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City of Braidwood, Illinois

Annual Financial Report

Year Ended April 30, 2025

City of Braidwood, Illinois

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Independent Auditor's Report

Mayor and City Commissioners
City of Braidwood, Illinois
Braidwood, Illinois

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Braidwood, Illinois (the "City"), as of and for the year ended April 30, 2025, 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
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 and Unmodified Opinions section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities of the City of Braidwood, Illinois as of April 30, 2025, 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, 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, 2025, 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.

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Basis for Qualified and Unmodified Opinions

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 the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for unmodified and qualified opinions.

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 the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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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'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'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 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.

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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 July 13, 2026, 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 the City'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.

Wipfli LLP

Wipfli LLP
Sterling, Illinois

July 13, 2026

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Management's Discussion and Analysis

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, 2025. 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 $898,968 and net position of the business-type activities increased by $677,257.

- During the year, government-wide revenues for the primary government totaled $11,561,818, while expenses totaled $9,985,593, resulting in an increase to net position of $1,576,225.

- The City's net position totaled $39,637,870 on April 30, 2025, which includes $33,274,857 net investment in capital assets, $4,481,077 subject to external restrictions, and $1,881,936 in unrestricted net position.

- The General Corporate Fund reported a net increase this year of $293,398, resulting in a fund balance of $3,625,617.

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).

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, 2025. 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, which is considered to be major fund. 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.

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 $39,637,870 at the close of April 30, 2025.

The City's General revenues reflected an increase compared to the prior year by $1,058,612 due primarily to the increase in property taxes of $464,171 because of an increase in the tax levy of $94,768 with an effective City tax rate of 1.30% based upon a $5.8 million increase in the Equalized Assessed Value (EAV) with the City. The other major income increase was in investment income of $168,047 due to the City transfer of excess cash balances from the main operating account to Illinois Funds due to increased interest rate of 4% - 5% in FY25.

The City's total Governmental expenses increased by $867,250, with the greatest increase in the General Government line. The General Government expenses increased from the FY24 amount of $1,748,307 to $2,291,769.

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

Government-wide Financial Analysis (Continued)

Statement of Net Position
April 30,

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 10,691,210	$ 10,294,614	$ 3,492,076	$ 2,912,961	$ 14,183,286	$ 13,207,575
Capital assets	12,057,386	11,908,405	28,078,063	28,635,600	40,135,449	40,544,005
Total assets	22,748,596	22,203,019	31,570,139	31,548,561	54,318,735	53,751,580
Deferred outflows of resources	1,404,637	2,755,592	109,759	151,183	1,514,396	2,906,775
Current liabilities	$ 290,866	616,760	850,195	867,620	1,141,061	1,484,380
Noncurrent liabilities	5,472,933	6,427,630	4,776,329	5,452,045	10,249,262	11,879,675
Total liabilities	5,763,799	7,044,390	5,626,524	6,319,665	11,390,323	13,364,055
Deferred inflows of resources	4,804,445	5,228,200	493	4,455	4,804,938	5,232,655
Net position						
Net investment in capital assets	10,513,803	10,264,899	22,761,054	22,690,465	33,274,857	32,955,364
Restricted	4,240,941	4,000,357	240,136	276,388	4,481,077	4,276,745
Unrestricted (deficit)	(1,169,755)	(1,579,235)	3,051,691	2,408,771	1,881,936	829,536
Total net position	$ 13,584,989	$ 12,686,021	$ 26,052,881	$ 25,375,624	$ 39,637,870	$ 38,061,645

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.

Government-wide Financial Analysis (Continued)

Statement of Activities
April 30,

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	$ 417,089	$ 623,067	$ 4,321,387	$ 3,838,266	$ 4,738,476	$ 4,461,333
Grants/contributions	722,170	928,984	-	-	722,170	928,984
General Revenues						
Taxes	5,377,902	4,640,118	-	-	5,377,902	4,640,118
Investment income	424,168	256,121	-	-	424,168	256,121
Other revenues	299,102	146,321	-	-	299,102	146,321
Total revenues	7,240,431	6,594,611	4,321,387	3,838,266	11,561,818	10,432,877
Expenses						
Governmental activities						
General government	2,291,769	1,748,307	-	-	2,291,769	1,748,307
Public safety	3,220,735	3,069,870	-	-	3,220,735	3,069,870
Highways and streets	767,361	591,064	-	-	767,361	591,064
Interest	61,598	64,972	-	-	61,598	64,972
Business-type activities						
Water and sewer	-	-	3,049,803	2,604,004	3,049,803	2,604,004
Garbage	-	-	594,327	566,052	594,327	566,052
Total expenses	6,341,463	5,474,213	3,644,130	3,170,056	9,985,593	8,644,269
Change in net position before transfers	898,968	1,120,398	677,257	668,210	1,576,225	1,788,608
Transfers in (out)	-	-	-	-	-	-
Change in net position	898,968	1,120,398	677,257	668,210	1,576,225	1,788,608
Net position-beginning	12,686,021	11,565,623	25,375,624	24,707,414	38,061,645	36,273,037
Net position-ending	$ 13,584,989	$ 12,686,021	$ 26,052,881	$ 25,375,624	$ 39,637,870	$ 38,061,645

***Governmental Activities*.** The City's net position increased by $898,968. Revenues increased between April 30, 2024, to April 30, 2025, by $737,784 due to an increase in tax revenue. Expenses increased from April 30, 2024, to April 30, 2025, by $867,250 mainly due to an increase in general government expenses.

Major expense factors included:

- Police pension expense increased $280,968.

Government-wide Financial Analysis (Continued)

***Business-type Activities*.** The City's net position increased by $677,257. Revenues increased from April 30, 2024, to April 30, 2025, by $483,121. 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, 2025.

As of the end of the current fiscal year, the City governmental funds reported a combined ending fund balance of $7,354,700 an increase of $770,491 from the previous year.

Fund balance in the General Corporate Fund increased by $293,398 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 includes 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 $26,052,881, an increase of $677,257 from the previous year. The City's enterprise fund revenues increased by $483,121 due from increases in the water and sewer revenue of $460,313.

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, 2025, and whether the activity was over or under budget. Revenues in the General Corporate Fund were over budget by $53,063 and expenditures were under budget by $278,468 for the year ended April 30, 2025.

	Original and Final Budget	Actual	(Over) Under Budget
Revenues:			
Taxes	$ 3,728,000	$ 4,094,310	$ (366,310)
Fines, fees and forfeitures	106,200	58,565	47,635
Reimbursements	184,500	246,550	(62,050)
Franchise fees	70,000	57,537	12,463
Licenses & permits	116,700	131,018	(14,318)
Grants	970,000	442,210	527,790
Donations	-	-	-
Interest income	180,500	358,221	(177,721)
Other	32,000	52,552	(20,552)
Total revenues	5,387,900	5,440,963	(53,063)
Expenditures:			
Administrative	1,812,000	871,864	940,136
Development	240,300	233,146	7,154
Police protection	2,653,443	2,772,788	(119,345)
Street	679,000	580,607	98,393
Repairs and maintenance	2,450	2,067	383
Debt service	-	3,368	(3,368)
Capital outlay	-	644,885	(644,885)
Total expenditures	5,387,193	5,108,725	278,468
Excess/(deficiency)	707	332,238	(331,531)
Other financing sources:			
Transfers out	-	(38,840)	38,840
Net change in fund balance	$ 707	$ 293,398	$ (292,691)

The General Corporate Fund total revenues were over the budgeted amount by $53,063 mostly due to an increase in taxes collected. The sales and income tax revenue were $170,577 and $120,793 above budgeted amounts. The income tax revenue was over budget because the budget for FY25 reflected a small decrease compared to FY24 actual due to the unpredictability of state revenues. Also, the General Fund reflected a $177,721 increase in interest income from the investment of City's monies compared to the budgeted amount of $180,500. The General Corporate Fund total expenditures were under budget by $278,468 mostly due to grant expenditures that were anticipated in FY25 that were not expended.

Capital Assets

The City's investment in capital assets for its governmental activities as of April 30, 2025, amounts to $12,057,386, 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	
	2025	2024	2025	2024
Land	$ 3,242,160	$ 3,242,160	$ 419,775	$ 419,775
Buildings and improvements	1,548,386	1,244,286	16,572,993	17,169,036
Infrastructure	6,396,987	6,805,452	11,002,336	10,937,620
Fixtures and equipment	869,038	612,639	82,959	109,169
Leased equipment	815	3,868	-	-
Total	$ 12,057,386	$ 11,908,405	$ 28,078,063	$ 28,635,600

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, 2025, was $1,543,583, which includes a lease for the purchase of office equipment and 2022 General Obligation Debt Certificates. The 2022 General Obligations Debt Certificates were economic development activities the City completed to incentives an auto dealership into the City with the goal of generating sales tax revenue.

The City's balance of long-term debt for business-type activities as of April 30, 2025, was $5,317,009, 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, 2025, was $152,002 for governmental activities and $127,098 for business-type activities.

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

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, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 7,536,843	$ 2,121,294	$ 9,658,137
Receivables			
Property taxes	2,490,256	-	2,490,256
Accounts	53,796	318,531	372,327
Notes	230,154	-	230,154
Other	614,201	-	614,201
Prepaid items	152,555	52,770	205,325
Net pension assets	372,750	240,136	612,886
Internal balances	(759,345)	759,345	-
Capital assets not being depreciated	3,242,160	419,775	3,661,935
Capital assets being depreciated	8,815,226	27,658,288	36,473,514
Total assets	22,748,596	31,570,139	54,318,735
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	170,373	109,759	280,132
Pension items - Police Pension	1,234,264	-	1,234,264
Total deferred outflows of resources	1,404,637	109,759	1,514,396
Total assets and deferred outflows of resources	$ 24,153,233	$ 31,679,898	$ 55,833,131
LIABILITIES			
Accounts payable	$ 93,646	$ 143,431	$ 237,077
Accrued payroll and related liabilities	57,796	11,486	69,282
Accrued interest payable	-	27,500	27,500
Noncurrent liabilities			
Due within one year	139,424	667,778	807,202
Due in more than one year	5,472,933	4,776,329	10,249,262
Total liabilities	5,763,799	5,626,524	11,390,323

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Statement of Net Position (Continued)

April 30, 2025

	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	$ 2,490,256	$ -	$ 2,490,256
Unavailable revenues	230,154	-	230,154
Pension items - IMRF	766	493	1,259
Pension items - police pension	2,083,269	-	2,083,269
Total deferred inflows of resources	4,804,445	493	4,804,938
Total liabilities and deferred inflows of resources	10,568,244	5,627,017	16,195,261
NET POSITION			
Net investment in capital assets	10,513,803	22,761,054	33,274,857
Restricted			
Economic development	1,346,344	-	1,346,344
Employee benefits	244,572	-	244,572
Highway and streets	1,763,150	-	1,763,150
Public safety	203,933	-	203,933
General	310,192	-	310,192
Net pension asset	372,750	240,136	612,886
Unrestricted (Deficit)	(1,169,755)	3,051,691	1,881,936
Total net position	13,584,989	26,052,881	39,637,870
Total liabilities, deferred inflows of resources, and net position	$ 24,153,233	$ 31,679,898	$ 55,833,131

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Statement of Activities

April 30, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 2,291,769	$ 188,555	$ 442,210	$ -	$ (1,661,004)	$ -	$ (1,661,004)
Public safety	3,220,735	228,534	-	-	(2,992,201)	-	(2,992,201)
Highways and streets	767,361	-	279,960	-	(487,401)	-	(487,401)
Interest	61,598	-	-	-	(61,598)	-	(61,598)
Total governmental activities	6,341,463	417,089	722,170	-	(5,202,204)	-	(5,202,204)
Business-type activities:							
Water and sewer	3,049,803	3,580,154	-	-	-	530,351	530,351
Garbage	594,327	741,233	-	-	-	146,906	146,906
Total business-type activities	3,644,130	4,321,387	-	-	-	677,257	677,257
Total primary government	$ 9,985,593	$ 4,738,476	$ 722,170	$ -	$ (5,202,204)	$ 677,257	$ (4,524,947)
General revenues:							
Taxes:							
Property					2,610,021	-	2,610,021
Sales and use tax					1,142,186	-	1,142,186
Shared income tax					1,100,793	-	1,100,793
Replacement					11,915	-	11,915
Gaming					137,144	-	137,144
Utility					279,369	-	279,369
Telecommunications					72,609	-	72,609
Hotel/motel					23,865	-	23,865
Investment income					424,168	-	424,168
Miscellaneous					299,102	-	299,102
Transfers					-	-	-
Total general revenues					6,101,172	-	6,101,172
Change in net position					898,968	677,257	1,576,225
Net position, beginning of year					12,686,021	25,375,624	38,061,645
Net position, end of year					$ 13,584,989	$ 26,052,881	$ 39,637,870

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Balance Sheet - Governmental Funds

April 30, 2025

	Major Funds			
	General Corporate	Formerly Major Fund - Debt Service	Non-major Governmental	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 5,080,222	$ -	$ 2,456,621	7,536,843
Receivables				
Property taxes	1,517,626	-	972,630	2,490,256
Accounts	-	-	53,796	53,796
Notes	-	-	230,154	230,154
Other	614,201	-	-	614,201
Prepaid items	29,894	-	122,661	152,555
Due from other funds	-	-	1,505,773	1,505,773
Total assets	$ 7,241,943	$ -	$ 5,341,635	$ 12,583,578
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Due to other funds	$ 1,870,087	$ -	$ 395,031	$ 2,265,118
Accounts payable	83,511	-	10,135	93,646
Accrued payroll and related liabilities	53,194	-	4,602	57,796
Advances from grantors	-	-	-	-
Total liabilities	2,006,792	-	409,768	2,416,560
Deferred inflows of resources:				
Unavailable property taxes	1,517,626	-	972,630	2,490,256
Unavailable revenues	91,908	-	230,154	322,062
Total deferred inflows of resources	1,609,534	-	1,202,784	2,812,318
Fund balances:				
Nonspendable:				
Prepaid items	29,894	-	122,661	152,555
Restricted:				
Economic development	-	-	1,346,344	1,346,344
Employee benefits	-	-	244,572	244,572
Highway and streets	-	-	1,763,150	1,763,150
Public safety	-	-	203,933	203,933
General	-	-	187,531	187,531
Unassigned	3,595,723	-	(139,108)	3,456,615
Total fund balances	3,625,617	-	3,729,083	7,354,700
Total liabilities, deferred inflows of resources and fund balances	$ 7,241,943	$ -	$ 5,341,635	$ 12,583,578

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, 2025

Total Fund Balance - Governmental Funds	$ 7,354,700
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	12,057,386
A portion of taxes are a receivable at year end but are not available soon enough to pay for current period expenditures and, therefore, are not reported as revneue in the governmental funds	91,908
Net pension asset for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	372,750
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(3,916,772)
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	169,607
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	(849,005)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Lease obligations	(900)
Debt certificates	(1,542,683)
Compensated absences	(152,002)
Net Position of Governmental Activities	$ 13,584,989

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, 2025

	Major Funds			
	General Corporate	Formerly Major Fund Debt Service	Non-major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	$ 1,418,337	$ -	$ 1,191,684	$ 2,610,021
Utility	279,369	-	-	279,369
Sales	870,577	-	-	870,577
Income	1,100,793	-	-	1,100,793
Replacement	11,915	-	-	11,915
Local use	185,759	-	-	185,759
Hotel/motel	23,865	-	-	23,865
State gaming	137,144	-	-	137,144
Telecommunications	66,551	-	-	66,551
Motor fuel	-	-	279,960	279,960
Fines, fees and forfeitures	58,565	-	169,969	228,534
Reimbursements	246,550	-	-	246,550
Franchise fees	57,537	-	-	57,537
Licenses and permits	131,018	-	-	131,018
Grants and donations	442,210	-	-	442,210
Investment income	358,221	-	65,947	424,168
Miscellaneous	52,552	-	-	52,552
Total revenues	5,440,963	-	1,707,560	7,148,523
EXPENDITURES				
Current:				
General government	1,107,077	-	496,719	$ 1,603,796
Public safety	2,772,788	-	326,151	3,098,939
Highway and streets	580,607	-	197,166	777,773
Debt service:				
Principal payment	3,192	-	96,731	99,923
Interest and fiscal charges	176	-	61,422	61,598
Capital outlay	644,885	-	91,118	736,003
Total expenditures	5,108,725	-	1,269,307	6,378,032
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	332,238	-	438,253	770,491
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	38,840	38,840
Transfers out	(38,840)	-	-	(38,840)
Total other financing sources (uses)	(38,840)	-	38,840	-
NET CHANGE IN FUND BALANCES	293,398	-	477,093	770,491
FUND BALANCE (DEFICIT), Beginning of year as previously reported	3,332,219	(276,975)	3,528,965	6,584,209
Change within financial reporting entity (major to nonmajor fund)	-	276,975	(276,975)	-
FUND BALANCE (DEFICIT), Beginning of year as restated	3,332,219	-	3,251,990	6,584,209
FUND BALANCE, End of year	$ 3,625,617	$ -	$ 3,729,083	$ 7,354,700

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, 2025

Net Change in Fund Balances - Total Government Funds	$	770,491
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation/amortization expense		
Purchase of capital assets		736,003
Depreciation and amortization		(587,022)
The repayment of long-term debt is reported as an expenditure when due in the governmental funds, but as a reduction of principal outstanding in the Statement of Activities		
Debt certificate		96,731
Leases		3,192
Change in compensated absences		185,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		91,908
The change in the net pension asset (liability) is reported only in the Statement of Activities		
Illinois Municipal Retirement Fund		(57,542)
Police Pension Fund		714,524
The change in deferred outflows and inflows of resources is reported only in the Statement of Activities		
Illinois Municipal Retirement Fund		(58,825)
Police Pension Fund		(995,492)
Change in Net Position of Governmental Activities	$	898,968

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Statement of Net Position
Proprietary Fund
April 30, 2025

	Enterprise Fund Water Operations
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 2,121,294
Accounts receivable	318,531
Prepaid items	52,770
Due from other funds	759,345
Total current assets	3,251,940
NONCURRENT ASSETS	
Land	419,775
Fixtures and equipment	29,900,325
Buildings and improvements	935,067
Infrastructure	15,419,977
Less accumulated depreciation	(18,597,081)
Net pension asset - IMRF	240,136
Total noncurrent assets	28,318,199
Total assets	31,570,139
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	109,759
Total assets and deferred outflows of resources	$ 31,679,898
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	$ 143,431
Accrued payroll	11,486
Accrued interest payable	27,500
Compensated absences, current	31,775
IEPA loan payable, current	636,003
Total current liabilities	850,195
NONCURRENT LIABILITIES	
Compensated absences	95,323
IEPA loan payable	4,681,006
Total noncurrent liabilities	4,776,329
Total liabilities	5,626,524
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	493
Total liabilities and deferred inflows of resources	5,627,017
NET POSITION	
Net investment in capital assets	22,761,054
Restricted for net pension asset	240,136
Unrestricted	3,051,691
Total net position	26,052,881
Total liabilities, deferred inflows of resources, and net position	$ 31,679,898

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, 2025

	Enterprise Fund Water Operations
Operating revenues	
Sewer charges	$ 2,142,032
Water charges	1,150,622
Garbage charges	741,233
Miscellaneous	287,500
Total operating revenues	4,321,387
Operating expenses	
Water and sewer operations	2,136,709
Garbage operations	594,327
Total operating expenses	2,731,036
OPERATING INCOME BEFORE DEPRECIATION	1,590,351
Depreciation	845,037
Operating income	745,314
Non-operating revenues (expenses)	
Interest expense	(68,057)
Total non-operating revenues (expenses)	(68,057)
Income (loss) before transfers	677,257
TRANSFERS	
Transfers out	-
Change in net position	677,257
Net position, beginning of year	25,375,624
Net position, end of year	$ 26,052,881

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Statement of Cash Flows
Proprietary Fund
For the Year Ended April 30, 2025

	Enterprise Fund Water Operations
Cash flows from operating activities	
Receipts from customers and users	$ 4,020,944
Payments to suppliers	(2,106,955)
Payments to employees	(611,896)
Net cash from operating activities	1,302,093
Cash flows from noncapital financing activities	
Interfund transactions, net cash from noncapital financing activities	(576,370)
Cash flows from capital and related financing activities	
Capital asset additions	(287,500)
Capital contributions	287,500
Principal payments in long-term debt	(628,126)
Interest paid on long-term debt	(72,357)
Net cash from capital and related financing activities	(700,483)
Cash flows from investing activities	
Interest received	-
Net increase (decrease) in cash and cash equivalents	25,240
Cash and cash equivalents, beginning of year	2,096,054
Cash and cash equivalents, end of year	$ 2,121,294
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	$ 745,314
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	845,037
Capital contributions	(287,500)
Accounts receivable	(12,943)
Prepaid items	(814)
Net pension asset - IMRF	36,252
Deferred outflows - IMRF	41,424
Accounts payable	(10,815)
Accrued payroll	3,051
Compensated absences payable	(52,951)
Deferred inflows - IMRF	(3,962)
Net cash provided by (used in) operating activities	$ 1,302,093

See Accompanying Notes to Financial Statements

City of Braidwood, Illinois

Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2025

	Police Pension Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	$ 10,892	$ 5,890
Investments		
Illinois police officers' pension investment fund	6,196,760	-
Money market mutual funds	109,811	-
Prepaid items	2,396	-
Total assets	6,319,859	5,890
LIABILITIES		
Accounts payable	3,810	-
Total liabilities	3,810	-
NET POSITION		
Restricted		
Pensions	6,316,049	-
Individuals, organizations, and other governments	-	5,890
Total net position	6,316,049	5,890
Total liabilities and net position	$ 6,319,859	$ 5,890

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, 2025

	Police Pension Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Employer	$ 379,252	$ -
Plan members	102,428	-
Donations	-	11,307
Total contributions	481,680	11,307
Investment income:		
Net appreciation in fair value of investments	405,391	-
Interest and dividends	149,723	-
Total investment income	555,114	-
Less: investment expense	(9,930)	-
Net investment income	545,184	-
Total additions	1,026,864	11,307
DEDUCTIONS		
Benefits and refunds	409,276	-
Administrative expenses	41,879	-
Benevolent expenses	-	391
Police charity expenses	-	3,900
National night out expenses	-	5,021
Total deductions	451,155	9,312
CHANGE IN NET POSITION	575,709	1,995
NET POSITION, Beginning of year	5,740,340	3,895
NET POSITION, End of year	$ 6,316,049	$ 5,890

See Accompanying Notes to 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.

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.

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.

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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:

Capital Asset Category	**Years**
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.

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.

Compensated Absences

The City provides compensated absences to its employees, which include vacation and sick leave. The City follows compensated absence policies based upon the City's employee handbook and various union agreements. The liability for compensated absences is accrued as employees earn the benefits and is reported in the government-wide financial statements and proprietary fund. Vacation and sick leave is recorded in governmental funds when due (upon employee retirement or termination).

1. Vacation Leave: Employees earn vacation based on their length of service. The liability for vacation leave is accrued as the benefits are earned. Employees can receive compensation for unused vacation leave upon termination or retirement.
2. Sick Leave: Sick leave is accrued as employees earn benefits, but only to the extent that the unused sick leave is more likely than not to be used as time off in future reporting periods.

The liability for compensated absences is measured using the pay rates in effect at the balance sheet date. Amounts have been recorded consistent with the compensated absences reporting standards of GASB Statement No. 101, *Compensated Absences*.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

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 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncement

During the fiscal year ended April 30, 2025, the City implemented the following GASB Pronouncements:

GASB Statement No. 100: Accounting for Changes and Error Corrections: As of May 1, 2024, the City implemented GASB Statement No. 100. The statement enhances accounting and financial reporting requirements for accounting changes and error correction to provide more understandable, reliable, relevant, consistent, and comparable information. The City adopted this guidance retroactively for the year beginning May 1, 2024.

GASB Statement No. 101: Compensated Absences: As of May 1, 2024, the City implemented GASB Statement No. 101. The statement updates the accounting rules for how state and local governments recognize and measure liabilities for employee absences like vacation, sick leave, and paid time off. The statement focuses on recognizing liabilities for both used but unpaid leave and unused leave that is likely to be used or paid out. It also provides guidance on measuring these liabilities, including the impact of salary-related payments. The City implemented this guidance effective May 1, 2024. The City adopted this standard in fiscal year 2025 and there was no significant impact on the City's financial statements, since they were already accruing sick leave before this guidance was adopted.

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, 2025, the carrying amount of the City's deposits (including fiduciary custodial funds) were $6,196,760 with bank balances totaling $479,592. Of the bank balance, the City's deposits were fully collateralized at April 30, 2025.

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 $8,642,101 invested with the Illinois Funds at April 30, 2025. 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 $536,691 invested with the Illinois Municipal Metropolitan Investment Fund (IMET) at April 30, 2025. 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.

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, 2025, the City had the following investments and maturities:

		Investment Maturities (in Years)			
Investment	**Fair Value**	**Less than 1**	**1 - 5**	**5 - 10**	**More than 10**
Local government investment pools	$ 9,178,792	$ 9,178,792	$ -	$ -	$ -
Total investments	$ 9,178,792	$ 9,178,792	$ -	$ -	$ -

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, 2025, 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.

Note 3: Property Taxes (Continued)

Property taxes from the 2023 levy attached as an enforceable lien on January 1, 2024, on property values assessed as of the same date. 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.

Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). The Tax bills for the 2024 Levy are prepared by the County and issued on or about May 1, 2025, and are payable in two installments on or about June 1, 2025 and September 1, 2025. The County collects such taxes and remits them periodically. As the 2024 tax levy is intended to fund expenditures for the 2025-2026 fiscal year, these taxes are unavailable/deferred as of April 30, 2025.

Note 4: Capital Assets

Capital asset activity for the year ended April 30, 2025, was as follows:

Governmental activities:	Balance May 1, 2024	Additions	Deletions	Balance April 30, 2025
Capital assets not being depreciated:				
Land	$ 3,242,160	$ -	$ -	$ 3,242,160
Capital assets being depreciated:				
Infrastructure	17,632,676	-	-	17,632,676
Buildings and improvements	2,565,257	373,530	-	2,938,787
Fixtures and equipment	1,782,534	362,473	-	2,145,007
Leased assets - equipment	14,356	-	-	14,356
Subtotal	21,994,823	736,003	-	22,730,826
Accumulated depreciation and amortization	(13,328,578)	(587,022)	-	(13,915,600)
Capital assets being depreciated, net	8,666,245	148,981	-	8,815,226
Total governmental activities capital assets, net	$ 11,908,405	$ 148,981	$ -	$ 12,057,386

Depreciation and amortization expense was charged to the governmental functions as follows for the year ended April 30, 2025:

Governmental activities:	
General government	$ 43,708
Highway and streets	456,831
Economic development	86,483
Total	$ 587,022

Note 4: Capital Assets (Continued)

Business-type activities:	Balance May 1, 2024	Additions	Deletions	Balance April 30, 2025
Capital assets not being depreciated:				
Land	$ 419,775	$ -	$ -	$ 419,775
Capital assets being depreciated:				
Infrastructure	15,132,477	287,500	-	15,419,977
Buildings and improvements	29,900,325	-	-	29,900,325
Fixtures and equipment	935,067	-	-	935,067
Subtotal	45,967,869	287,500	-	46,255,369
Accumulated depreciation	(17,752,044)	(845,037)	-	(18,597,081)
Total capital assets being depreciated, net	28,215,825	(557,537)	-	27,658,288
Total business-type activities capital assets, net	$ 28,635,600	$ (557,537)	$ -	$ 28,078,063

Depreciation expense was charged to the business-type functions as follows for the year ended April 30, 2025:

Business-type activities:	
Water operations	$ 845,037

Note 5: Long-Term Obligations

Long-term obligation activity for the year ended April 30, 2025 was as follows:

	Balance May 1, 2024	Issued	Retired	Balance April 30, 2025	Due Within One Year
Governmental activities					
Lease obligations	$ 4,092	$ -	$ 3,192	$ 900	$ 900
2022 Debt Certificates	1,639,414	-	96,731	1,542,683	100,523
Net pension liability - police pension	4,631,296	-	714,524	3,916,772	-
Compensated absences	337,002	-	185,000	152,002	38,001
Total governmental	$ 6,611,804	$ -	$ 999,447	$ 5,612,357	$ 139,424
Business-type activities					
2010 IEPA loan	$ 5,945,135	$ -	$ 628,126	$ 5,317,009	$ 636,003
Compensated absences	180,049	-	52,951	127,098	31,775
Total business-type	$ 6,125,184	$ -	$ 681,077	$ 5,444,107	$ 667,778

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.

Note 5: Long-Term Obligations (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for Governmental Activities are as follows:

	Principal				
Fiscal year	**Leases**	**2022 Debt Certificates**		**Interest**	**Total**
2026	$ 900	$ 100,523	$ -	$ 57,649	$ 159,072
2027	-	104,463	-	53,691	158,154
2028	-	108,554	-	49,600	158,154
2029	-	112,808	-	45,346	158,154
2030	-	117,231	-	40,923	158,154
2031-2035	-	999,104	-	130,878	1,129,982
2036-2040	-	-	-	-	-
Totals	$ 900	$ 1,542,683	$ -	$ 378,087	$ 1,921,670

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

	Principal				
Fiscal year			**IEPA Loan**	**Interest**	**Total**
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	-	-	668,507	31,977	700,484
2031-2035	-	-	2,056,239	45,214	2,101,453
Totals	$ -	$ -	$ 5,317,009	$ 286,864	$ 5,603,873

Note 6: Loan Receivable

Changes in loan receivable consisted of the following for the year ended April 30, 2025:

	Balance 5/1/2024	Additions	Reductions	Balance 4/30/2025	Amounts due Within One Year
Bauer & D'Orazio, LLC	$ 575,985	$ -	$ (345,831)	$ 230,154	$ 203,922
Total loan receivable	$ 575,985	$ -	$ (345,831)	$ 230,154	$ 203,922

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, 2025, the first bill was issued. The City received the funds of $387,441 ($41,610 of interest and $345,831 of principal) on December 9, 2024. 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, less payment received during the fiscal year.

Future loan receivable payments as of April 30, 2025, are:

	Loan receivable		
	Principal	Interest	Total
2026	$ 203,922	$ 6,950	$ 210,872
2027	26,232	127	26,359
Totals	$ 230,154	$ 7,077	$ 237,231

Note 7: Interfund Receivables and Payables

Interfund receivable and payable balances at April 30, 2025, are as follows:

Fund	Due from other funds	Due to other funds
General	$ -	$ 1,870,087
Non-major governmental funds	1,505,773	395,031
Water Operations Fund	759,345	-
Totals	$ 2,265,118	$ 2,265,118

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 2025, the outstanding balances between funds is the result of cash shortfalls in the General Fund, Debt Service, Motor Fuel Tax, FICA and Medicare, and Audit funds.

Note 8: Interfund Transfers

Below are the interfund transfers as of April 30, 2025:

	Transfers In	Transfers Out
Major funds:		
General fund	$ -	$ 38,840
Nonmajor funds	38,840	-
Total all funds	$ 38,840	$ 38,840

The purpose for the significant transfers to/from other funds are as follows:

a. The General Fund reimbursed the Motor Fuel Tax Fund for expenditures disallowed from Motor Fuel Tax funds by the Illinois Department of Transportation related to a previous year.

Note 9: 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).

Note 9: Retirement Plans (Continued)

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in 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.

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, 2024 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	19
Active employees	17
Total	59

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 2024 was 0.87%. For the fiscal year ended April 30, 2025, the City contributed $9,086 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, 2024, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Note 9: Retirement Plans (Continued)

Actuarial assumptions – The following are the methods and assumptions used to determine total pension liability at December 31, 2024:

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, 2024:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equities	33.50 %	4.35 %
International equities	18.00 %	5.40 %
Fixed income	24.50 %	5.20 %
Real estate	10.50 %	6.40 %
Alternative investments	12.50 %	4.85-6.25%
Cash equivalents	1.00 %	3.60 %
Total	100.00 %	

Note 9: 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 4.08%, 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, 2024	$ 5,737,695	$ 6,444,375	$ (706,680)
Changes for the year:			
Service cost	86,072	-	86,072
Interest on the total pension liability	409,806	-	409,806
Differences between expected and actual experience of the total pension liability	166,764	-	166,764
Contributions - employer	-	8,970	(8,970)
Contributions - employees	-	49,913	(49,913)
Net investment income	-	633,362	(633,362)
Benefit payments, including refunds of employee contributions	(256,475)	(256,475)	-
Other (net transfer)	-	(123,397)	123,397
Net changes	406,167	312,373	93,794
Balances at December 31, 2024	$ 6,143,862	$ 6,756,748	$ (612,886)

Note 9: 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)	$ 105,107	$ (612,886)	$ (1,186,941)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - For year ended April 30, 2025, the City recognized pension expense (income) of $190,081. At April 30, 2025, 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
Deferred amounts to be recognized in pension expense in future periods:		
Difference between expected and actual experience	$ 126,348	$ -
Changes in assumptions	-	1,259
Net difference between projected and actual earnings on pension plan investments	150,824	-
Total deferred amounts to be recognized in pension expense in future periods	277,172	1,259
Pension contributions subsequent to the measurement date	2,960	-
Total deferred amounts related to pensions	$ 280,132	$ 1,259

The City reported $2,960 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, 2026.

Note 9: 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
2026	$ 160,270
2027	225,353
2028	(74,153)
2029	(35,557)
Total	$ 275,913

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 $10,892 and the bank balances totaled $10,892.

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.

Note 9: Retirement Plans (Continued)

Investments. At year-end the Fund has $6,196,760 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 $109,811 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, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.68%. 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, 2025, Police membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	14
Total	28

Note 9: 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 ½ 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 ½ 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., 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 ½ 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, 2025, the City's contribution was 46.71% of covered payroll.

Net Pension Liability - The components of the net pension liability of the Police Pension Fund as of April 30, 2025 calculated in accordance with GASB Statement No. 67 were as follows:

Total pension liability	$ 10,232,821
Plan fiduciary net position	6,316,049
Employer's net pension liability	3,916,772
Plan fiduciary net position as a percentage of the total pension liability	62 %

Note 9: 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, 2025 using the following actuarial methods and assumptions.

Measurement date	April 30, 2025
Valuation date	May 1, 2024
Assumptions	
Discount rate	6.06%
Expected rate of return	6.50%
Consumer price index	2.50%
Inflation rate	2.50%
Projected total payroll increases	3.25%
Mortality	-Active mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates. -25% of active member deaths are assumed to be in the line of duty. -Retiree mortality follows the L&A Assumption Study for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates. -Disabled mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates. -Spouse Mortality follows the L&A Assumption for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors improved to 2021 using MP-2021 Improvement Rates. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. These rates are then improved generationally using MP-2021 Improvement Rates.
Marital assumptions	Active Members: 80% of active members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses. Retiree and Disabled Members: Actual spousal data was utilized for retiree and disabled members.

Note 9: Retirement Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.06%. 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 6.50% was blended with the index rate of 5.24% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2025 to arrive at a discount rate of 6.06% 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, 2024	$ 10,371,636	$ 5,740,340	$ 4,631,296
Changes for the year:			
Service cost	269,315	-	269,315
Interest on the total pension liability	575,045	-	575,045
Differences between expected and actual experience of the total pension liability	(241,247)	-	(241,247)
Changes in assumptions	(332,650)	-	(332,650)
Contributions - employer	-	379,253	(379,253)
Contributions - employees	-	102,428	(102,428)
Net investment income	-	544,658	(544,658)
Benefit payments, including refunds of employee contributions	(409,278)	(409,278)	-
Other (net transfer)	-	(41,352)	41,352
Net changes	(138,815)	575,709	(714,524)
Balances at April 30, 2025	$ 10,232,821	$ 6,316,049	$ 3,916,772

Note 9: 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 6.06% 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 (5.06%) or 1 percentage point higher (7.06%) than the current rate:

	1% Lower (5.06%)	Current Discount (6.06%)	1% Higher (7.06%)
Net pension liability	$ 5,424,680	$ 3,916,772	$ 2,694,682

Pension Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2025, the City recognized pension expense of $280,968. At April 30, 2025, 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	$ 426,035	$ 716,504
Changes in assumptions	808,229	1,359,256
Net difference between projected and actual earnings on pension plan investments	-	7,509
Totals	$ 1,234,264	$ 2,083,269

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

Year Ended April 30:	
2026	$ 305,972
2027	(496,844)
2028	(277,229)
2029	(217,393)
2030	(106,140)
Thereafter	(57,371)
Total	$ (849,005)

Note 9: Retirement Plans (Continued)

Aggregate Pension Amounts - At April 30, 2025, the City reported the following from all pension plans:

	IMRF-Regular	Police	All Pension Plans
Net pension liability/(asset)	$ (612,886)	$ 3,916,772	$ 3,303,886
Deferred outflows of resources	280,132	1,234,264	1,514,396
Deferred inflows of resources	1,259	2,083,269	2,084,528
Pension expense (income)	190,081	280,968	471,049

Note 10: Construction and Other Significant Commitments

Construction commitments. The City has no active construction commitments as of April 30, 2025.

Note 11: 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 12: Stewardship, Compliance, and Accountability

Budgetary Information

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

(a) Prior to April 30, the Commissioner of Accounting and Finance 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 April 30, the budget is legally enacted through passage of an appropriations ordinance.
(d) The Commissioner of Accounting and Finance 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.

Note 12: 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, 2025, the following funds had expenditures in excess of budget:

FICA and Medicare	$	1,770
Audit	$	700

Fund Equity Deficit - The following funds reported deficit fund balances as of April 30, 2025:

Debt Service	$	47,688
FICA and Medicare	$	73,991
Audit	$	17,429

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

Note 13: Impact of Pending Accounting Principles

GASB Statement No. 102, *Certain Risk Disclosures*, requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. 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.

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.

GASB Statement No. 105, *Subsequent Events*, improves the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirement of the Statement are effective for fiscal years beginning after June 15, 2026. The City has not determined the effect of this Statement.

Note 14: Subsequent Events

The City has evaluated subsequent events through July 13, 2026, which is the date the financial statements were available to be issued.

Note 15: Accounting Changes and Error Corrections

During fiscal year 2025, there was a change in major fund to non-major. As a result to the change in major funds, the Debt Service and Non-major Governmental funds restated their beginning fund balances. The effect on the previously reported balances are shown below:

	4/30/2024 As Previously Reported	Change from major fund to non-major fund	4/30/2024 As Restated
Governmental Funds			
Major funds:			
Debt Service	$ 276,975	$ (276,975)	$ -
Nonmajor funds	$ -	$ 276,975	$ 276,975

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 10 Calendar Years

Calendar year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	$ 86,072	$ 97,220	$ 90,806	$ 86,557	$ 97,022	$ 115,679	$ 115,842	$ 108,419	$ 100,425	$ 91,645
Interest on the total pension liability	409,806	387,957	372,915	349,846	336,387	315,563	301,104	278,606	264,289	270,925
Difference between expected and actual experience	166,764	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	(256,475)	(229,127)	(217,217)	(173,547)	(158,834)	(144,526)	(113,080)	(77,754)	(97,578)	(87,786)
Net change in total pension liability	406,167	320,614	210,216	337,909	198,231	303,705	353,675	313,932	176,981	(87,972)
Total pension liability - beginning	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	3,610,404
Total pension liability - ending (a)	6,143,862	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	$ 8,970	$ 9,174	$ 16,076	$ 67,440	$ 41,106	$ 35,525	$ 54,422	$ 67,752	$ 62,522	$ 58,276
Employee contributions	49,913	44,876	45,214	42,305	39,420	42,859	47,738	49,736	41,681	39,024
Pension plan net investment income	633,362	615,826	(803,339)	962,792	712,880	798,497	(207,272)	680,060	254,970	20,136
Benefit payments and refunds	(256,475)	(229,127)	(217,217)	(173,547)	(158,834)	(144,526)	(113,080)	(77,754)	(97,578)	(87,786)
Administrative expense	(123,397)	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	312,373	608,132	(962,058)	880,940	671,970	749,833	(208,961)	682,256	318,348	(318,522)
Plan fiduciary net position - beginning	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	4,022,437
Plan fiduciary net position - ending (b)	6,756,748	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)	(612,886)	(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	109.98%	112.32%	107.74%	130.56%	121.53%	112.30%	102.94%	117.22%	108.73%	105.15%
Covered valuation payroll	$ 1,030,895	$ 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	-59.45%	-70.86%	-41.72%	-169.28%	-120.61%	-60.34%	-12.12%	-62.54%	-34.86%	-20.93%

See Notes to Required Supplementary Information

City of Braidwood, Illinois

Required Supplementary Information
Multiyear Schedule of IMRF Contributions
Last 10 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
2025	$ 9,024	*	$ 9,086	$ (62)	$ 1,071,679	0.85%
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 2024 contribution rate of 0.87%, calendar year 2025 contribution rate of 0.79%, and covered valuation payroll of $1,071,679.

See Notes to Required Supplementary Information

City of Braidwood, Illinois

Required Supplementary Information

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

Police Pension Fund - Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	$ 269,315	$ 236,633	$ 209,334	$352,734	$213,258	$357,943	$314,874	$261,245	$245,300	$173,313
Interest on the total pension liability	575,045	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	(241,247)	433,169	718,361	(143,384)	(379,516)	(43,065)	(1,092,340)	(50,595)	529,502	-
Assumption changes	(332,650)	(504,564)	1,372,901	(2,538,215)	2,676,467	(164,434)	-	-	(14,092)	-
Benefit payments and refunds	(409,278)	(465,026)	(413,249)	(620,781)	(245,233)	(246,543)	(307,839)	(241,215)	(262,030)	(185,929)
Net change in total pension liability	(138,815)	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	10,371,636	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
Total pension liability - ending (a)	$10,232,821	$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
Plan fiduciary net position:										
Employer contributions	$ 379,253	$ 299,157	$ 249,210	$230,100	$195,292	$341,906	$481,355	$376,580	$201,188	$230,493
Employee contributions	102,428	81,388	71,392	69,992	66,829	89,565	99,380	80,876	58,565	66,826
Other contributions	-	-	351,890	116,013	-	-	-	-	97,331	-
Pension plan net investment income	544,658	486,497	164,940	(379,878)	842,615	220,429	255,848	169,196	243,105	40,949
Benefit payments and refunds	(409,278)	(465,026)	(413,249)	(620,781)	(245,233)	(246,543)	(307,839)	(241,215)	(262,030)	(185,929)
Administrative expense	(41,352)	(31,573)	(33,962)	(37,787)	(46,198)	(66,287)	(69,816)	(67,010)	(43,940)	(50,077)
Net change in plan fiduciary net position	575,709	370,443	390,221	(622,341)	813,305	339,070	458,928	318,427	294,219	102,262
Plan fiduciary net position - beginning	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
Plan fiduciary net position - ending (b)	$6,316,049	$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
Employer net pension liability (asset) - Ending (a) - (b)	$3,916,772	$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
Plan fiduciary net positions as a percentage of total pension liability	61.72%	55.35%	53.11%	63.99%	54.47%	63.35%	63.82%	52.68%	51.37%	54.03%
Covered-employee payroll	$ 811,931	$ 786,373	$ 719,963	$697,301	$681,557	$1,194,612	$1,008,537	$847,229	$820,561	$679,411
Net pension liability as a percentage of covered-employee payroll	482.40%	588.94%	658.44%	401.87%	686.93%	231.94%	250.11%	423.06%	423.67%	423.04%

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
Multiyear Schedule of Employer Contributions
Police Pension Fund - Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 293,854	$ 295,126	$ 249,210	$213,206	$324,111	$292,472	$381,983	$276,619	$238,985	$228,582
Contributions in relation to the actuarially determined contribution	379,253	299,157	249,210	230,100	195,292	341,906	481,355	376,579	201,188	230,493
CONTRIBUTION DEFICIENCY (EXCESS)	($85,399)	($4,031)	$0	($16,894)	$128,819	($49,434)	($99,372)	($99,960)	$37,797	($1,911)
Covered valuation payroll	$ 811,931	$ 786,373	$ 719,963	$697,301	$681,557	$1,194,612	$1,008,537	$847,229	$820,561	$679,411
Contributions as a percentage of covered valuation payroll	46.7%	38.0%	34.6%	33.0%	28.7%	28.6%	47.7%	44.5%	24.5%	33.9%

Notes to Schedule of Employer Contributions

The actuarially determine contribution shown above for the current year is the alternative contribution form the May 1, 2023 Actuarial Valuation completed by Lauterbach & Amen, LLP for the December 2023 tax levy, if applicable. The methods and assumption shown below are based on the same Actuarial Valuation. For more detail on the age-based and service-based rates disclosed below, please see the Actuarial Valuation.

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % Pay (Closed)
Equivalent Single Amortization Period	90% Funded Over 17 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation (CPI-U)	2.25%
Total Payroll Increases	3.25%
Individual Pay Increases	3.50% - 8.99%
Expected Rate of Return on Investments	6.50%
Mortality Rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as described
Retirement Rates	75% of L&A 2020 Illinois Police Retirement Rates Capped at Age 65
Termination Rates	100% of L&A 2020 Police Termination Rates
Disability Rates	100% of L&A 2020 Police Disability Rates

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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money - weighted rate of return, net of investment expense	9.68%	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, 2025

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property taxes	$ 1,336,000	$ 1,418,337	$ (82,337)
Utility tax	250,000	279,369	(29,369)
State sales tax	700,000	870,577	(170,577)
State income taxes	980,000	1,100,793	(120,793)
Local use taxes	270,000	185,759	84,241
Telecommunication taxes	62,000	66,551	(4,551)
Replacement taxes	30,000	11,915	18,085
Hotel/motel taxes	20,000	23,865	(3,865)
State video gaming taxes	80,000	137,144	(57,144)
Liquor license	22,000	21,350	650
Other licenses	4,700	3,935	765
Business annual licenses	4,000	3,650	350
Grants	970,000	442,210	527,790
Donations	-	-	-
Franchise fee	70,000	57,537	12,463
Interest income	180,500	358,221	(177,721)
Miscellaneous	32,000	52,552	(20,552)
Contractor's registration	20,000	24,125	(4,125)
Building permits	60,000	73,123	(13,123)
Zoning fees	6,000	4,835	1,165
Fines and forfeitures	100,200	36,945	63,255
Impound fee	6,000	21,620	(15,620)
Reimbursements	184,500	246,550	(62,050)
Total revenues	5,387,900	5,440,963	(53,063)
EXPENDITURES			
Administrative			
Salary and benefits	470,000	369,832	100,168
Professional development	-	1,142	(1,142)
Professional services	96,500	87,080	9,420
Utilities - telephone	8,000	8,899	(899)
Utilities - gas/electric	15,000	7,574	7,426
Postage printing and supplies	31,700	14,100	17,600
Ordinance codification	-	-	-
Claypool drainage	1,800	1,560	240
Donations	1,500	82	1,418

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, 2025

	Original and Final Budget	Actual	(Over) Under Budget
Maintenance	$ 13,500	$ 13,533	$ (33)
Operating supplies and expenses	46,500	65,468	(18,968)
Grant expenses	830,000	222,512	607,488
Marketing and promotional items	500	859	(359)
Equipment	297,000	79,223	217,777
Development			
Salary and benefits	61,200	79,699	(18,499)
Professional services	175,000	150,978	24,022
Utilities - telephone	-	-	-
Postage printing and supplies	3,000	1,843	1,157
Equipment	500	325	175
Operating supplies and expenses	600	301	299
Police protection			
Salary and benefits	1,797,000	1,907,309	(110,309)
Pension contributions	374,143	379,204	(5,061)
Professional development	39,000	29,287	9,713
Uniforms	12,200	9,575	2,625
Professional services	234,500	260,773	(26,273)
Utilities - telephone	15,000	16,859	(1,859)
Maintenance	48,000	50,106	(2,106)
Postage printing and supplies	6,100	5,225	875
Operating supplies and expenses	16,000	22,542	(6,542)
Equipment	50,500	43,882	6,618
Fuel	61,000	48,026	12,974
Street			
Salary and benefits	313,600	333,544	(19,944)
Professional development	500	1,694	(1,194)
Professional services	44,300	100,387	(56,087)
Utilities - telephone	7,000	3,738	3,262
Maintenance	36,000	50,658	(14,658)
Fuel	30,000	21,749	8,251
Postage printing and supplies	10,100	11,776	(1,676)
Street construction	150,000	24,866	125,134
Equipment	86,000	29,753	56,247
Operating supplies and expenses	1,500	2,442	(942)
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, 2025

	Original and Final Budget	Actual	(Over) Under Budget
Railroad depot	$ 400	$ 1,298	$ (898)
Food pantry	1,500	275	1,225
Route 66 park	200	494	(294)
American legion	100	-	100
Debt service			
Principal payment	-	3,192	(3,192)
Interest and fiscal charges	-	176	(176)
Capital outlay	-	644,885	(644,885)
Total expenditures	5,387,193	5,108,725	278,468
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	707	332,238	(331,531)
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Transfer out	-	(38,840)	38,840
Total other financing sources (uses)	-	(38,840)	38,840
NET CHANGE IN FUND BALANCE	$ 707	293,398	$ (292,691)
FUND BALANCE, Beginning of year		3,332,219	
FUND BALANCE, End of year		$ 3,625,617	

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. The City does not prepare budgets for the following funds: Debt Service, Bauer & D'Orazio Development, and Police Forfeiture.

Note 2: Excess of Disbursements Over Appropriations

The City did not have any major funds with expenditures exceeding appropriations for fiscal year 2025.

Note 3: Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2024 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 2024 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): 19-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer were financed over 25 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, 2022 actuarial valuation.*

Supplementary Information

City of Braidwood, Illinois

Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended April 30, 2025

	Motor Fuel Tax	Debt Service	FICA and Medicare	Audit	Illinois Municipal Retirement	Liability Insurance	TIF #3	Bauer & D'Orazio Development	Police Forfeiture	Total Nonmajor Funds
ASSETS										
Cash and cash equivalents	$ 1,584,603	$ -	$ -	$ -	$ -	$ -	$ 668,085	$ -	$ 203,933	$ 2,456,621
Property tax receivable	-	-	174,452	19,664	48,067	280,838	449,609	-	-	972,630
Accounts receivable	53,796	-	-	-	-	-	-	-	-	53,796
Notes receivable	-	230,154	-	-	-	-	-	-	-	230,154
Prepaid items	-	-	-	-	-	122,661	-	-	-	122,661
Due from other funds	395,236	-	-	-	244,747	187,531	678,259	-	-	1,505,773
Total assets	$ 2,033,635	$ 230,154	$ 174,452	$ 19,664	$ 292,814	$ 591,030	$ 1,795,953	$ -	$ 203,933	$ 5,341,635
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Due to other funds	$ 260,350	$ 47,688	$ 69,564	$ 17,429	$ -	$ -	$ -	$ -	$ -	$ 395,031
Accounts payable	10,135	-	-	-	-	-	-	-	-	10,135
Accrued payroll and related liabilities	-	-	4,427	-	175	-	-	-	-	4,602
Total liabilities	270,485	47,688	73,991	17,429	175	-	-	-	-	409,768
Deferred inflows of resources:										
Unavailable property taxes	-	-	174,452	19,664	48,067	280,838	449,609	-	-	972,630
Unavailable revenues	-	230,154	-	-	-	-	-	-	-	230,154
Total deferred inflows of resources	-	230,154	174,452	19,664	48,067	280,838	449,609	-	-	1,202,784
Fund balance:										
Nonspendable:										
Prepaid items	-	-	-	-	-	122,661	-	-	-	122,661
Restricted:										
Economic development	-	-	-	-	-	-	1,346,344	-	-	1,346,344
Employee benefits	-	-	-	-	244,572	-	-	-	-	244,572
Highway and streets	1,763,150	-	-	-	-	-	-	-	-	1,763,150
Public safety	-	-	-	-	-	-	-	-	203,933	203,933
General	-	-	-	-	-	187,531	-	-	-	187,531
Unassigned (deficit)	-	(47,688)	(73,991)	(17,429)	-	-	-	-	-	(139,108)
Total fund balances (deficit)	1,763,150	(47,688)	(73,991)	(17,429)	244,572	310,192	1,346,344	-	203,933	3,729,083
Total liabilities, deferred inflows of resources and fund balances	$ 2,033,635	$ 230,154	$ 174,452	$ 19,664	$ 292,814	$ 591,030	$ 1,795,953	$ -	$ 203,933	$ 5,341,635

City of Braidwood, Illinois

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds
For the Year Ended April 30, 2025

	Motor Fuel Tax	Debt Service	FICA and Medicare	Audit	Illinois Municipal Retirement	Liability Insurance	TIF #3	Bauer & D'Orazio Development	Police Forfeiture	Total Nonmajor Funds
REVENUES										
Property taxes	$ -	$ 345,831	$ 166,579	$ 18,678	$ 45,934	$ 279,603	$ 335,059	$ -	$ -	$ 1,191,684
Intergovernment revenues	279,960	-	-	-	-	-	-	-	-	279,960
Grants and donations	-	-	-	-	-	-	-	-	-	-
Fine and forfeitures	-	-	-	-	-	-	-	-	169,969	169,969
Investment income	-	41,609	-	-	-	-	24,338	-	-	65,947
Total revenues	279,960	387,440	166,579	18,678	45,934	279,603	359,397	-	169,969	1,707,560
EXPENDITURES										
Current:										
General government	-	-	58,509	40,700	6,173	181,308	210,029	-	-	496,719
Public safety	-	-	122,652	-	835	-	-	-	202,664	326,151
Highways and Streets	176,772	-	18,309	-	2,085	-	-	-	-	197,166
Debt service	-	158,153	-	-	-	-	-	-	-	158,153
Capital outlay	-	-	-	-	-	-	-	-	91,118	91,118
Total expenditures	176,772	158,153	199,470	40,700	9,093	181,308	210,029	-	293,782	1,269,307
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	103,188	229,287	(32,891)	(22,022)	36,841	98,295	149,368	-	(123,813)	438,253
OTHER FINANCING SOURCES (USES)										
Transfer in	38,840	-	-	-	-	-	-	-	-	38,840
Transfer out	-	-	-	-	-	-	-	-	-	-
Gain (loss) sale of assets	-	-	-	-	-	-	-	-	-	-
Proceeds from debt	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	38,840	-	-	-	-	-	-	-	-	38,840
NET CHANGE IN FUND BALANCES	142,028	229,287	(32,891)	(22,022)	36,841	98,295	149,368	-	(123,813)	477,093
FUND BALANCE (DEFICIT), Beginning of year as previously reported	1,621,122	-	(41,100)	4,593	207,731	211,897	1,196,976	-	327,746	3,528,965
Change within financial reporting entity (major to nonmajor fund)	-	(276,975)	-	-	-	-	-	-	-	(276,975)
FUND BALANCE (DEFICIT), Beginning of year as restated	1,621,122	(276,975)	(41,100)	4,593	207,731	211,897	1,196,976	-	327,746	3,251,990
FUND BALANCE (DEFICIT), End of year	$ 1,763,150	$ (47,688)	$ (73,991)	$ (17,429)	$ 244,572	$ 310,192	$ 1,346,344	$ -	$ 203,933	$ 3,729,083

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, 2025

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property tax	$ 54,300	$ 45,934	$ 8,366
Total revenues	54,300	45,934	8,366
EXPENDITURES			
IMRF			
Administration	13,000	2,608	10,392
Police protection	4,300	835	3,465
Street	14,000	2,085	11,915
Water and sewer	23,000	3,565	19,435
Total expenditures	54,300	9,093	45,207
NET CHANGE IN FUND BALANCE	$ -	36,841	$ (36,841)
FUND BALANCE, Beginning of year		207,731	
FUND BALANCE, End of year		$ 244,572	

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, 2025

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Taxes:			
Motor fuel	$ 275,000	$ 279,960	$ (4,960)
Grants	-	-	-
Total revenues	275,000	279,960	(4,960)
EXPENDITURES			
Highways and streets			
Engineering	20,000	(5,220)	25,220
Legal	750	-	750
Street maintenance	451,000	8,041	442,959
Utilities	90,000	100,574	(10,574)
Rock salt	85,000	57,878	27,122
Miscellaneous	24,250	15,499	8,751
Total expenditures	671,000	176,772	494,228
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(396,000)	103,188	(499,188)
OTHER FINANCING SOURCES (USES)			
Transfer in	-	38,840	(38,840)
Total other financing sources (uses)	-	38,840	(38,840)
NET CHANGE IN FUND BALANCE	$ (396,000)	142,028	$ (538,028)
FUND BALANCE, Beginning of year		1,621,122	
FUND BALANCE, End of year		$ 1,763,150	

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, 2025

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property tax	$ 178,600	$ 166,579	$ 12,021
Total revenues	178,600	166,579	12,021
EXPENDITURES			
FICA			
Administration	20,000	20,896	(896)
Development	100	166	(66)
Police protection	90,400	99,512	(9,112)
Street	20,000	14,874	5,126
Water and sewer	25,000	26,248	(1,248)
Medicare			
Administration	5,000	5,021	(21)
Development	100	39	61
Police protection	25,100	23,140	1,960
Street	5,000	3,435	1,565
Water and sewer	7,000	6,139	861
Total expenditures	197,700	199,470	(1,770)
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total Transfers	-	-	-
NET CHANGE IN FUND BALANCE	$ (19,100)	(32,891)	$ 13,791
FUND BALANCE (DEFICIT), Beginning of year		(41,100)	
FUND BALANCE (DEFICIT), End of year		$ (73,991)	

City of Braidwood, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Audit Fund
For the Year Ended April 30, 2025

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property taxes	$ 22,200	$ 18,678	$ 3,522
Total revenues	22,200	18,678	3,522
EXPENDITURES			
General government			
Audit services	40,000	40,700	(700)
Total expenditures	40,000	40,700	(700)
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total Transfers	-	-	-
NET CHANGE IN FUND BALANCES	$ (17,800)	(22,022)	$ 4,222
FUND BALANCE (DEFICIT), Beginning of year		4,593	
FUND BALANCE, End of year		$ (17,429)	

City of Braidwood, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Liability Insurance
For the Year Ended April 30, 2025

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Property taxes	$ 282,000	$ 279,603	$ 2,397
Total revenues	282,000	279,603	2,397
EXPENDITURES			
General government	282,000	181,308	100,692
Total expenditures	282,000	181,308	100,692
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total Transfers	-	-	-
NET CHANGE IN FUND BALANCES	$ -	98,295	$ (98,295)
FUND BALANCE, Beginning of year		211,897	
FUND BALANCE, End of year		$ 310,192	

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, 2025

	Original and Final Budget	Actual	(Over) Under Budget
REVENUES			
Taxes	$ 330,000	$ 335,059	$ (5,059)
Investment income	30,000	24,338	5,662
Total revenues	360,000	359,397	603
EXPENDITURES			
Current:			
General government			
Contractual services	360,000	210,029	149,971
Capital outlay	-	-	-
Total expenditures	360,000	210,029	149,971
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	149,368	(149,368)
OTHER FINANCING SOURCES (USES)			
Gain (loss) sale of assets	-	-	-
NET CHANGE IN FUND BALANCE	$ -	149,368	$ (149,368)
FUND BALANCE, Beginning of year		1,196,976	
FUND BALANCE, End of year		$ 1,346,344	

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, 2025

	Original and Final Budget	Actual	(Over) Under Budget
OPERATING REVENUES			
Water	$ 844,000	$ 1,010,688	$ (166,688)
Water capacity fees	7,000	10,000.00	(3,000)
Water meters	10,000	12,000	(2,000)
Water shutoffs	6,000	7,425	(1,425)
Sewer	1,800,000	1,904,918	(104,918)
Sewer permits	400	600	(200)
Sewer capacity fees	24,000	35,875	(11,875)
Sewer disposal fees	205,000	188,686	16,314
Garbage collection fees	720,000	741,233	(21,233)
Penalties	80,000	73,920	6,080
Capital contribution	-	287,500	(287,500)
Miscellaneous revenue	19,200	48,542	(29,342)
Total revenues	3,715,600	4,321,387	(605,787)
OPERATING EXPENSES			
Salary and benefits	635,000	561,996	73,004
Pension expense	60,000	73,714	(13,714)
Contractual	600,000	594,327	5,673
Utilities	360,000	431,017	(71,017)
Maintenance	94,500	78,663	15,837
Professional fees	129,000	214,958	(85,958)
Depreciation	865,600	845,037	20,563
IEPA annual fees	17,500	17,500	-
Liability insurance	120,000	60,436	59,564
Postage, printing, supplies, etc.	31,000	23,866	7,134
Fuel-gasoline	10,000	7,850	2,150
Equipment and tools	85,000	49,950	35,050
Chemicals, sand, salt, and water testing	308,500	293,531	14,969
Repairs and install costs - water meters	270,000	313,536	(43,536)
General	19,500	9,692	9,808
Total expenses	3,605,600	3,576,073	29,527
OPERATING INCOME (LOSS)	110,000	745,314	(635,314)
NON-OPERATING REVENUES (EXPENSES)			
Interest expense	(110,000)	(68,057)	(41,943)
Total non-operating revenues (expenses)	(110,000)	(68,057)	(41,943)
NET INCOME (LOSS) BEFORE TRANSFERS	-	677,257	(677,257)
TRANSFERS			
Transfer out	-	-	-
Total transfers	-	-	-
NET CHANGE IN NET POSITION	$ -	677,257	$ (677,257)
NET POSITION, Beginning of year		25,375,624	
NET POSITION, End of year		$ 26,052,881	

City of Braidwood, Illinois

Schedule of Legal Debt Margin

For the Year Ended April 30, 2025

Assessed valuation - 2024 tax year		$ 168,448,895
Statutory debt limitation (8.625% of assessed valuation)		$ 14,528,717
Debt:		
Lease obligations	900	
2022 Debt Certificates	1,542,683	
Total Debt		1,543,583
Legal debt margin		$ 12,985,134

Compliance Section

WIPFLI

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 Commissioners
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 the City of Braidwood, Illinois (the "City"), as of and for the year ended April 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 13, 2026. 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 the City's 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's 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 the City's 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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP
Sterling, Illinois

July 13, 2026

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