurrent assets	28,911,988
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	151,183
Total assets and deferred outflows of resources	\$ 31,699,744
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 154,246
Accrued payroll	8,435
Accrued interest payable	31,800
Compensated absences, current	45,012
IEPA loan payable, current	628,127
Total current liabilities	867,620
NONCURRENT LIABILITIES	
Compensated absences	135,037
IEPA loan payable	5,317,008
Total noncurrent liabilities	5,452,045
Total liabilities	6,319,665
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	4,455
Total liabilities and deferred inflows of resources	6,324,120
NET POSITION	
Net investment in capital assets	22,690,465
Restricted for net pension asset	276,388
Unrestricted	2,408,771
Total net position	25,375,624
Total liabilities, deferred inflows of resources, and net position	\$ 31,699,744

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, 2024

	Enterprise Fund Water Operations
Operating revenues	
Sewer charges	\$ 2,030,644
Water charges	1,089,197
Garbage charges	718,425
Total operating revenues	3,838,266
Operating expenses	
Water and sewer operations	1,687,420
Garbage operations	566,052
Total operating expenses	2,253,472
OPERATING INCOME BEFORE DEPRECIATION	1,584,794
Depreciation	838,048
Operating income	746,746
Non-operating revenues (expenses)	
Investment income	-
Interest expense	(78,536)
Capital Outlay	-
Total non-operating revenues (expenses)	(78,536)
Income (loss) before transfers	668,210
Transfer out to other funds	-
Change in net position	668,210
Net position, beginning of year	24,707,414
Net position, end of year	\$ 25,375,624

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois
Statement of Cash Flows
Proprietary Fund
For the Year Ended April 30, 2024

	Enterprise Fund Water Operations
Cash flows from operating activities	
Receipts from customers and users	\$ 3,978,197
Payments to suppliers	(1,705,619)
Payments to employees	(533,210)
Net cash from operating activities	1,739,368
Cash flows from noncapital financing activities	
Interfund transactions, net cash from noncapital financing activities	(405,422)
Cash flows from capital and related financing activities	
Capital asset additions	-
Principal payments in long-term debt	(620,348)
Interest paid on long-term debt	(80,136)
Net cash from capital and related financing activities	(700,484)
Cash flows from investing activities	
Interest received	-
Net increase (decrease) in cash and cash equivalents	633,462
Cash and cash equivalents, beginning of year	1,462,592
Cash and cash equivalents, end of year	\$ 2,096,054
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ 746,746
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	838,048
Accounts receivable	139,931
Prepaid items	3,604
Net pension asset - IMRF	(104,604)
Deferred outflows - IMRF	56,140
Accounts payable	72,210
Accrued payroll	(1,228)
Compensated absences payable	(6,689)
Deferred inflows - IMRF	(4,790)
Net cash provided by (used in) operating activities	\$ 1,739,368

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois
Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2024

	<u>Police Pension Trust Fund</u>	<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$ 40,987	\$ 3,895
Investments		
Illinois police officers' pension investment fund	5,601,074	-
Money market mutual funds	100,000	-
Due from municipality	-	-
Prepaid items	2,379	-
Total assets	<u>5,744,440</u>	<u>3,895</u>
LIABILITIES		
Accounts payable	4,100	-
Total liabilities	<u>4,100</u>	<u>-</u>
NET POSITION		
Restricted		
Pensions	5,740,340	-
Individuals, organizations, and other governments	-	3,895
Total net position	<u>5,740,340</u>	<u>3,895</u>
 Total liabilities and net position	 <u>\$ 5,744,440</u>	 <u>\$ 3,895</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, 2024

	<u>Police Pension Trust Fund</u>	<u>Custodial Funds</u>
ADDITIONS		
Contributions:		
Employer	\$ 299,157	\$ -
Plan members	81,388	-
Donations	-	5,348
Total contributions	<u>380,545</u>	<u>5,348</u>
Investment income:		
Net appreciation in fair value of investments	378,374	-
Interest and dividends	<u>117,593</u>	-
Total investment income	495,967	-
Less: investment expense	<u>(8,962)</u>	-
Net investment income	<u>487,005</u>	<u>-</u>
Total additions	<u>867,550</u>	<u>5,348</u>
DEDUCTIONS		
Benefits and refunds	465,027	-
Administrative expenses	32,080	-
Benevolent expenses	-	104
Police charity expenses	-	1,953
National night out expenses	<u>-</u>	<u>3,411</u>
Total deductions	<u>497,107</u>	<u>5,468</u>
CHANGE IN NET POSITION	370,443	(120)
NET POSITION, Beginning of year	<u>5,369,897</u>	<u>4,015</u>
NET POSITION, End of year	<u>\$ 5,740,340</u>	<u>\$ 3,895</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

For financial reporting purposes, City of Braidwood, Illinois (the primary government) includes all funds, agencies, boards, commissions and authorities that are controlled by or dependent upon the City. This was determined on the basis of taxing authority, authority to appoint members to the governing board of the component unit, budget, adoption, outstanding debt secured by revenues or general obligation of the City, obligation of the City to finance any deficits that may occur or receipt of significant subsidies from the City. The component units discussed below are included in the City's reporting entity because of the significance of their operational and functional relationships with the City.

Police Pension Fund

The City police employees participate in the Police Pension Fund, a fiduciary component unit of the City. The Police Pension fund functions for the benefit of these employed and is governed by a five-member pension board and Treasurer. Two members appointed by the City's Mayor, one elected by retirees and two elected by active members constitute the pension board. The City is obligated to fund all Police Pension Fund costs not funded by the Police Pension Fund participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the Police Pension Fund being fiscally dependent upon the City. The Police Pension Fund is reported as a pension trust fund. The Police Pension Fund does not issue a separate report.

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.

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. This rate is an alternative investment rate for other than short-term investments and is materially the same as the rate the City might incur from an external lender.

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.

In addition, under the new standard, the City has adopted a policy which evaluates the material nature of long-term leases as a group. For group calculations which fall below the policy threshold for recording, the City will not recognize the lease liability and ROU, and will instead expense these costs as incurred. Copier leases is one such group.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and Police Pension include additions to/deductions from pensions' fiduciary net position have been determined on the same basis as they are reported by IMRF and police pension trust fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 Council 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 Council. It is 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.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncement

During the fiscal year ended April 30, 2024, the City implemented the following GASB Pronouncement:

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). The statement will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The City adopted this guidance for the year ended April 30, 2024. The adoption of this guidance did not affect beginning net position and, accordingly, restatement of beginning May 1, 2023, net position was not necessary.

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, 2024, the carrying amount of the City's deposits (including fiduciary custodial funds) were \$4,095,663 with bank balances totaling \$4,196,341. Of the bank balance, the City had uncollateralized deposits of \$696,341 at April 30, 2024.

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 \$4,013,972 invested with the Illinois Funds at April 30, 2024. 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 \$512,353 invested with the Illinois Municipal Metropolitan Investment Fund (IMET) at April 30, 2024. 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.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 2: Deposits and Investments (Continued)

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, 2024, 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	\$ 4,526,325	\$ 4,526,325	\$ -	\$ -	\$ -
Total investments	\$ 4,526,325	\$ 4,526,325	\$ -	\$ -	\$ -

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, 2024, 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.

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.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 3: Property Taxes (Continued)

Property taxes for 2023 attached as an enforceable lien on January 1, 2023, 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, 2024, and are payable in two installments on or about June 1, 2024 and September 1, 2024. The County collects such taxes and remits them periodically. As the 2023 tax levy is intended to fund expenditures for the 2024-2025 fiscal year, these taxes are unavailable/deferred as of April 30, 2024.

The 2024 tax levy, which attached as an enforceable lien on property as of January 1, 2024, has not been recorded as a receivable as of April 30, 2024 as the tax has not yet been levied by the City and will not be levied until December 2024 and, therefore, the levy is not measurable at April 30, 2024.

Note 4: Capital Assets

Capital asset activity for the year ended April 30, 2024, was as follows:

Governmental activities:	Balance May 1, 2023	Additions	Deletions	Balance April 30, 2024
Capital assets not being depreciated:				
Land	\$ 3,242,160	\$ -	\$ -	\$ 3,242,160
Subtotal	<u>3,242,160</u>	-	-	<u>3,242,160</u>
Capital assets being depreciated:				
Infrastructure	17,632,676	-	-	17,632,676
Buildings and improvements	2,269,355	295,902	-	2,565,257
Fixtures and equipment	1,403,893	378,641	-	1,782,534
Leased assets - equipment	14,356	-	-	14,356
Subtotal	<u>21,320,280</u>	<u>674,543</u>	-	<u>21,994,823</u>
Accumulated depreciation and amortization	<u>(12,788,241)</u>	<u>(540,337)</u>	-	<u>(13,328,578)</u>
Capital assets being depreciated, net	<u>8,532,039</u>	<u>134,206</u>	-	<u>8,666,245</u>
Total governmental activities capital assets, net	<u>\$ 11,774,199</u>	<u>\$ 134,206</u>	<u>\$ -</u>	<u>\$ 11,908,405</u>

City of Braidwood, Illinois

Notes to the Financial Statements

Note 4: Capital Assets (Continued)

Business-type activities:	Balance May 1, 2023	Additions	Deletions	Balance April 30, 2024
Capital assets not being depreciated:				
Land	\$ <u>419,775</u>	\$ -	\$ -	\$ <u>419,775</u>
Capital assets being depreciated:				
Infrastructure	15,132,477	-	-	15,132,477
Buildings and improvements	29,900,325	-	-	29,900,325
Fixtures and equipment	<u>935,067</u>	-	-	<u>935,067</u>
Subtotal	<u>45,967,869</u>	-	-	<u>45,967,869</u>
Accumulated depreciation	<u>(16,913,996)</u>	<u>(838,048)</u>	-	<u>(17,752,044)</u>
Total capital assets being depreciated, net	<u>29,053,873</u>	<u>(838,048)</u>	-	<u>28,215,825</u>
Total business-type activities capital assets, net	<u>\$ 29,473,648</u>	<u>\$ (838,048)</u>	<u>\$ -</u>	<u>\$ 28,635,600</u>

Depreciation and amortization expense was charged to the governmental functions as follows for the year ended April 30, 2024:

Governmental activities:	
General government	\$ 40,232
Highway and streets	420,500
Public safety	<u>79,605</u>
Total	<u>\$ 540,337</u>

Depreciation expense was charged to the business-type functions as follows for the year ended April 30, 2024:

Business-type activities:	
Water and sewer	\$ <u>838,048</u>
Total	<u>\$ 838,048</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, 2024 was as follows:

	Balance May 1, 2023	Issued	Retired	Balance April 30, 2024	Due Within One Year
<i>Governmental activities</i>					
Lease obligations	\$ 9,307	\$ -	\$ 5,215	\$ 4,092	\$ 3,192
2022 Debt Certificates	1,733,082	-	93,668	1,639,414	96,731
Compensated absences	302,042	110,471	75,511	337,002	84,251
Net pension liability - police pension	<u>4,740,508</u>	<u>-</u>	<u>109,212</u>	<u>4,631,296</u>	<u>-</u>
Total governmental	<u>\$ 6,784,939</u>	<u>\$ 110,471</u>	<u>\$ 283,606</u>	<u>\$ 6,611,804</u>	<u>\$ 184,174</u>
<i>Business-type activities</i>					
2010 IEPA loan	\$ 6,565,483	\$ -	\$ 620,348	\$ 5,945,135	\$ 628,127
Compensated absences	<u>186,738</u>	<u>39,996</u>	<u>46,685</u>	<u>180,049</u>	<u>45,012</u>
Total business-type	<u>\$ 6,752,221</u>	<u>\$ 39,996</u>	<u>\$ 667,033</u>	<u>\$ 6,125,184</u>	<u>\$ 673,139</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 Governmental Activities are as follows:

<i>Fiscal year</i>	Principal		Interest	Total
	Leases	2022 Debt Certificates		
2025	\$ 3,192	\$ 96,731	\$ -	\$ 161,522
2026	900	100,523	-	159,072
2027	-	104,463	-	158,154
2028	-	108,554	-	158,154
2029	-	112,808	-	158,154
2030-2034	-	633,922	-	790,770
2035-2039	-	482,413	-	497,366
Totals	<u>\$ 4,092</u>	<u>\$ 1,639,414</u>	<u>\$ -</u>	<u>\$ 2,083,192</u>

Annual debt service requirements to maturity for Business-Type Activities are as follows:

<i>Fiscal year</i>	Principal		Interest	Total
	-	IEPA Loan		
2025	\$ -	\$ 628,127	\$ 72,357	\$ 700,484
2026	-	636,003	64,481	700,484
2027	-	643,978	56,506	700,484
2028	-	652,053	48,431	700,484
2029	-	660,229	40,255	700,484
2030-2034	-	2,724,745	77,191	2,801,936
Totals	<u>\$ -</u>	<u>\$ 5,945,135</u>	<u>\$ 359,221</u>	<u>\$ 6,304,356</u>

City of Braidwood, Illinois

Notes to the Financial Statements

Note 6: Loan Receivable

Changes in loan receivable consisted of the following for the year ended April 30, 2024:

	Balance 5/1/2023	Additions	Reductions	Balance 4/30/2024	Amounts due Within One Year
Bauer & D'Orazio, LLC	\$ 575,985	\$ -	\$ -	\$ 575,985	\$ 395,837
Total loan receivable	\$ 575,985	\$ -	\$ -	\$ 575,985	\$ 395,837

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, 2024, 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.

Future loan receivable payments as of April 30, 2024, are:

	Loan receivable		
	Principal	Interest	Total
2025	\$ 395,837	\$ 39,086	\$ 434,923
2026	153,916	4,238	158,154
2027	26,232	127	26,359
Totals	\$ 575,985	\$ 43,451	\$ 619,436

Note 7: Interfund Receivables and Payables

Interfund receivable and payable balances at April 30, 2024, are as follows:

Fund	Due from other funds	Due to other funds
General	\$ -	\$ 148,917
Debt Service	-	276,975
Non-major governmental funds	377,910	134,993
Water Operations Fund	182,975	-
Totals	\$ 560,885	\$ 560,885

City of Braidwood, Illinois

Notes to the Financial Statements

Note 7: Interfund Receivables and Payables (Continued)

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 2024, the outstanding balances between funds is the result of cash shortfalls in the General Fund, Debt Service, MFT, and FICA and Medicare funds.

Note 8: Retirement Plans

Illinois Municipal Retirement Fund (IMRF)

Plan Description and Benefits

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 multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits 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. The report is available for download at <https://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).

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 an amount equal to 12/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% 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% of the original amount on January 1 every year after retirement.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Retirement Plans (Continued)

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating 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 12/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% 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 *lesser* of:

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

Regular Plan

Employees Covered by the Benefit Terms - At the December 31, 2023 valuation date, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	23
Inactive plan member entitled to but not yet receiving benefits	17
Active employees	16
<hr/>	
Total	56
<hr/>	

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 2023 was 0.92%. For the fiscal year ended April 30, 2024, the City contributed \$8,873 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, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Retirement Plans (Continued)

Actuarial assumptions – The following are the methods and assumptions used to determine total pension liability at December 31, 2023:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

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, 2023:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	34.50 %	5.00 %
International equity	18.00 %	6.35 %
Fixed income	24.50 %	4.75 %
Real estate	10.50 %	6.30 %
Alternative investments	11.50 %	6.05-8.65%
Cash equivalents	1.00 %	3.80 %
Total	100.00 %	

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Retirement Plans (Continued)

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that 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. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.77%, and the resulting single discount rate is 7.25%.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at January 1, 2023	\$ 5,417,081	\$ 5,836,243	\$ (419,162)
Changes for the year:			
Service cost	97,220	-	97,220
Interest on the total pension liability	387,957	-	387,957
Differences between expected and actual experience of the total pension liability	68,433	-	68,433
Changes in assumptions	(3,869)	-	(3,869)
Contributions - employer	-	9,174	(9,174)
Contributions - employees	-	44,876	(44,876)
Net investment income	-	615,826	(615,826)
Benefit payments, including refunds of employee contributions	(229,127)	(229,127)	-
Other (net transfer)	-	167,383	(167,383)
Net changes	320,614	608,132	(287,518)
Balances at December 31, 2023	\$ 5,737,695	\$ 6,444,375	\$ (706,680)

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Retirement Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the plan's net pension liability, calculated using the single discount rate of 7.25 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net pension liability (asset)	\$ (38,622)	\$ (706,680)	\$ (1,232,254)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - For year ended April 30, 2024, the City recognized pension expense (income) of \$(179,357). At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Difference between expected and actual experience	\$ 45,347	\$ 8,828
Changes in assumptions	-	2,564
Net difference between projected and actual earnings on pension plan investments	338,380	-
Total deferred amounts to be recognized in pension expense in future periods	383,727	11,392
Pension contributions subsequent to the measurement date	2,825	-
Total deferred amounts related to pensions	\$ 386,552	\$ 11,392

The City reported \$2,825 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the measurement period ending April 30, 2025.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Retirement Plans (Continued)

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

Year Ending April 30:	Net Deferred Outflows (Inflows) of Resources
2025	\$ 58,284
2026	133,149
2027	219,499
2028	(38,597)
Total	\$ 372,335

Police Pension 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 comprehensive financial report. For additional information on IPOPIF's investments, please refer to their annual comprehensive financial report, which can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org.

Deposits. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$40,987 and the bank balances totaled \$40,988.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Pension Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Retirement Plans (Continued)

Investments. At year-end the Fund has \$4,095,663 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. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The fund may redeem shares with a seven-calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF. The Police Pension Fund also carries \$100,000 of money market investment funds, which is a level 1 investment.

Investment Policy. 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 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Investment Rate of Return. For the fiscal year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Plan Administration

Police sworn personnel are covered by the Police Pension Plan ("Police") which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40-Article 5/3) and may be amended only by the Illinois legislature.

The Fund is governed by a five-member Board of Trustees. Two members of the Board are appointed by the City's mayor, one member is elected by pension beneficiaries, and two members are elected by active police employees.

Plan Membership - At April 30, 2024, Police membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	9
<hr/>	
Total	22
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City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Retirement Plans (Continued)

Benefits Provided - The Police provides retirement benefits as well as death and disability benefits in two tiers depending on when a participant enters the plan. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to $\frac{1}{2}$ 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 to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. The monthly benefit of a police officer who retired with 20 or more 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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. 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 to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ % for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later.

Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disable in the line of duty receive 65% of final salary.

Contributions - Employees are required by ILCS to contribute 9.91% of their base salary to the Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Fund, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year ended April 30, 2024, the City's contribution was 38.04% of covered payroll.

Net Pension Liability - The components of the net pension liability of the Police Pension Fund as of April 30, 2024 calculated in accordance with GASB Statement No. 67 were as follows:

Total pension liability	\$ 10,371,636
Plan fiduciary net position	5,740,340
Employer's net pension liability	4,631,296
Plan fiduciary net position as a percentage of the total pension liability	55 %

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Retirement Plans (Continued)

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Police Pension Fund.

Actuarial assumptions - The total pension liability above was determined by an actuarial valuation performed as of April 30, 2024 using the following actuarial methods and assumptions.

Measurement date	April 30, 2024
Valuation date	May 1, 2023
Assumptions	
Discount rate	5.79%
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 deaths 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> <p>-Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. 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 8: Retirement Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.79%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan assets of 6.00% was blended with the index rate of 2.25% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2024 to arrive at a discount rate of 5.97% used to determine the total pension liability.

Projected benefit payments are determined during the actuarial process based on the assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the plan.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at April 30, 2023	\$ 10,110,405	\$ 5,369,897	\$ 4,740,508
Changes for the year:			
Service cost	236,633	-	236,633
Interest on the total pension liability	561,019	-	561,019
Differences between expected and actual experience of the total pension liability	433,169	-	433,169
Changes in assumptions	(504,564)	-	(504,564)
Contributions - employer	-	299,157	(299,157)
Contributions - employees	-	81,388	(81,388)
Net investment income	-	486,497	(486,497)
Benefit payments, including refunds of employee contributions	(465,026)	(465,026)	-
Other (net transfer)	-	(31,573)	31,573
Net changes	261,231	370,443	(109,212)
Balances at April 30, 2024	\$ 10,371,636	\$ 5,740,340	\$ 4,631,296

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Retirement Plans (Continued)

Discount Rate Sensitivity - The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 5.97% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5%) or 1 percentage point higher (7%) than the current rate:

	1% Lower (4.97%)	Current Discount (5.97%)	1% Higher (6.97%)
Net pension liability	\$ 6,283,488	\$ 4,631,296	\$ 3,306,266

Pension Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2024, the City recognized pension expense of \$497,600. At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 753,856	\$ 712,213
Changes in assumptions	1,591,718	1,661,523
Net difference between projected and actual earnings on pension plan investments	174,649	-
Totals	\$ 2,520,223	\$ 2,373,736

Subsequent to the measurement date, the following amounts will be recognized in pension expense in the upcoming years:

Year Ended April 30:

2025	\$ 373,877
2026	428,781
2027	(374,035)
2028	(154,420)
2029	(94,587)
Thereafter	(33,129)
Total	\$ 146,487

City of Braidwood, Illinois

Notes to the Financial Statements

Note 8: Retirement Plans (Continued)

Aggregate Pension Amounts - At April 30, 2024, the City reported the following from all pension plans:

	IMRF-Regular	Police	All Pension Plans
Net pension liability/(asset)	\$ (706,680)	\$ 4,631,296	\$ 3,924,616
Deferred outflows of resources	386,552	2,520,223	2,906,775
Deferred inflows of resources	11,392	2,373,736	2,385,128
Pension expense (income)	(179,357)	497,600	318,243

Note 9: Construction and Other Significant Commitments

Construction commitments. The City has no active construction commitments as of April 30, 2024.

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.
- (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.

City of Braidwood, Illinois

Notes to the Financial Statements

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

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. The City adopts an annual appropriated budget for all of the governmental funds, except the Police Forfeiture and Debt Service funds.

As of April 30, 2024, the following funds had expenditures in excess of budget:

General Fund	\$	292,977
FICA and Medicare	\$	11,713

Fund Equity Deficit - The following funds reported deficit fund balances as of April 30, 2024:

Debt Service	\$	276,975
FICA and Medicare	\$	41,100

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

Note 12: New Governmental Accounting Standards

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. The City has not determined the effect of this Statement.

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. The City has not determined the effect of this Statement.

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. The City has not determined the effect of this Statement.

GASB Statement No. 102, *Certain Risk Disclosures*, improves financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The City has not determined the effect of this Statement.

City of Braidwood, Illinois

Notes to the Financial Statements

Note 12: New Governmental Accounting Standards (Continued)

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. The City has not determined the effect of this Statement.

GASB Statement No. 104, *Disclosures in Certain Capital Assets*, mandates the disclosure of specific types of capital assets, including lease, intangible, subscription, and assets held for sale, in the capital asset note disclosures. This aims to enhance consistency and comparability in financial reporting among governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The City has not determined the effect of this Statement.

Note 13: Subsequent Events

The City has evaluated subsequent events through November 13, 2025, which is the date the financial statements were available to be issued.

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 9 Calendar Years
(Schedule built prospectively from 2015)

Calendar year ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:									
Service cost	\$ 97,220	\$ 90,806	\$ 86,557	\$ 97,022	\$ 115,679	\$ 115,842	\$ 108,419	\$ 100,425	\$ 91,645
Interest on the total pension liability	387,957	372,915	349,846	336,387	315,563	301,104	278,606	264,289	270,925
Benefit changes	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	68,433	(36,288)	75,053	(38,866)	16,989	(95,824)	126,665	(90,155)	(362,756)
Assumption changes	(3,869)	-	-	(37,478)	-	145,633	(122,004)	-	-
Benefit payments and refunds	(229,127)	(217,217)	(173,547)	(158,834)	(144,526)	(113,080)	(77,754)	(97,578)	(87,786)
Net change in total pension liability	320,614	210,216	337,909	198,231	303,705	353,675	313,932	176,981	(87,972)
Total pension liability - beginning	5,417,081	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)	5,737,695	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	\$ 9,174	\$ 16,076	\$ 67,440	\$ 41,106	\$ 35,525	\$ 54,422	\$ 67,752	\$ 62,522	\$ 58,276
Employee contributions	44,876	45,214	42,305	39,420	42,859	47,738	49,736	41,681	39,024
Pension plan net investment income	615,826	(803,339)	962,792	712,880	798,497	(207,272)	680,060	254,970	20,136
Benefit payments and refunds	(229,127)	(217,217)	(173,547)	(158,834)	(144,526)	(113,080)	(77,754)	(97,578)	(87,786)
Administrative expense	167,383	(2,792)	(18,050)	37,398	17,478	9,231	(37,538)	56,753	(348,172)
Net change in plan fiduciary net position	608,132	(962,058)	880,940	671,970	749,833	(208,961)	682,256	318,348	(318,522)
Plan fiduciary net position - beginning	5,836,243	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)	6,444,375	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)	(706,680)	(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	112.32%	107.74%	130.56%	121.53%	112.30%	102.94%	117.22%	108.73%	105.15%
Covered valuation payroll	\$ 997,247	\$ 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	-70.86%	-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 9 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
2024	\$ 8,921 *	\$ 8,873	\$ 48	\$ 987,299	0.90%
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 2023 contribution rate of 0.92%, calendar year 2024 contribution rate of 0.87%, and covered valuation payroll of \$987,299.

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 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ 236,633	\$ 209,334	\$352,734	\$213,258	\$357,943	\$314,874	\$261,245	\$245,300	\$173,313	\$ -
Interest on the total pension liability	561,019	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	433,169	718,361	(143,384)	(379,516)	(43,065)	(1,092,340)	(50,595)	529,502	-	-
Assumption changes	(504,564)	1,372,901	(2,538,215)	2,676,467	(164,434)	-	-	(14,092)	-	-
Benefit payments and refunds	(465,026)	(413,249)	(620,781)	(245,233)	(246,543)	(307,839)	(241,215)	(262,030)	(185,929)	-
Net change in total pension liability	261,231	2,328,509	(2,501,959)	2,724,390	587,358	(602,932)	426,266	896,558	364,071	-
Total pension liability - beginning	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	-
Total pension liability - ending (a)	\$10,371,636	\$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	\$ 299,157	\$ 249,210	\$230,100	\$195,292	\$341,906	\$481,355	\$376,580	\$201,188	\$230,493	\$ 292,560
Employee contributions	81,388	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	486,497	164,940	(379,878)	842,615	220,429	255,848	169,196	243,105	40,949	191,773
Benefit payments and refunds	(465,026)	(413,249)	(620,781)	(245,233)	(246,543)	(307,839)	(241,215)	(262,030)	(185,929)	(141,088)
Administrative expense	(31,573)	(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	370,443	390,221	(622,341)	813,305	339,070	458,928	318,427	294,219	102,262	400,295
Plan fiduciary net position - beginning	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	2,875,511
Plan fiduciary net position - ending (b)	\$5,740,340	\$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)	\$4,631,296	\$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										
	55.35%	53.11%	63.99%	54.47%	63.35%	63.82%	52.68%	51.37%	54.03%	55.63%
Covered-employee payroll	\$ 786,373	\$ 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	588.94%	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.

See Notes to Required Supplementary Information

City of Braidwood, Illinois
 Required Supplementary Information
 Schedule of Employer Contributions
 Police Pension Fund - Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 295,126	\$ 249,210	\$213,206	\$324,111	\$292,472	\$381,983	\$276,619	\$238,985	\$228,582	\$237,082
Contributions in relation to the actuarially determined contribution	299,157	249,210	230,100	195,292	341,906	481,355	376,579	201,188	230,493	292,560
CONTRIBUTION DEFICIENCY (EXCESS)	(\$4,031)	\$0	(\$16,894)	\$128,819	(\$49,434)	(\$99,372)	(\$99,960)	\$37,797	(\$1,911)	(\$55,478)
Covered valuation payroll	\$ 786,373	\$ 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	38.0%	34.6%	33.0%	28.7%	28.6%	47.7%	44.5%	24.5%	33.9%	38.5%

See Notes to Required Supplementary Information

City of Braidwood, Illinois
 Required Supplementary Information
 Schedule of Investment returns
 Police Pension Fund - Last 10 Fiscal Years
 (Schedule built prospectively from 2019)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money - weighted rate of return, net of investment expense	9.54%	5.24%	-7.64%	15.24%	4.68%	4.50%				

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
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended April 30, 2024

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property taxes	\$ 1,286,000	\$ 1,331,743	\$ (45,743)
Utility tax	275,000	274,885	115
State sales tax	600,000	738,009	(138,009)
State income taxes	800,000	1,031,984	(231,984)
Local use taxes	238,800	243,708	(4,908)
Telecommunication taxes	70,000	63,804	6,196
Replacement taxes	14,800	17,969	(3,169)
Hotel/motel taxes	20,000	17,762	2,238
State video gaming taxes	65,000	106,147	(41,147)
Liquor license	18,500	21,600	(3,100)
Other licenses	1,600	3,125	(1,525)
Business annual licenses	4,000	3,350	650
Grants	165,000	650,809	(485,809)
Donations	4,000	-	4,000
Franchise fee	70,000	66,055	3,945
Interest income	1,216	231,806	(230,590)
Miscellaneous	30,200	22,008	8,192
Contractor's registration	21,000	27,750	(6,750)
Building permits	57,500	72,534	(15,034)
Zoning fees	300	3,946	(3,646)
Fines and forfeitures	97,600	67,643	29,957
Impound fee	10,000	5,010	4,990
Reimbursements	171,520	124,313	47,207
Total revenues	4,022,036	5,125,960	(1,103,924)
EXPENDITURES			
Administrative			
Salary and benefits	408,769	438,833	(30,064)
Professional development	4,000	478	3,522
Professional services	108,000	73,916	34,084
Utilities - telephone	4,100	6,325	(2,225)
Utilities - gas/electric	5,000	18,397	(13,397)
Postage printing and supplies	18,000	23,513	(5,513)
Ordinance codification	2,500	-	2,500
Claypool drainage	5,000	1,612	3,388
Donations	1,500	1,235	265

See Notes to Required Supplementary Information

City of Braidwood, Illinois
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended April 30, 2024

	Original and Final Budget	Actual	(Over) Under Budget
Maintenance	\$ 17,000	\$ 14,536	\$ 2,464
Operating supplies and expenses	44,500	48,477	(3,977)
Grant expenses	375,000	125,027	249,973
Marketing and promotional items	1,500	485	1,015
Equipment	158,000	24,251	133,749
Development			
Salary and benefits	38,500	55,831	(17,331)
Professional services	80,000	121,865	(41,865)
Utilities - telephone	2,500	-	2,500
Postage printing and supplies	2,350	2,241	109
Equipment	1,000	461	539
Operating supplies and expenses	1,450	1,022	428
Police protection			
Salary and benefits	1,558,000	1,634,206	(76,206)
Pension contributions	255,000	292,841	(37,841)
Professional development	13,000	19,044	(6,044)
Uniforms	14,150	5,198	8,952
Professional services	211,500	231,916	(20,416)
Utilities - telephone	15,000	15,057	(57)
Maintenance	44,500	35,349	9,151
Postage printing and supplies	9,500	6,904	2,596
Operating supplies and expenses	11,500	25,824	(14,324)
Equipment	16,500	37,206	(20,706)
Fuel	45,500	53,807	(8,307)
Street			
Salary and benefits	283,771	300,263	(16,492)
Professional development	1,000	501	499
Professional services	40,750	28,254	12,496
Utilities - telephone	5,000	5,731	(731)
Maintenance	28,000	24,008	3,992
Fuel	19,000	18,739	261
Postage printing and supplies	2,200	12,051	(9,851)
Equipment	40,000	17,729	22,271
Operating supplies and expenses	1,000	2,443	(1,443)
Repairs and maintenance			
City Hall/Police Department	250	-	250

See Notes to Required Supplementary Information

City of Braidwood, Illinois
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended April 30, 2024

	Original and Final Budget	Actual	(Over) Under Budget
Railroad depot	\$ 200	\$ 266	\$ (66)
Food pantry	1,500	76	1,424
Route 66 park	100	183	(83)
American legion	100	-	100
Debt service			
Principal payment	-	5,215	(5,215)
Interest and fiscal charges	-	486	(486)
Capital outlay	-	456,865	(456,865)
Total expenditures	<u>3,895,690</u>	<u>4,188,667</u>	<u>(292,977)</u>
EXCESS (DEFICIENCY) OF REVENUES			
OVER EXPENDITURES	<u>126,346</u>	<u>937,293</u>	<u>(810,947)</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>\$ 131,346</u>	<u>\$ 937,293</u>	<u>\$ (805,947)</u>
FUND BALANCE, Beginning of year		<u>2,394,926</u>	
FUND BALANCE, End of year		<u>\$ 3,332,219</u>	

See Notes to Required Supplementary Information

City of Braidwood, Illinois

Notes to Required Supplementary Information

Note 1: Basis of Accounting

Annual budgets are adopted for all governmental funds using the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

Note 2: Excess of Disbursements Over Appropriations

The City had two major funds with expenditures exceeding appropriations for fiscal year 2024. They were the general fund and debt service fund.

Note 3: Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2023 Contribution Rate for IMRF*

Valuation date:

Notes: 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 2023 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	Non Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 20 year closed period until remaining 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 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years and one employer were financed over 26 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.75% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 - 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2021 actuarial valuation.

Supplementary Information

City of Braidwood, Illinois
Combining Balance Sheet
Non-Major Governmental Funds
For the Year Ended April 30, 2024

	Motor Feul Tax	FICA and Medicare	Audit	Illinois Municipal Retirement	Liability Insurance	TIF #3	Bauer & D'Orazio Development	Police Forfeiture	Total Nonmajor Funds
ASSETS									
Cash in bank	\$ 1,712,764	\$ -	\$ 4,593	\$ 207,930	\$ 91,920	\$ 819,066	\$ -	\$ 327,746	\$ 3,164,019
Property tax receivable	-	166,492	18,615	45,867	279,522	331,255	-	-	841,751
Accounts receivable	22,277	-	-	-	-	-	-	-	22,277
Prepaid items	-	-	-	-	119,977	-	-	-	119,977
Due from other funds	-	-	-	-	-	377,910	-	-	377,910
Total assets	\$ 1,735,041	\$ 166,492	\$ 23,208	\$ 253,797	\$ 491,419	\$ 1,528,231	\$ -	\$ 327,746	\$ 4,525,934
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Due to other funds	\$ 100,472	\$ 34,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,993
Accounts payable	13,447	-	-	-	-	-	-	-	13,447
Accrued payroll and related liabilities	-	6,579	-	199	-	-	-	-	6,778
Total liabilities	113,919	41,100	-	199	-	-	-	-	155,218
Deferred inflows of resources:									
Unavailable property taxes	-	166,492	18,615	45,867	279,522	331,255	-	-	841,751
Fund balance:									
Nonspendable:									
Prepaid items	-	-	-	-	119,977	-	-	-	119,977
Restricted:									
Economic development	-	-	-	-	-	1,196,976	-	-	1,196,976
Employee benefits	-	-	-	207,731	-	-	-	-	207,731
Audit services	-	-	4,593	-	-	-	-	-	4,593
Highway and streets	1,621,122	-	-	-	-	-	-	-	1,621,122
Public safety	-	-	-	-	-	-	-	327,746	327,746
General	-	-	-	-	91,920	-	-	-	91,920
Unassigned (deficit)	-	(41,100)	-	-	-	-	-	-	(41,100)
Total fund balances (deficit)	1,621,122	(41,100)	4,593	207,731	211,897	1,196,976	-	327,746	3,528,965
Total liabilities, deferred inflows of resources and fund balances	\$ 1,735,041	\$ 166,492	\$ 23,208	\$ 253,797	\$ 491,419	\$ 1,528,231	\$ -	\$ 327,746	\$ 4,525,934

City of Braidwood, Illinois
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Non-Major Governmental Funds
For the Year Ended April 30, 2024

	Motor Fuel Tax	FICA and Medicare	Audit	Illinois Municipal Retirement	Liability Insurance	TIF #3	Bauer & D'Orazio Development	Police Forfeiture	Total
REVENUES									
Property taxes	\$ -	\$ 162,129	\$ 18,477	\$ 43,476	\$ 283,865	\$ 306,160	\$ -	\$ -	\$ 814,107
Intergovernment revenues	278,175	-	-	-	-	-	-	-	278,175
Grants and donations	-	-	-	-	-	-	-	-	-
Fine and forfeitures	-	-	-	-	-	-	-	352,054	352,054
Investment income	-	-	-	-	-	24,273	-	42	24,315
Total revenues	<u>278,175</u>	<u>162,129</u>	<u>18,477</u>	<u>43,476</u>	<u>283,865</u>	<u>330,433</u>	<u>-</u>	<u>352,096</u>	<u>1,468,651</u>
EXPENDITURES									
Current:									
General government	-	57,552	2,999	5,661	191,343	91,428	-	-	348,983
Public safety	-	105,595	-	830	-	-	-	108,493	214,918
Highways and Streets	152,207	18,116	-	2,122	-	-	-	-	172,445
Debt service	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	164,398	-	53,280	217,678
Total expenditures	<u>152,207</u>	<u>181,263</u>	<u>2,999</u>	<u>8,613</u>	<u>191,343</u>	<u>255,826</u>	<u>-</u>	<u>161,773</u>	<u>954,024</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>125,968</u>	<u>(19,134)</u>	<u>15,478</u>	<u>34,863</u>	<u>92,522</u>	<u>74,607</u>	<u>-</u>	<u>190,323</u>	<u>514,627</u>
OTHER FINANCING SOURCES (USES)									
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-
Gain (loss) sale of assets	-	-	-	-	-	-	-	-	-
Proceeds from debt	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>125,968</u>	<u>(19,134)</u>	<u>15,478</u>	<u>34,863</u>	<u>92,522</u>	<u>74,607</u>	<u>-</u>	<u>190,323</u>	<u>514,627</u>
FUND BALANCE (DEFICIT), Beginning 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>-</u>	<u>137,423</u>	<u>3,014,338</u>
FUND BALANCE (DEFICIT), End of year	<u>\$ 1,621,122</u>	<u>\$ (41,100)</u>	<u>\$ 4,593</u>	<u>\$ 207,731</u>	<u>\$ 211,897</u>	<u>\$ 1,196,976</u>	<u>\$ -</u>	<u>\$ 327,746</u>	<u>\$ 3,528,965</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, 2024

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property tax	\$ 51,150	\$ 43,476	\$ 7,674
Total revenues	<u>51,150</u>	<u>43,476</u>	<u>7,674</u>
EXPENDITURES			
IMRF			
Administration	12,500	2,292	10,208
Police protection	3,000	830	2,170
Street	13,650	2,122	11,528
Water and sewer	22,000	3,369	18,631
Total expenditures	<u>51,150</u>	<u>8,613</u>	<u>42,537</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	34,863	<u>\$ (34,863)</u>
FUND BALANCE, Beginning of year		<u>172,868</u>	
FUND BALANCE, End of year		<u>\$ 207,731</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, 2024

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Taxes:			
Motor fuel	\$ 238,758	\$ 278,175	\$ (39,417)
Grants	68,002	-	68,002
Total revenues	306,760	278,175	28,585
EXPENDITURES			
Highways and streets			
Engineering	15,000	(2,837)	17,837
Legal	750	-	750
Street maintenance	116,760	1,799	114,961
Utilities	65,000	84,120	(19,120)
Rock salt	85,000	64,875	20,125
Miscellaneous	24,250	4,250	20,000
Total expenditures	306,760	152,207	154,553
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	125,968	(125,968)
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 125,968	\$ (125,968)
FUND BALANCE, Beginning of year		1,495,154	
FUND BALANCE, End of year		\$ 1,621,122	

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, 2024

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property tax	\$ 169,550	\$ 162,129	\$ 7,421
Total revenues	169,550	162,129	7,421
EXPENDITURES			
FICA			
Administration	21,530	23,093	(1,563)
Development	100	57	43
Police protection	75,390	85,707	(10,317)
Street	14,000	14,682	(682)
Water and sewer	25,690	23,367	2,323
Medicare			
Administration	5,140	5,557	(417)
Development	25	13	12
Police protection	17,175	19,888	(2,713)
Street	3,500	3,434	66
Water and sewer	7,000	5,465	1,535
Total expenditures	169,550	181,263	(11,713)
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total Transfers	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	(19,134)	\$ 19,134
FUND BALANCE (DEFICIT), Beginning of year		(21,966)	
FUND BALANCE (DEFICIT), End of year		\$ (41,100)	

City of Braidwood, Illinois
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Audit Fund
For the Year Ended April 30, 2024

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property taxes	\$ 19,000	\$ 18,477	\$ 523
Total revenues	<u>19,000</u>	<u>18,477</u>	<u>523</u>
EXPENDITURES			
General government			
Audit services	19,000	2,999	16,001
Total expenditures	<u>19,000</u>	<u>2,999</u>	<u>16,001</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	15,478	<u>\$ (15,478)</u>
FUND BALANCE (DEFICIT), Beginning of year		<u>(10,885)</u>	
FUND BALANCE, End of year		<u>\$ 4,593</u>	

City of Braidwood, Illinois
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Liability Insurance
For the Year Ended April 30, 2024

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property taxes	\$ 250,800	\$ 283,865	\$ (33,065)
Total revenues	<u>250,800</u>	<u>283,865</u>	<u>(33,065)</u>
EXPENDITURES			
General government	275,000	191,343	83,657
Total expenditures	<u>275,000</u>	<u>191,343</u>	<u>83,657</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (24,200)</u>	92,522	<u>\$ (116,722)</u>
FUND BALANCE, Beginning of year		<u>119,375</u>	
FUND BALANCE, End of year		<u>\$ 211,897</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, 2024

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Taxes	\$ 115,000	\$ 306,160	\$ (191,160)
Investment income	2,500	24,273	(21,773)
Total revenues	<u>117,500</u>	<u>330,433</u>	<u>(212,933)</u>
EXPENDITURES			
Current:			
General government			
Contractual services	300,000	91,428	208,572
Capital outlay	-	164,398	(164,398)
Total expenditures	<u>300,000</u>	<u>255,826</u>	<u>44,174</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(182,500)</u>	<u>74,607</u>	<u>(257,107)</u>
OTHER FINANCING SOURCES (USES)			
Gain (loss) sale of assets	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (182,500)</u>	74,607	<u>\$ (257,107)</u>
FUND BALANCE, Beginning of year		<u>1,122,369</u>	
FUND BALANCE, End of year		<u>\$ 1,196,976</u>	

City of Braidwood, Illinois

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual Water Operations Fund For the Year Ended April 30, 2024

	Original and Final Budget	Actual	(Over) Under Budget
OPERATING REVENUES			
Water	\$ 813,000	\$ 955,525	\$ (142,525)
Water capacity fees	1,500	8,000.00	(6,500)
Water meters	7,000	12,300	(5,300)
Water shutoffs	2,500	6,600	(4,100)
Sewer	1,500,000	1,837,596	(337,596)
Sewer permits	400	630	(230)
Sewer capacity fees	6,000	30,625	(24,625)
Sewer disposal fees	150,000	180,799	(30,799)
Garbage collection fees	700,000	718,425	(18,425)
Penalties	66,207	74,920	(8,713)
Miscellaneous revenue	18,990	12,846	6,144
Total revenues	3,265,597	3,838,266	(572,669)
OPERATING EXPENSES			
Salary and benefits	598,747	525,293	73,454
Pension expense	-	(53,254)	53,254
Contractual	570,000	566,052	3,948
Utilities	300,000	424,531	(124,531)
Maintenance	66,500	61,505	4,995
Professional fees	118,250	90,579	27,671
Depreciation	864,150	838,048	26,102
IEPA annual fees	17,500	17,500	-
Liability insurance	105,000	61,051	43,949
Postage, printing, supplies, etc.	23,000	21,997	1,003
Fuel-gasoline	10,000	6,843	3,157
Equipment and tools	150,000	19,021	130,979
Chemicals, sand, salt, and water testing	190,000	273,426	(83,426)
Repairs and install costs - water meters	135,000	238,978	(103,978)
Capital outlay	-	-	-
General	17,500	(50)	17,550
Total expenditures	3,165,647	3,091,520	74,127
OPERATING INCOME (LOSS)	99,950	746,746	(646,796)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	50	-	50
Interest expense	(100,000)	(78,536)	(21,464)
Total non-operating revenues (expenses)	(99,950)	(78,536)	(21,414)
NET INCOME (LOSS) BEFORE TRANSFERS	-	668,210	(668,210)
TRANSFERS			
Transfer out	-	-	-
Total transfers	-	-	-
NET CHANGE IN NET POSITION	\$ -	668,210	\$ (668,210)
NET POSITION, Beginning of year		24,707,414	
NET POSITION, End of year		\$ 25,375,624	

City of Braidwood, Illinois

Schedule of Legal Debt Margin For the Year Ended April 30, 2024

Assessed valuation - 2023 tax year		<u>\$ 149,287,960</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 12,876,087
Debt:		
Lease obligations	4,092	
2022 Debt Certificates	<u>1,639,414</u>	
Total Debt		<u>1,643,506</u>
Legal debt margin		<u>\$ 11,232,581</u>

Compliance Section

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Mayor and City Council
City of Braidwood, Illinois
Braidwood, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Braidwood, Illinois, as of and for the year ended April 30, 2024 and the related notes to the financial statements, which collectively comprise the City of Braidwood, Illinois' basic financial statements, and have issued our report thereon dated November 13, 2025. Our report contains a qualified opinion on the governmental activities opinion unit due to the City not implementing GASB Statement No. 75 and unmodified opinions on the rest of the opinion units.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Braidwood, Illinois' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Braidwood, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Braidwood, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of City of Braidwood, Illinois' financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Braidwood, Illinois's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Braidwood, Illinois's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Braidwood, Illinois's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Sterling, Illinois

November 13, 2025