

CITY OF WASHINGTON, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2022

CITY OF WASHINGTON, ILLINOIS

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FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

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INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the City's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

December 2, 2022

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

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 Washington, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Washington, Illinois, as of April 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Washington, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and 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, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WASHINGTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

This Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of the overall financial position and results of operations for the year ended April 30, 2022, for the City of Washington. Please read it in conjunction with the transmittal letter which can be found in the introductory section of this report and the City's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The City's net position increased because of this year's operations. Net position of the governmental activities increased by \$3,564,549, or 7.8 percent, from a restated beginning balance of \$45,596,606. Net position of business-type activities increased by \$717,870, or 1.9 percent, from a beginning restated balance of \$38,635,161.
- During the year, government-wide revenues primary government totaled \$23,593,251, while expenses totaled \$19,310,832, resulting in an increase to net position of \$4,282,419 from a restated beginning balance of \$84,231,767.
- The City's net position totaled \$88,514,186 on April 30, 2022, which includes \$61,253,354 net investment in capital assets, \$5,535,430 subject to external restrictions, and \$21,725,402 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,453,582, and total unassigned fund balance of \$14,073,113 or 72.3 percent of the total fund balance amount is available for spending at the City's discretion.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements can be found in the financial section of this report. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City's finances, in a matter similar to a private-sector business. The government wide financial statements which can be found in the financial section of this report.

The Statement of Net Position reports information on all of the City's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, is needed to assess the overall health of the City.

Management's Discussion and Analysis

April 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Government-Wide Financial Statements - Continued

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).

Both of 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, highways and streets, and cemetery. The business-type activities of the City include waterworks and sewerage.

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 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 funds, proprietary funds, 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, 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 fiscal year. Such information may be useful in evaluating the City'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 the comparison between governmental funds and governmental activities.

The City maintains seventeen individual governmental funds. 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 Fund, which is considered a major fund. Data from the other seventeen governmental funds are combined into a single, aggregated 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 Rural Business Development Grant Fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

CITY OF WASHINGTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Proprietary Funds

The City maintains two proprietary fund types: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes enterprise funds to account for its water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The City uses internal service funds to account for its health plan, maintenance, repairs, and capital equipment. These services predominantly benefit governmental rather than business-type functions, and therefore, has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements 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 Waterworks and Sewerage Funds, which are considered to be major funds of the City. Conversely, the internal service fund is presented in the proprietary fund financial statements in a single column. Individual fund data for the internal service fund is provided elsewhere in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 accounting use for fiduciary funds is much like that used for proprietary 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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's I.M.R.F. and police employee pension obligations, other post-employment benefit obligations and budgetary comparison schedules for the General Fund and major special revenue funds.

CITY OF WASHINGTON, ILLINOIS

Management’s Discussion and Analysis

April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table represents the net position as of April 30, 2022. Net position serves over time as a useful indicator of a government’s financial position. The following tables show that assets/deferred outflows exceeded liabilities/deferred inflows by \$88,514,186.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	Activities	Activities
	2022	2021	2022	2021	2022	2021
Current Assets	\$ 29,703,604	25,698,620	11,932,087	14,386,626	41,635,691	40,085,246
Capital Assets	36,128,790	34,286,214	34,990,343	34,565,743	71,119,133	68,851,957
Other Assets	448,461	—	—	—	448,461	—
Total Assets	66,280,855	59,984,834	46,922,430	48,952,369	113,203,285	108,937,203
Deferred Outflows	1,960,256	1,723,489	—	—	1,960,256	1,723,489
Total Assets/Deferred Outflows	68,241,111	61,708,323	46,922,430	48,952,369	115,163,541	110,660,692
Long-Term Liabilities	10,861,020	12,658,647	6,141,000	7,546,246	17,002,020	20,204,893
Other Liabilities	1,256,398	1,400,680	1,428,399	1,210,715	2,684,797	2,611,395
Total Liabilities	12,117,418	14,059,327	7,569,399	8,756,961	19,686,817	22,816,288
Deferred Inflows	6,962,538	859,850	—	—	6,962,538	859,850
Total Liabilities/Deferred Inflows	19,079,956	14,919,177	7,569,399	8,756,961	26,649,355	23,676,138
Net Position						
Net Investment in Capital Assets	33,057,287	30,858,061	28,196,067	27,019,497	61,253,354	57,877,558
Restricted	4,824,890	3,642,980	710,540	710,540	5,535,430	4,353,520
Unrestricted	11,278,978	12,288,105	10,446,424	12,465,371	21,725,402	24,753,476
Total Net Position	49,161,155	46,789,146	39,353,031	40,195,408	88,514,186	86,984,554

A large portion of the City’s net position, \$61,253,354 or 69.2 percent, reflects its investment in capital assets (for example, land, construction in progress, land improvements, buildings, infrastructure, water and sewer systems, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$5,535,430 or 6.3 percent, of the City’s net position represents resources that are subject to external restrictions on how they may be used. The remaining 24.5 percent, or \$21,725,402, represents unrestricted net assets and may be used to meet the government’s ongoing obligations to citizens and creditors.

CITY OF WASHINGTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2022	2021
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 1,909,247	950,123	6,134,935	5,126,668	8,044,182	6,076,791
Operating Grants/Contributions	1,181,031	1,700,118	—	2,526	1,181,031	1,702,644
Capital Grants/Contributions	403,279	312,851	—	—	403,279	312,851
General Revenues						
Property Taxes	1,988,308	2,030,669	—	—	1,988,308	2,030,669
Intergovernmental	6,501,761	5,449,535	—	—	6,501,761	5,449,535
Other Taxes	4,983,509	4,436,507	—	—	4,983,509	4,436,507
Other General Revenues	508,326	426,658	(17,145)	177,079	491,181	603,737
Total Revenues	17,475,461	15,306,461	6,117,790	5,306,273	23,593,251	20,612,734
Expenses						
General Government	2,338,379	1,136,063	—	—	2,338,379	1,136,063
Public Safety	7,014,877	5,881,489	—	—	7,014,877	5,881,489
Highways and Streets	4,421,468	3,673,723	—	—	4,421,468	3,673,723
Cemetery	82,905	109,754	—	—	82,905	109,754
Interest on Long-Term Debt	53,283	71,258	—	—	53,283	71,258
Waterworks	—	—	2,014,211	1,891,383	2,014,211	1,891,383
Sewerage	—	—	3,385,709	2,245,913	3,385,709	2,245,913
Total Expenses	13,910,912	10,872,287	5,399,920	4,137,296	19,310,832	15,009,583
Change in Net Position						
Before Transfers	3,564,549	4,434,174	717,870	1,168,977	4,282,419	5,603,151
Transfers	—	147,208	—	(147,208)	—	—
Change in Net Position	3,564,549	4,581,382	717,870	1,021,769	4,282,419	5,603,151
Fund Balance - Beginning as Restated	45,596,606	42,207,764	38,635,161	39,173,639	84,231,767	81,381,403
Net Position - Ending	49,161,155	46,789,146	39,353,031	40,195,408	88,514,186	86,984,554

CITY OF WASHINGTON, ILLINOIS

Management’s Discussion and Analysis

April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Net position of the City’s governmental activities increased by 7.8 percent (\$49,161,155 in 2022 compared to \$45,596,606 in 2021, as restated).

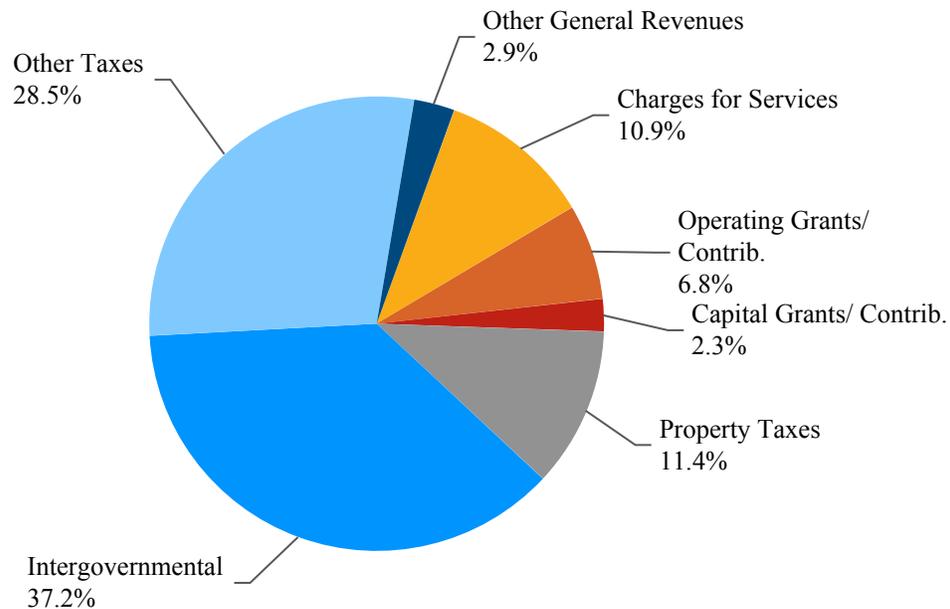
Net position of business-type activities increased by 1.9 percent (\$39,353,031 in 2022 compared to \$38,635,161 in 2021, as restated).

Governmental Activities

Revenues for governmental activities totaled \$17,475,461, while the cost of all governmental functions totaled \$13,910,912. This results in a surplus of \$3,564,549. In 2021, revenues of \$15,306,461 exceeded expenses of \$10,872,287, resulting in a surplus of \$4,434,174 prior to transfers in of \$147,208. The increase in the current year is due to increases in state shared revenues and personal property replacement taxes.

The following table graphically depicts the major revenue sources of the City. It depicts very clearly the reliance of intergovernmental revenues as well as property and other taxes. It also clearly identifies the less significant percentage the City receives from charges for services.

Revenue by Source - Governmental Activities



CITY OF WASHINGTON, ILLINOIS

Management’s Discussion and Analysis

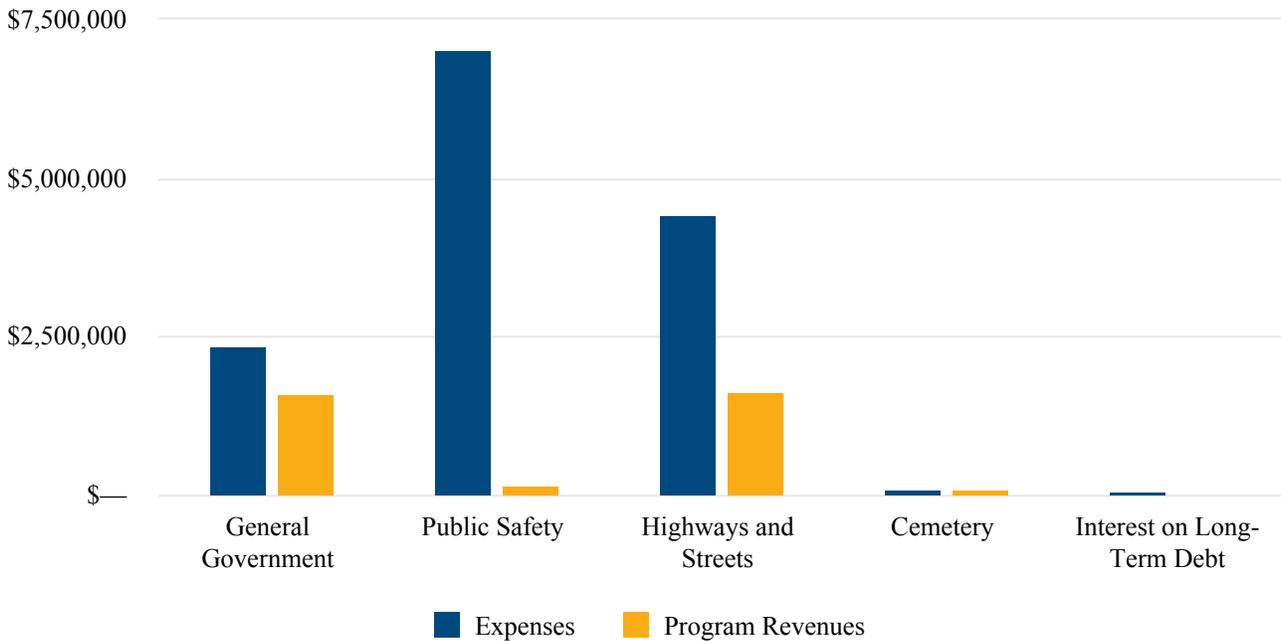
April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed revenues.

Expenses and Program Revenues - Governmental Activities



As depicted in the chart above, general government, public safety, highways and streets, and cemetery expenses exceed any directly allocated revenues. Unlike the Waterworks and Sewerage Funds that is supported by user fees, these activities are substantially tax supported.

Business-Type Activities

Business-Type activities posted total revenues of \$6,117,790, while the cost of all business-type activities totaled \$5,399,920. This results in a surplus of \$717,870. In 2021, revenues of \$5,306,273 exceeded expenses of \$4,137,296, resulting in a surplus of \$1,168,977 prior to transfers out of \$147,208. The increase in the current year is due to charges for services in the Sewerage Fund exceeding budgetary expectations, and expenses in the Waterworks and Sewerage Funds both coming in under budget for the year. Also, the City did not transfer any funds in 2022 from the business-type activities to the governmental activities.

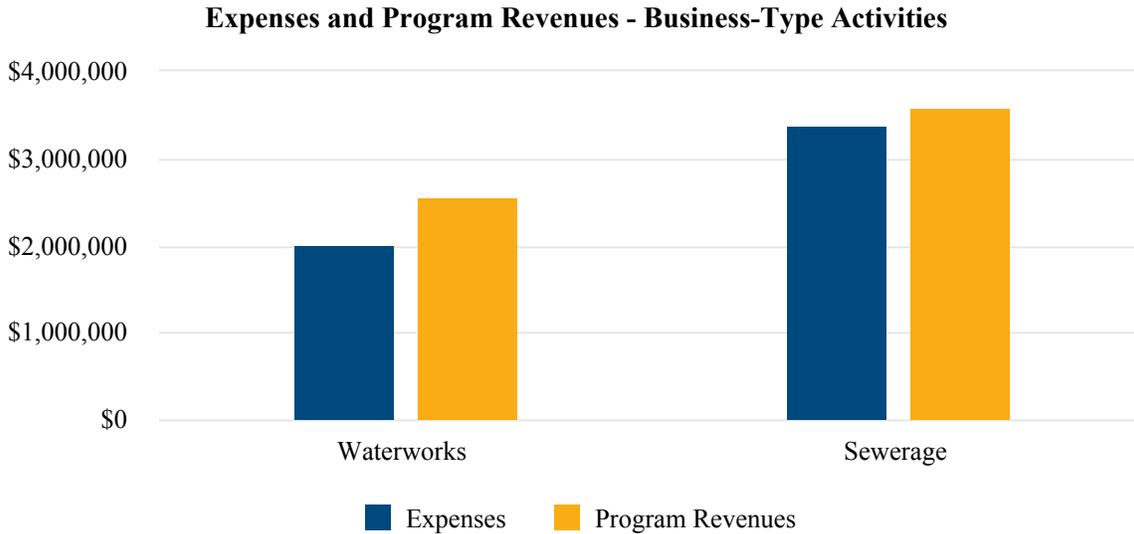
CITY OF WASHINGTON, ILLINOIS

Management’s Discussion and Analysis

April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Business-Type Activities - Continued



The above graph compares program revenues to expenses for the water and sewer operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT’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. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The City’s governmental funds reported combining ending fund balances of \$19,453,582, which is \$1,182,407, or 6.5 percent, higher than last year’s total of \$18,271,175. Of the \$19,453,582 total, \$14,073,113, or 72.3 percent, constitutes unassigned fund balance.

The General Fund is the chief operating fund of the City and reported an increase in fund balance for the year of \$1,034,744, which is an increase of 7.5 percent from a beginning balance of \$13,781,370. This increase is due to state shared revenues including sales, home rule sales taxes, and income taxes coming in over budget, and expenditures coming in under budget due to cost controlling measures across all departments during the year.

Unassigned fund balance in the General Fund was \$14,163,059, which represents 95.6 percent of the total fund balance of the General Fund. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 127.2 percent of total General Fund expenditures.

CITY OF WASHINGTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Proprietary Funds

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

The City reports the Waterworks and Sewerage Funds as major proprietary funds. The Waterworks and Sewerage Funds account for all financial activities associated with the municipal water and sewer service. Fees from consumption of water, tap on fees, and sewer services from building activities provide the primary source of revenue for these funds. Revenues are used to purchase water and to maintain the water and sewer delivery infrastructure.

The City intends to run the funds at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects.

The Waterworks Fund reported an increase of \$547,995 from a beginning balance of \$13,052,363. Prior year's operations resulted in a surplus of \$422,221. Unrestricted net position in the Waterworks Fund totaled \$2,596,656 at April 30, 2022. The current year surplus is due to expenses in all categories except depreciation expense coming in under budget, which resulted in operating income of \$534,779.

The Sewerage Fund reported an increase of \$169,875 from a beginning balance of \$25,582,798. Prior year's operations resulted in a surplus of \$419,814. Unrestricted net position in the Sewerage Fund totaled \$7,849,768 at April 30, 2022. The current year surplus is due to charges for services exceeding budget by \$167,954, which helped to provide operating income of \$200,236.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council made a budget amendment to the General Fund during the year. General Fund actual revenues for the year totaled \$14,212,009, compared to budgeted revenues of \$13,342,746. Revenues for all functions except licenses and permits, charges for services, fines and forfeitures and interest income were higher than budgeted.

General Fund actual expenditures for the year were \$1,023,973 lower than budgeted (\$11,134,401 actual compared to \$12,158,374 budgeted) due to cost controlling measures during the year and capital outlay costs coming in under budget by \$341,233.

CITY OF WASHINGTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of April 30, 2022 was \$71,119,133 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, infrastructure, water and sewer systems, equipment, and vehicles.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2022	2021
	2022	2021	2022	2021	2022	2021
Land	\$ 4,965,000	4,965,000	204,676	204,676	5,169,676	5,169,676
Construction in Progress	2,841,232	3,214,602	1,695,943	1,756,553	4,537,175	4,971,155
Land Improvements	760,476	697,112	—	—	760,476	697,112
Buildings	3,410,368	3,429,068	—	—	3,410,368	3,429,068
Infrastructure	20,850,714	19,563,270	—	—	20,850,714	19,563,270
Water System	—	—	9,676,685	9,518,165	9,676,685	9,518,165
Sewer System	—	—	21,598,756	21,211,615	21,598,756	21,211,615
Equipment and Vehicles	2,845,404	2,417,162	1,814,283	1,874,734	4,659,687	4,291,896
Intangible Assets - Vehicles	455,596	—	—	—	455,596	—
Totals	36,128,790	34,286,214	34,990,343	34,565,743	71,119,133	68,851,957

This year's major additions included:

Construction in Progress	\$ 2,579,203
Land Improvements	89,550
Buildings	93,000
Infrastructure	1,475,656
Water System	690,522
Sewer System	153,000
Equipment and Vehicles	926,889
Intangible Assets - Vehicles	497,171
	<u>6,504,991</u>

Additional information on the City's capital assets can be found in Note 3 of this report.

CITY OF WASHINGTON, ILLINOIS

Management’s Discussion and Analysis

April 30, 2022

DEBT ADMINISTRATION

As of April 30, 2022, the City had total outstanding debt of \$9,865,779 as compared to \$10,397,453 the previous year, a decrease of 5.1 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Promissory Notes	\$ 2,589,905	2,879,905	1,072,091	1,302,354	3,661,996	4,182,259
Leases Payable	481,598	23,302	—	—	481,598	23,302
IEPA Loans Payable	—	—	5,722,185	6,191,892	5,722,185	6,191,892
	<u>3,071,503</u>	<u>2,903,207</u>	<u>6,794,276</u>	<u>7,494,246</u>	<u>9,865,779</u>	<u>10,397,453</u>

As a home-rule unit, no legal limit exists on the amount of outstanding debt. Additional information on the City's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The national economy is still rebounding from the effects of the COVID-19 pandemic; however rising inflation continues to be a concern. As more and more Americans have become vaccinated, retail sales have continued to improve. In addition, the legislation allowing for sales tax on internet sales has also been a positive impact for home rule sales tax. Municipal sales tax and home rule sales tax recorded growth of 7.9% and 14.5%, respectively over the prior year and these trends are expected to continue into next budget year. Unemployment rates also showed improvement with the state unemployment rate at 4.6% in April 2022 compared to 5.3% in April 2021 and 15.1% in April 2020. Grants including the Local Coronavirus Urgent Remediation Emergency (CURE) and the American Rescue Plan Act (ARPA) have been instrumental in providing funding to offset costs both directly and indirectly related to the pandemic as well as support other economic development and capital initiatives.

Legislative action in an attempt to ease the state’s budgetary problems has been enacted in recent years, including increases to the state Motor Fuel Tax. The annual MFT collection expanded because of the increase in the overall tax rate and additional revenue from the Build Illinois Bond Funds. Because both taxes are unstable and tied to the local economy, it is difficult to project long-term impact. In addition, an ordinance was approved to increase the Home Rule Sales Tax to 1.75% for a total tax rate of 8.5% effective July 1, 2018. This additional revenue continues to be targeted for street infrastructure improvements. In early 2019, the City Council adopted a Utility Rate Study which provided for a graduated increase in the Sewer and Water Rates, including additional fixed fees. These increased funds are also targeted to allow utility replacements along with the street improvements. The 2020 Census resulted in a population of 16,071 slightly less than the 16,566 from the 2017-18 Special Census. This reduction in revenue will have an impact on per capital intergovernmental revenues such as income tax for the next decade.

CITY OF WASHINGTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - Continued

Capital spending is anticipated to increase in future years in conjunction with the implementation of a long-range capital investment strategy. The City Council conducted a work session in November 2019 which included goal setting and top priorities for future years which included designating future budgets to specific initiatives. This includes Washington 223, Business Rte. 24 and other key economic development initiatives.

Personnel costs account for about one-third of total budgeted expenditures. These expenses present steady upward pressure on the City's budget from year to year. In addition to continuing focus on wellness initiatives, the City joined a municipal pool for health insurance in 2017 in an effort to contain costs. The change to the pool has provided stability and has resulted in an overall premium decrease of 7.1% over the last five years. Pension costs continue to have an impact on the City's long-term obligations. Police pension costs continue to increase as changes to the actuarial and market returns are not keeping pace with the long-term obligations. State-mandated consolidation of pension fund investments has begun and is targeted to be complete by mid-2022. It is yet to be seen whether this will bring a positive or negative local impact; however, with the Fund still slightly under the \$10M mark, the increased ability to invest in equities on a state-wide basis is anticipated to result in improved investment performance.

The City's near-term financial well-being remains directly dependent on the sustained growth of the City's key sources of revenue: sales tax, income tax, and water and sewer user fees. Development of Washington 223 and continued commercial growth is essential to the City's long-term financial well-being. Income tax revenue is largely dependent on the overall health of the state and national economy and the preservation of the current state distribution formula to municipalities. Although property taxes account for a comparatively small portion of total City revenue, growth in the City's assessed valuation is still important to meet future fire protection/ambulance, pension and liability insurance expenses as well as potential funding for transportation and/or stormwater initiatives as these costs are largely funded through property taxes. Sustained building activity is essential to the growth of the local property tax base. The City has seen increased investment with new residential, industrial and commercial construction. However, the overall Equalized Assessed Value (EAV) has remained relatively flat. Several new projects have been completed this past fiscal year or will commence during next budget year, which should continue to improve or preserve the EAV. Included among these is a gas station and convenience store development on Business Route 24 and the first phase of a mixed-use development near the intersection of N. Cummings Lane and Freedom Parkway. Plans to extend the TIF district thereby continuing to provide funds for downtown development opportunities into the future are underway as well as potential development for the Washington 223 property.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, customers, investors, and creditors and for all those with an interest in the government's finances, a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the City Hall at 301 Walnut Street, Washington, IL 61571, (309) 444-3196 to the attention of Mrs. Joanie Baxter, Washington Finance Director (jbaxter@ci.washington.il.us).

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

- Governmental Funds
- Proprietary Funds
- Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF WASHINGTON, ILLINOIS

Statement of Net Position

April 30, 2022

See Following Page

CITY OF WASHINGTON, ILLINOIS

Statement of Net Position

April 30, 2022

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 23,547,858	11,390,874	34,938,732
Receivables - Net of Allowances	5,701,063	531,689	6,232,752
Due from Other Governments	208,060	—	208,060
Internal Balances	3,694	(3,694)	—
Prepays	180,742	13,218	193,960
Inventories	62,187	—	62,187
Total Current Assets	<u>29,703,604</u>	<u>11,932,087</u>	<u>41,635,691</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	7,806,232	1,900,619	9,706,851
Depreciable	58,153,712	58,777,601	116,931,313
Accumulated Depreciation	<u>(29,831,154)</u>	<u>(25,687,877)</u>	<u>(55,519,031)</u>
Total Capital Assets	<u>36,128,790</u>	<u>34,990,343</u>	<u>71,119,133</u>
Other Assets			
Net Pension Asset - IMRF	448,461	—	448,461
Total Noncurrent Assets	<u>36,577,251</u>	<u>34,990,343</u>	<u>71,567,594</u>
Total Assets	<u>66,280,855</u>	<u>46,922,430</u>	<u>113,203,285</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	647,244	—	647,244
Deferred Items - Police Pension	1,313,012	—	1,313,012
Total Deferred Outflows of Resources	<u>1,960,256</u>	<u>—</u>	<u>1,960,256</u>
Total Assets and Deferred Outflows of Resources	<u>68,241,111</u>	<u>46,922,430</u>	<u>115,163,541</u>

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 708,300	251,118	959,418
Accrued Payroll	65,458	8,943	74,401
Accrued Interest Payable	31,026	20,081	51,107
Deposits	—	425,465	425,465
Other Payables	24,600	—	24,600
Current Portion of Long-Term Debt	427,014	722,792	1,149,806
Total Current Liabilities	<u>1,256,398</u>	<u>1,428,399</u>	<u>2,684,797</u>
Noncurrent Liabilities			
Compensated Absences Payable	472,833	55,613	528,446
Net Pension Liability - Police Pension	5,523,429	—	5,523,429
Total OPEB Liability - RBP	2,177,941	—	2,177,941
Promissory Notes Payable	2,294,905	—	2,294,905
Leases Payable	391,912	836,079	1,227,991
IEPA Loans Payable	—	5,249,308	5,249,308
Total Noncurrent Liabilities	<u>10,861,020</u>	<u>6,141,000</u>	<u>17,002,020</u>
Total Liabilities	<u>12,117,418</u>	<u>7,569,399</u>	<u>19,686,817</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,563,578	—	3,563,578
Other	535,910	—	535,910
Deferred Items - IMRF	2,304,595	—	2,304,595
Deferred Items - Police Pension	558,455	—	558,455
Total Deferred Inflows of Resources	<u>6,962,538</u>	<u>—</u>	<u>6,962,538</u>
Total Liabilities and Deferred Inflows of Resources	<u>19,079,956</u>	<u>7,569,399</u>	<u>26,649,355</u>
NET POSITION			
Net Investment in Capital Assets	33,057,287	28,196,067	61,253,354
Restricted			
Special Police Funds	567,081	—	567,081
Audit	49,308	—	49,308
Motor Fuel Tax	1,950,445	—	1,950,445
Incremental Tax	992,944	—	992,944
Liability Insurance	265,200	—	265,200
Illinois Municipal Retirement	435,297	—	435,297
Rural Development Business Grant	180,339	—	180,339
Social Security and Medicare	384,276	—	384,276
Debt Service	—	710,540	710,540
Unrestricted	<u>11,278,978</u>	<u>10,446,424</u>	<u>21,725,402</u>
Total Net Position	<u>49,161,155</u>	<u>39,353,031</u>	<u>88,514,186</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>68,241,111</u>	<u>46,922,430</u>	<u>115,163,541</u>

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

CITY OF WASHINGTON, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 2,338,379	1,360,163	247,740	—
Public Safety	7,014,877	151,916	—	—
Highways and Streets	4,421,468	295,818	933,291	403,279
Cemetery	82,905	101,350	—	—
Interest on Long-Term Debt	53,283	—	—	—
Total Governmental Activities	13,910,912	1,909,247	1,181,031	403,279
Business-Type Activities				
Waterworks	2,014,211	2,548,990	—	—
Sewerage	3,385,709	3,585,945	—	—
Total Business-Type Activities	5,399,920	6,134,935	—	—
Total Primary Government	19,310,832	8,044,182	1,181,031	403,279

General Revenues

Taxes

Property Tax

Home Rule Sales Tax

Local Use Tax

Other Taxes

Intergovernmental - Unrestricted

Sales Tax

Income Tax

Replacement Tax

Other

Interest Income

Miscellaneous

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net (Expenses)/Revenues		
Governmental Activities	Business-Type Activities	Totals
(730,476)	—	(730,476)
(6,862,961)	—	(6,862,961)
(2,789,080)	—	(2,789,080)
18,445	—	18,445
(53,283)	—	(53,283)
(10,417,355)	—	(10,417,355)
—	534,779	534,779
—	200,236	200,236
—	735,015	735,015
(10,417,355)	735,015	(9,682,340)
1,988,308	—	1,988,308
3,915,893	—	3,915,893
625,693	—	625,693
441,923	—	441,923
3,615,305	—	3,615,305
2,585,580	—	2,585,580
156,125	—	156,125
144,751	—	144,751
58,331	(53,538)	4,793
449,995	36,393	486,388
13,981,904	(17,145)	13,964,759
3,564,549	717,870	4,282,419
45,596,606	38,635,161	84,231,767
49,161,155	39,353,031	88,514,186

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

CITY OF WASHINGTON, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2022

	General	Nonmajor	Totals
ASSETS			
Cash and Investments	\$ 13,589,632	4,759,050	18,348,682
Receivables - Net of Allowances			
Taxes	3,849,534	1,089,455	4,938,989
Accounts	111,973	40,365	152,338
Interest	1,785	—	1,785
Other	926	586,678	587,604
Due from Other Governments	143,332	64,728	208,060
Due from Other Funds	9,576	—	9,576
Prepays	23,787	13,907	37,694
Inventories	62,187	—	62,187
Total Assets	<u>17,792,732</u>	<u>6,554,183</u>	<u>24,346,915</u>
LIABILITIES			
Accounts Payable	405,548	256,052	661,600
Accrued Payroll	73,167	31,403	104,570
Due to Other Funds	—	3,075	3,075
Other Payables	24,600	—	24,600
Total Liabilities	<u>503,315</u>	<u>290,530</u>	<u>793,845</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,473,303	1,090,275	3,563,578
Other	—	535,910	535,910
Total Deferred Inflows of Resources	<u>2,473,303</u>	<u>1,626,185</u>	<u>4,099,488</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,976,618</u>	<u>1,916,715</u>	<u>4,893,333</u>
FUND BALANCES			
Nonspendable	85,974	13,907	99,881
Restricted	567,081	4,257,809	4,824,890
Assigned	—	455,698	455,698
Unassigned	14,163,059	(89,946)	14,073,113
Total Fund Balances	<u>14,816,114</u>	<u>4,637,468</u>	<u>19,453,582</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>17,792,732</u>	<u>6,554,183</u>	<u>24,346,915</u>

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

CITY OF WASHINGTON, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2022

Total Governmental Fund Balances	\$ 19,453,582
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	36,128,790
Less: Internal Service Capital Assets	(2,414,381)
A net pension asset is not considered to represent a financial resources and therefore is not reported in the funds.	
Net Pension Asset - IMRF	448,461
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(1,657,351)
Deferred Items - Police Pension	754,557
Internal service funds are used by the City to charge the costs of vehicle and equipment management and employee compensated absences to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position	7,252,063
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(463,291)
Net Pension Liability - Police Pension	(5,523,429)
Total OPEB Liability - RBP	(2,177,941)
Promissory Notes Payable	(2,589,905)
Capital Leases Payable	(18,974)
Accrued Interest Payable	(31,026)
Net Position of Governmental Activities	<u>49,161,155</u>

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

CITY OF WASHINGTON, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2022**

	General	Nonmajor	Totals
Revenues			
Taxes	\$ 5,898,843	1,072,974	6,971,817
Intergovernmental	6,713,960	1,372,111	8,086,071
Licenses and Permits	450,959	—	450,959
Charges for Services	509,394	796,978	1,306,372
Fines and Forfeitures	151,916	—	151,916
Interest Income	38,202	6,021	44,223
Miscellaneous	448,735	1,260	449,995
Total Revenues	<u>14,212,009</u>	<u>3,249,344</u>	<u>17,461,353</u>
Expenditures			
General Government	1,368,164	1,757,120	3,125,284
Public Safety	6,812,160	26,144	6,838,304
Highways and Streets	1,962,135	199,507	2,161,642
Cemetery	—	76,494	76,494
Capital Outlay	991,942	2,726,786	3,718,728
Debt Service			
Principal Retirement	—	290,000	290,000
Interest and Fiscal Charges	—	68,494	68,494
Total Expenditures	<u>11,134,401</u>	<u>5,144,545</u>	<u>16,278,946</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,077,608</u>	<u>(1,895,201)</u>	<u>1,182,407</u>
Other Financing Sources (Uses)			
Transfers In	—	2,042,864	2,042,864
Transfers Out	(2,042,864)	—	(2,042,864)
	<u>(2,042,864)</u>	<u>2,042,864</u>	<u>—</u>
Net Change in Fund Balances	1,034,744	147,663	1,182,407
Fund Balances - Ending	<u>13,781,370</u>	<u>4,489,805</u>	<u>18,271,175</u>
Fund Balances - Ending	<u>14,816,114</u>	<u>4,637,468</u>	<u>19,453,582</u>

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

CITY OF WASHINGTON, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended April 30, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 1,182,407

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.

Capital Outlays	3,719,246
Depreciation Expense	(2,481,887)
Disposals - Cost	(27,218)
Disposals - Accumulated Depreciation	27,218

An addition to a net pension asset is not considered to be an increase in a
financial asset in the governmental funds.

Change in Net Pension Asset - IMRF	1,372,289
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The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(797,501)
Change in Deferred Items - Police Pension	(968,932)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	8,295
Change in Net Pension Liability - Police Pension	937,010
Change in Total OPEB Liability - RBP	5,162
Retirement of Debt	294,328
Changes to Accrued Interest	10,883

Internal service funds are used by the City to charge the costs of vehicle and equipment
management and employee compensated absences to individual funds.

The net revenue of certain activities of internal service funds is
reported with governmental activities.

	<u>283,249</u>
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Changes in Net Position of Governmental Activities 3,564,549

CITY OF WASHINGTON, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2022

	Business-Type Activities - Enterprise			Governmental
				Activities
	Waterworks	Sewerage	Totals	Internal Service
ASSETS				
Current Assets				
Cash and Investments	\$ 2,922,652	8,468,222	11,390,874	5,199,176
Receivables - Net of Allowances				
Accounts	240,663	289,998	530,661	10,664
Interest	147	881	1,028	2,401
Other	—	—	—	4,475
Prepays	7,249	5,969	13,218	143,048
Total Current Assets	<u>3,170,711</u>	<u>8,765,070</u>	<u>11,935,781</u>	<u>5,359,764</u>
Noncurrent Assets				
Capital Assets				
Nondepreciable	697,853	1,202,766	1,900,619	—
Depreciable	20,454,665	38,322,936	58,777,601	4,293,724
Accumulated Depreciation	(9,076,725)	(16,611,152)	(25,687,877)	(1,879,343)
Total Noncurrent Assets	<u>12,075,793</u>	<u>22,914,550</u>	<u>34,990,343</u>	<u>2,414,381</u>
Total Assets	<u>15,246,504</u>	<u>31,679,620</u>	<u>46,926,124</u>	<u>7,774,145</u>

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

	Business-Type Activities - Enterprise			Governmental
				Activities
	Waterworks	Sewerage	Totals	Internal Service
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 102,623	148,495	251,118	46,700
Accrued Payroll	4,151	4,792	8,943	830
Accrued Interest Payable	10,989	9,092	20,081	—
Deposits	425,465	—	425,465	—
Due to Other Funds	1,847	1,847	3,694	—
Current Portion of Long-Term Debt	241,808	480,984	722,792	87,500
Total Current Liabilities	786,883	645,210	1,432,093	135,030
Noncurrent Liabilities				
Compensated Absences Payable	23,184	32,429	55,613	9,542
Promissory Notes Payable	836,079	—	836,079	—
IEPA Loans Payable	—	5,249,308	5,249,308	—
Leases Payable	—	—	—	377,510
Total Noncurrent Liabilities	859,263	5,281,737	6,141,000	387,052
Total Liabilities	1,646,146	5,926,947	7,573,093	522,082
NET POSITION				
Net Investment in Capital Assets	11,003,702	17,192,365	28,196,067	1,951,757
Restricted - Debt Service	—	710,540	710,540	—
Unrestricted	2,596,656	7,849,768	10,446,424	5,300,306
Total Net Position	13,600,358	25,752,673	39,353,031	7,252,063
Total Liabilities, Deferred Inflows of Resources, and Net Position	15,246,504	31,679,620	46,926,124	7,774,145

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

CITY OF WASHINGTON, ILLINOIS

**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2022**

	Business-Type Activities - Enterprise			Governmental
	Waterworks	Sewerage	Totals	Activities Internal Service
Operating Revenues				
Metered Sales	\$ 1,384,557	2,404,992	3,789,549	—
Charges for Services	1,162,782	1,173,076	2,335,858	2,404,471
Employee Contributions	—	—	—	41,200
Other	1,651	7,877	9,528	4,300
Total Operating Revenues	2,548,990	3,585,945	6,134,935	2,449,971
Operating Expenses				
Operations				
Personnel	708,794	858,075	1,566,869	1,398,429
Contractual Services	324,533	523,579	848,112	249,718
Commodities	226,174	90,710	316,884	286,609
Other	179,331	1,157,391	1,336,722	923
Depreciation	575,379	755,954	1,331,333	361,511
Total Operating Expenses	2,014,211	3,385,709	5,399,920	2,297,190
Operating Income	534,779	200,236	735,015	152,781
Nonoperating Revenues (Expenses)				
Grant Income	1,646	1,646	3,292	—
Other Income	33,101	—	33,101	—
Interest Income	7,160	24,387	31,547	14,108
Interest Expense	(28,691)	(56,394)	(85,085)	—
Disposal of Capital Assets	—	—	—	116,360
	13,216	(30,361)	(17,145)	130,468
Change in Net Position	547,995	169,875	717,870	283,249
Net Position - Beginning	13,052,363	25,582,798	38,635,161	6,968,814
Net Position - Ending	13,600,358	25,752,673	39,353,031	7,252,063

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

CITY OF WASHINGTON, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2022**

	Business-Type Activities - Enterprise			Governmental
				Activities
	Waterworks	Sewerage	Totals	Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,630,881	3,633,582	6,264,463	45,500
Interfund Services Provided	—	—	—	2,269,323
Payments to Suppliers	(1,320,988)	(2,137,826)	(3,458,814)	(1,842,806)
Payments to Employees	(531,052)	(632,873)	(1,163,925)	(86,473)
	<u>778,841</u>	<u>862,883</u>	<u>1,641,724</u>	<u>385,544</u>
Cash Flows from Capital and Related				
Purchase of Capital Assets	(765,605)	(990,329)	(1,755,934)	(1,029,811)
Disposal of Capital Assets	—	—	—	179,443
Issuance of Debt	—	—	—	497,171
Principal Retirement	(230,263)	(469,707)	(699,970)	(34,547)
Interest Expense	(28,691)	(56,394)	(85,085)	—
	<u>(1,024,559)</u>	<u>(1,516,430)</u>	<u>(2,540,989)</u>	<u>(387,744)</u>
Cash Flows from Investing Activities				
Interest Income	<u>7,160</u>	<u>24,387</u>	<u>31,547</u>	<u>14,108</u>
Net Change in Cash and Cash Equivalents	(238,558)	(629,160)	(867,718)	11,908
Cash and Cash Equivalents - Beginning	<u>3,161,210</u>	<u>9,097,382</u>	<u>12,258,592</u>	<u>5,187,268</u>
Cash and Cash Equivalents - Ending	<u><u>2,922,652</u></u>	<u><u>8,468,222</u></u>	<u><u>11,390,874</u></u>	<u><u>5,199,176</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income	534,779	200,236	735,015	152,781
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)				
Operating Activities				
Depreciation and Amortization	575,379	755,954	1,331,333	361,511
Other Income (Expense)	34,747	1,646	36,393	—
(Increase) Decrease in Current Assets	47,144	45,991	93,135	(135,148)
Increase (Decrease) in Current Liabilities	(413,208)	(140,944)	(554,152)	6,400
Net Cash Provided by Operating Activities	<u><u>778,841</u></u>	<u><u>862,883</u></u>	<u><u>1,641,724</u></u>	<u><u>385,544</u></u>

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

CITY OF WASHINGTON, ILLINOIS

Statement of Fiduciary Net Position

April 30, 2022

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,650,122
Investments	
U.S. Treasury Obligations	673,964
Corporate Bonds	1,601,428
Mutual Funds	3,674,699
Common Stock	278,197
Receivables - Net of Allowance	
Accounts	18,856
Accrued Interest	<u>13,094</u>
Total Assets	<u>8,910,360</u>
LIABILITIES	
Accounts Payable	700
Due to Other Funds	<u>2,807</u>
Total Liabilities	<u>3,507</u>
NET POSITION	
Net Position Restricted	<u><u>8,906,853</u></u>

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

CITY OF WASHINGTON, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2022**

	Pension Trust
Additions	
Contributions	
Employer	\$ 690,713
Plan Members	208,957
Other	—
Total Contributions	<u>899,670</u>
Investment Earnings	
Interest Earned	462,594
Net Change in Fair Value	<u>(719,045)</u>
	(256,451)
Less Investment Expenses	<u>(29,121)</u>
Net Investment Income	<u>(285,572)</u>
Total Additions	<u>614,098</u>
Deductions	
Administration	15,326
Benefits and Refunds	<u>872,969</u>
Total Deductions	<u>888,295</u>
Change in Fiduciary Net Position	(274,197)
Net Position Restricted for Pensions	
Beginning as Restated	<u>9,181,050</u>
Ending	<u><u>8,906,853</u></u>

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

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Washington, Illinois operates under the Aldermanic-City form of government. The legislative body consists of two aldermen from each ward elected for a four-year term. Their terms are staggered so that half are elected every two years. Other elected officials include a City Clerk and City Treasurer, elected to a four-year term. In 1972 (Ord. 1052), the City Council created the office of City Administrator. The City Administrator is appointed by the Mayor and confirmed by a majority vote of the City Council. The City Administrator is the chief administrative officer of the city, and responsible to the Mayor and City Council for the proper administration of the affairs of the City. Voters approved a Home Rule referendum in 1998 which affords the City greater latitude in meeting the needs of its residents and managing its governmental affairs.

The City directly provides or makes provision for the delivery of services to its residents including, but not limited to, the following: police; fire; ambulance and rescue; water; wastewater; streets; solid waste disposal and recycling; storm water management; and planning, zoning and code enforcement. It also performs a variety of functions related to these services and other general administrative responsibilities including: budgeting and financial management, human resources administration, accounts payable/receivable and engineering.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Washington
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In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a pension trust fund.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general government, public safety, highways and streets, and cemetery are classified as governmental activities. The City's waterworks and sewerage services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, highways and streets, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, highways and streets, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, fines, permits and charges, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City may electively add funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is a primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund is the general operating fund of the City. It accounts for all revenues and expenditures of the City which are not accounted for in other funds. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains ten nonmajor special revenue funds.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The City maintains one nonmajor debt service funds.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains five nonmajor capital projects funds.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Waterworks and Sewerage Fund, a major fund, accounts for the provision of water sewer services to the residents and businesses of the City. The Sewerage Fund, a major fund, accounts for the provision of sewer sewer services to the residents and businesses of the City.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City maintains four internal services funds. The Employees' Benefit Fund is used to account for the City's health plan. The Motor Equipment Replacement Fund is used to account for the maintenance and repair of motorized equipment and vehicles used in the operations of City Services. The Capital Replacement Fund is used to account for non-motorized capital equipment in excess of \$5,000. The Building Maintenance Fund is used to account for building maintenance in excess of \$5,000. The City's internal service funds are presented in the proprietary funds' financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, highways and streets, etc.).

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's police force.

The City's pension trust fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within seventy-five days after year end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A seventy-five-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, utility taxes, hotel/motel taxes, fines, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

All proprietary funds and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds' Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. 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.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report charges for services as their major receivables.

Prepays/Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Capital Assets

Capital assets purchased or acquired with an original cost \$1,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Buildings	20 - 50 Years
Infrastructure	20 - 50 Years
Equipment and Vehicles	3 - 50 Years
Water and Sewer Systems	10 - 50 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Compensated Absences

The City's sick leave policy allows for twelve sick days per year. Employees with unused sick leave accumulated prior to January 1, 1992, may carry forward up to 30 days and will be paid for unused hours remaining upon an employee's retirement or separation from City service at the employee's hourly rate of pay in effect on December 31, 1991. Sick leave accumulated since December 31, 1991 and not covered by the terms of the police officer's collective bargaining agreement, or the applicable policy for Sergeants, does not vest. For employees covered by the police officer's collective bargaining agreement, or the applicable policy for Sergeants, sick leave accumulates at their current hourly rate.

The City's vacation policy allows each regular full-time employee assigned as a Sergeant or to a position classification of a range lower than 98 within the City's position classification system, and not otherwise covered by the terms of a collective bargaining agreement, to earn two weeks of vacation after one year of service and one additional day for each year of service in excess of six years, up to a maximum vacation time of five weeks. Each regular full-time employee with a position classification of a range 98 or above, or a Department Head position classification without a contract, earns two weeks of vacation after one year of service and up to five years of service, three weeks of vacation from five to ten years of service, four weeks of vacation from eleven to fifteen years of service, and five weeks of vacation for sixteen and more years of service.

For employees with up to 15 years of service, up to one week of vacation may be carried over to the following year. Employees with 15 or more years of service may carry two weeks of vacation over to the following year. Upon termination, an employee is entitled to be paid for any vested vacation from the prior year and a prorated share of the current year's vacation. The City Council passed an ordinance to amend the personnel manual to provide for non-union part-time employee leave. The employee must have worked 1,000 hours in the prior year to qualify. The employee will receive up to 80 hours of paid leave based on the ratio of total hours worked by the employee to 2,080 hours.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The budget for all governmental funds, except the Rural Business Development Grant Fund, is prepared on the modified accrual basis of accounting, which is the same basis that is used in the fund financial reporting. This allows for comparability between budget and actual amounts.

For each fund, total fund expenditures may not legally exceed the budgeted expenditures. Unexpended budgeted amounts lapse at the end of each fiscal year. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at the line item level. Encumbrances accounting is not employed.

The City adopts its annual budget in accordance with Chapter 65, Paragraph 5/8-2-9.4 of the Illinois Compiled Statutes, as follows:

- The budget officer submits to the City Council a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to May 1, the budget is legally adopted through passage of an ordinance.
- Budgeted amounts may be transferred between object classes within a fund at any time. The annual budget may be revised by a vote of two-thirds of the City Council by deleting, adding to, or changing budgeted items. No revision of the budget can be made increasing the budget in the event funds are not available.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

BUDGETARY INFORMATION - Continued

The City also adopts an informal operating budget for proprietary funds containing estimated revenues and expenditures, which is used as a management control device.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

Fund	Excess
West Holland SSA	\$ 9,263

DEFICIT FUND BALANCE

The following funds had deficit fund balance as of the date of this report:

Fund	Deficit
Freedom Parkway	\$ 60,997
North Lawndale SSA	23,480
West Holland SSA	3,748
Hilldale Avenue	1,721

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

Permitted Deposits and Investments - Illinois Statutes authorizes the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

The deposits and investments of the Pension Funds are held separately from those of other City funds. Illinois Statutes authorizes the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

City - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$34,938,732 and the bank balances totaled \$35,873,185.

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's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which may be reasonably anticipated.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments may be made in any type of security allowed for in Illinois statutes regarding the investment of public funds. Investments shall be made that reflect the cash flow needs of the fund type being invested.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

City - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent third-party institution in the name of the municipality.

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

Concentration Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy states the City shall diversify its investments to the best of its ability based on the type of funds invested, the credit worthiness of the institution it is investing in, and the cash flow needs of the City. At year-end, the City has no investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$2,650,123 and the bank balances totaled \$2,811,268.

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 673,963	60,225	569,785	43,953	—
Corporate Bonds	1,601,428	686,947	866,315	48,166	—
Totals	2,275,391	747,172	1,436,100	92,119	—

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Investments - Continued. The Fund has the following recurring fair value measurements as of April 30, 2022:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
U.S. Treasury Obligations	\$ 673,963	673,963	—	—
Corporate Bonds	1,601,428	—	1,601,428	—
Equity Securities				
Common Stock	278,197	278,197	—	—
Mutual Funds	3,674,699	3,674,699	—	—
Total Investments Measured at Fair Value	6,228,287	4,626,859	1,601,428	—

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund's investment policy states that the investment portfolio shall remain sufficiently liquid to enable the Fund to meet all operating requirements which may be reasonably anticipated.

Credit Risk. The Fund's investment policy limits its exposure to credit risk by complying with Illinois Compiled Statutes. Funds shall be invested as per Illinois Pension Code Section 3-135 and by the Public Funds Investment Act (20 ILCS 235/01). At year-end, the Fund's investments in the corporate bonds were rated A+ to BBB by Standard and Poor's.

Custodial Credit Risk. The Fund's investment policy states that deposits in excess of Federally insured limits in financial institutions will be required to be secured by some form of collateral. The Fund will accept United States Treasury Bills, Notes, or Bonds or United States Agency Notes or Bonds as authorized by the Public Funds Investment Act, but excluding the government-sponsored agencies prohibited by the Illinois Department of Insurance. The amount of collateral provided will not be less than 110% of the fair market value of the net amount of funds secured.

For investments, the Fund's policy does not further mitigate custodial credit risk for investments. At year end, the Fund's investment in corporate bonds are all insured or registered with the Fund or its agent in the Fund's name. The mutual funds and common stocks are not subject to custodial credit risk.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Concentration Risk. The Fund's investment policy does not specifically address concentration risk. In addition to the securities and fair values listed above, the Fund also has \$3,674,699 invested in mutual funds and \$278,197 invested in common stock. At year-end, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for retirement benefits. The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	35.0%	1.8%
Domestic Equities	58.5%	6.9% - 7.6%
International Equities	6.5%	6.2%
Cash and Cash Equivalents	0.0%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities to 45% of the Fund's net position with a further 10% allowed to be invested in equities through mutual funds. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2022 are listed in the table above.

Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was not available. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND BALANCES

The below balances represent short-term loans to cover deficit cash balances at April 30, 2022. Interfund balances as of the date of this report are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 3,075
General	Waterworks	1,847
General	Sewerage	1,847
General	Police Pension	<u>2,807</u>
		<u>9,576</u>

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Nonmajor Governmental	General	<u>\$ 2,042,864</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

PROPERTY TAXES

Property taxes for 2021 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Resolution). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1 during the following year. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1.7% of the tax levy to reflect actual collection experience.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 4,965,000	—	—	4,965,000
Construction in Progress	3,214,602	1,673,573	2,046,943	2,841,232
	<u>8,179,602</u>	<u>1,673,573</u>	<u>2,046,943</u>	<u>7,806,232</u>
Depreciable Capital Assets				
Land Improvements	989,129	89,550	—	1,078,679
Buildings	5,121,401	93,000	—	5,214,401
Infrastructure	42,188,909	3,522,599	27,218	45,684,290
Equipment and Vehicles	5,174,540	920,107	415,476	5,679,171
Intangible Assets - Vehicles	—	497,171	—	497,171
	<u>53,473,979</u>	<u>5,122,427</u>	<u>442,694</u>	<u>58,153,712</u>
Less Accumulated Depreciation/Amortization				
Land Improvements	292,017	26,186	—	318,203
Buildings	1,692,333	111,700	—	1,804,033
Infrastructure	22,625,639	2,235,155	27,218	24,833,576
Equipment and Vehicles	2,757,378	428,782	352,393	2,833,767
Intangible Assets - Vehicles	—	41,575	—	41,575
	<u>27,367,367</u>	<u>2,843,398</u>	<u>379,611</u>	<u>29,831,154</u>
Total Net Depreciable Capital Assets	<u>26,106,612</u>	<u>2,279,029</u>	<u>63,083</u>	<u>28,322,558</u>
Total Net Capital Assets	<u>34,286,214</u>	<u>3,952,602</u>	<u>2,110,026</u>	<u>36,128,790</u>

Depreciation and amortization expense was charged to governmental activities as follows:

General Government	\$ 70,481
Public Safety	145,169
Highways and Streets	2,259,826
Cemetery	6,411
Internal Service	<u>361,511</u>
	<u>2,843,398</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 204,676	—	—	204,676
Construction in Progress	1,756,553	905,630	966,240	1,695,943
	<u>1,961,229</u>	<u>905,630</u>	<u>966,240</u>	<u>1,900,619</u>
Depreciable Capital Assets				
Water System	17,149,050	690,522	—	17,839,572
Sewer System	36,847,371	1,119,240	—	37,966,611
Equipment	2,964,636	6,782	—	2,971,418
	<u>56,961,057</u>	<u>1,816,544</u>	<u>—</u>	<u>58,777,601</u>
Less Accumulated Depreciation				
Water System	7,630,885	532,002	—	8,162,887
Sewer System	15,635,756	732,099	—	16,367,855
Equipment	1,089,902	67,233	—	1,157,135
	<u>24,356,543</u>	<u>1,331,334</u>	<u>—</u>	<u>25,687,877</u>
Total Net Depreciable Capital Assets	<u>32,604,514</u>	<u>485,210</u>	<u>—</u>	<u>33,089,724</u>
Total Net Capital Assets	<u>34,565,743</u>	<u>1,390,840</u>	<u>966,240</u>	<u>34,990,343</u>

Depreciation expense was charged to business-type activities as follows:

Waterworks	\$ 575,379
Sewerage	<u>755,954</u>
	<u><u>1,331,333</u></u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

Promissory Notes Payable

The City enters into promissory notes payable for the purpose of renovating, remodeling and improving the City. Promissory notes payable have been issued for the governmental and business-type activities. Promissory notes payable are direct obligations and pledge the full faith and credit of the City. Promissory notes payable currently outstanding are as follows:

Issue	Fund	Beginning Balances	Issuances	Retirements	Ending Balances
Promissory Note of 2015 - Due in annual installments of \$295,000 to \$349,905 plus interest at 2.50% through May 15, 2029.	Washington Area Community Center	\$ 2,879,905	—	290,000	2,589,905
Promissory Note of 2016 - Due in annual installments of \$91,942 to \$254,260 plus interest at 2.46% through June 2, 2026.	Waterworks	1,302,354	—	230,263	1,072,091
		<u>4,182,259</u>	<u>—</u>	<u>520,263</u>	<u>3,661,996</u>

IEPA Loans Payable

The City has entered into loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA loans currently outstanding are as follows:

Issue	Fund	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan of 2009 - Due in annual installments of \$289,446, interest free through November 30, 2030.	Sewerage	\$ 2,894,458	—	289,446	2,605,012
IEPA Loan of 2017 - Due in annual installments of \$237,182 including interest at 1.75% through March 15, 2037.	Sewerage	3,297,434	—	180,261	3,117,173
		<u>6,191,892</u>	<u>—</u>	<u>469,707</u>	<u>5,722,185</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Leases Payable

The City has entered into right-to-use lease agreements as lessee for property. The City is required to make various monthly principal and interest payments. The City used the incremental borrowing rate as the interest rate for the right-to-use asset agreements if an interest rate was not provided in the lease agreement. The City leases property for various terms under long-term, noncancellable lease agreements. The leases expire at various dates through 2027. The future minimum lease obligations and the net present value of these minimum lease payments as of April 30, 2022, are as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2023	\$ 89,686	32,756
2024	96,047	27,446
2025	101,683	21,810
2026	109,036	15,831
2027	85,146	6,242
Principal	<u>481,598</u>	<u>104,085</u>

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. “The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.” To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts within One Year
Governmental Activities					
Compensated Absences					
Governmental	\$ 513,424	10,191	20,382	503,233	39,942
Internal Service	11,522	812	406	11,928	2,386
Net Pension Liability/(Asset) - IMRF	923,828	—	1,372,289	(448,461)	—
Net Pension Liability - Police Pension	6,460,439	—	937,010	5,523,429	—
Total OPEB Liability - RBP	2,183,103	—	5,162	2,177,941	—
Promissory Notes	2,879,905	—	290,000	2,589,905	295,000
Leases Payable					
Governmental	23,302	—	4,328	18,974	4,572
Internal Service	—	497,171	34,547	462,624	85,114
	<u>12,995,523</u>	<u>508,174</u>	<u>2,664,124</u>	<u>10,839,573</u>	<u>427,014</u>
Business-Type Activities					
Compensated Absences	52,000	35,032	17,516	69,516	13,903
Promissory Notes	1,302,354	—	230,263	1,072,091	236,012
IEPA Loans	6,191,892	—	469,707	5,722,185	472,877
	<u>7,546,246</u>	<u>35,032</u>	<u>717,486</u>	<u>6,863,792</u>	<u>722,792</u>

For the governmental activities, payments on the compensated absences, the net pension liabilities, and the total OPEB liability are made by the General Fund. Payments on the promissory notes are made by the Washington Area Community Center Fund. The Motor Equipment Replacement Fund makes payments on the leases payable.

Additionally, for the business-type activities, payments on the compensated absences are made by the Waterworks and Sewerage Funds. The promissory notes are liquidated by the Waterworks Fund and the IEPA loans are liquidated by the Sewerage Fund.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities			
	Promissory Notes		Promissory Notes		IEPA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 295,000	61,063	236,012	25,303	472,877	53,751
2024	305,000	53,563	241,936	19,379	476,100	50,528
2025	315,000	45,813	247,966	13,349	479,381	47,247
2026	320,000	37,875	254,231	7,084	482,719	43,909
2027	330,000	29,750	91,946	1,187	486,116	40,512
2028	335,000	21,438	—	—	489,573	37,055
2029	340,000	13,000	—	—	493,090	33,538
2030	349,905	4,375	—	—	496,670	29,958
2031	—	—	—	—	500,310	26,316
2032	—	—	—	—	214,572	22,610
2033	—	—	—	—	218,344	18,838
2034	—	—	—	—	222,182	15,000
2035	—	—	—	—	226,087	11,095
2036	—	—	—	—	230,061	7,121
2037	—	—	—	—	234,103	3,079
Totals	2,589,905	266,877	1,072,091	66,302	5,722,185	440,557

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 36,128,790
Less Capital Related Debt:	
Promissory Notes	(2,589,905)
Leases Payable	<u>(481,598)</u>
Net Investment in Capital Assets	<u>33,057,287</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	34,990,343
Less Capital Related Debt:	
Promissory Notes	(1,072,091)
IEPA Loans	<u>(5,722,185)</u>
Net Investment in Capital Assets	<u>28,196,067</u>

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the City Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the City Council intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the City Council itself or by a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City's highest level of decision-making authority is the City Council, who is authorized to assign amounts to a specific purpose.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The City’s fund balance policy for the General Fund requires unassigned fund balance to be maintained at a minimum of 25% current year expenditures.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Nonmajor	Totals
Fund Balances			
Nonspendable			
Prepays	\$ 23,787	13,907	37,694
Inventories	62,187	—	62,187
	<u>85,974</u>	<u>13,907</u>	<u>99,881</u>
Restricted			
Special Police Funds	567,081	—	567,081
Audit	—	49,308	49,308
Motor Fuel Tax	—	1,950,445	1,950,445
Incremental Tax	—	992,944	992,944
Liability Insurance	—	265,200	265,200
Illinois Municipal Retirement	—	435,297	435,297
Rural Development Business Grant	—	180,339	180,339
Social Security and Medicare	—	384,276	384,276
	<u>567,081</u>	<u>4,257,809</u>	<u>4,824,890</u>
Assigned			
Capital Projects	—	146,853	146,853
Cemetery	—	177,587	177,587
Civil Defense	—	47,888	47,888
Storm Water Management	—	83,370	83,370
	<u>—</u>	<u>455,698</u>	<u>455,698</u>
Unassigned	<u>14,163,059</u>	<u>(89,946)</u>	<u>14,073,113</u>
Total Fund Balances	<u>14,816,114</u>	<u>4,637,468</u>	<u>19,453,582</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION RESTATEMENTS

Beginning net position of the City was restated due to correct errors in recognition of prior year compensated absences, accrued interest payable, deferred inflows related to property taxes and other receivables, and internal service fund allocation. Additionally, beginning net position was restated in the police pension trust fund due to an error in recognition of pension contributions receivable. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decreases)
Governmental Activities	\$ 46,789,146	45,596,606	(1,192,540)
Business-Type Activities	40,195,408	38,635,161	(1,560,247)
Police Pension Trust Fund	9,838,569	9,181,050	(657,519)

NOTE 4 - OTHER INFORMATION

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; natural disasters; and injuries to the City's employees. The City has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Intergovernmental Personnel Benefit Cooperative (IPBC)

Risks for medical and death benefits for employees and retirees are provided for through the City's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The City pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

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

Grants

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

Financial Impact due to COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the City's operations and financial position cannot be determined.

COMMITMENTS

The City has a contract for the expansion of the Sewer Treatment Plant #2 phase 2B - Farm Creek Trunk Sewer. Due to change orders and project issues, a total of \$775,607 has been paid or is included in payables as of the year-end.

The City has a contract for the reconstruction of Hilldale Ave. As of April 30, 2022, the total estimated City obligation was \$4,829,488. A total of \$2,321,165 has been paid as of the year-end.

The City has an agreement with the Washington Volunteer Fire Department and Rescue Squad to provide fire protection services and ambulance and emergency medical services to the City through April 30, 2024. The City has agreed to pay the Washington Volunteer Fire Department and Rescue Squad \$489,681 for the services and equipment funding to be provided over the next 6 months.

The City has private redevelopment agreements with several companies in the TIF district. As of April 30, 2022, the total City obligation remaining for these agreements was \$1,083,817.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The Police Pension Plan also issues separate reports that may be obtained by writing the City at 301 Walnut Street, Washington, IL 61571. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amounts recognized for the pension plans are:

	Pension Expense/ (Revenue)	Net Pension Liability/ (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
IMRF	\$ (200,582)	(448,461)	647,244	2,304,595
Police Pension	722,635	5,523,429	1,313,012	558,455
	522,053	5,074,968	1,960,256	2,863,050

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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).

IMRF provides two tiers of pension benefits. 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 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% 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.

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	44
Inactive Plan Members Entitled to but not yet Receiving Benefits	24
Active Plan Members	<u>43</u>
Total	<u><u>111</u></u>

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.50% 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. For the year-ended April 30, 2022, the City's contribution was 13.61% of covered payroll.

Net Pension Liability/(Asset). The City's net pension liability/(asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liabilities were determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 1,719,119	(448,461)	(2,204,039)

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ Asset (A) - (B)
Balances at December 31, 2020	\$ 17,158,195	16,234,367	923,828
Changes for the Year:			
Service Cost	256,064	—	256,064
Interest on the Total Pension Liability	1,217,899	—	1,217,899
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	209,108	—	209,108
Changes of Assumptions	—	—	—
Contributions - Employer	—	392,070	(392,070)
Contributions - Employees	—	123,206	(123,206)
Net Investment Income	—	2,789,698	(2,789,698)
Benefit Payments, Including Refunds of Employee Contributions	(975,232)	(975,232)	—
Other (Net Transfer)	—	(249,614)	249,614
Net Changes	707,839	2,080,128	(1,372,289)
Balances at December 31, 2021	17,866,034	18,314,495	(448,461)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Regular Plan

For the year ended April 30, 2022, the City recognized pension revenue of \$200,582. At April 30, 2022, the City and the Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Regular Plan - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 471,002	(69,583)	401,419
Change in Assumptions	56,046	(75,889)	(19,843)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(2,159,123)	(2,159,123)
Total Pension Expense to be Recognized in Future Periods	527,048	(2,304,595)	(1,777,547)
Pension Contributions Made Subsequent to the Measurement Date	120,196	—	120,196
Total Deferred Amounts Related to IMRF	<u>647,244</u>	<u>(2,304,595)</u>	<u>(1,657,351)</u>

\$120,196 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2023. 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:

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (304,445)
2024	(679,632)
2025	(482,214)
2026	(311,256)
2027	—
Thereafter	—
Totals	<u>(1,777,547)</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2021, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	12
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>22</u>
Total	<u><u>38</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 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 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent 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 percent of $\frac{1}{2}$ of the change in the Consumer Price Index for the preceding calendar year.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. 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, 2022, the City's contribution was 41.74% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.75%
Salary Increases	Service Based
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates are based on PubS-2010 Employee Mortality projected to the valuation date with Scale MP-2019.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%, the same as the prior valuation. 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - 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 net pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 7,803,370	5,523,429	3,670,935

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2021	\$ 14,707,817	8,247,378	6,460,439
Changes for the Year:			
Service Cost	372,154	—	372,154
Interest on the Total Pension Liability	992,655	—	992,655
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	28,787	—	28,787
Changes of Assumptions	—	—	—
Contributions - Employer	—	687,092	(687,092)
Contributions - Employees	8,526	174,405	(165,879)
Net Investment Income	—	1,484,929	(1,484,929)
Benefit Payments, Including Refunds of Employee Contributions	(747,942)	(747,942)	—
Other (Net Transfer)	—	(7,294)	7,294
Net Changes	654,180	1,591,190	(937,010)
Balances at April 30, 2022	15,361,997	9,838,568	5,523,429

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

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

For the year ended April 30, 2022, the City recognized pension expense of \$722,635. At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 170,048	(173,012)	(2,964)
Change in Assumptions	452,251	(53,824)	398,427
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(331,619)	(331,619)
Total Pension Expense to be Recognized in Future Periods	622,299	(558,455)	63,844
Pension Contributions Made Subsequent to the Measurement Date	690,713	—	690,713
Total Deferred Amounts Related to Police Pension	<u>1,313,012</u>	<u>(558,455)</u>	<u>754,557</u>

\$690,713 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2023. 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:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ 87,654
2024	70,730
2025	(33,267)
2026	(152,387)
2027	83,443
Thereafter	<u>7,671</u>
Total	<u>63,844</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. Eligible retirees participating in the group insurance plans offered by the City and are required to contribute a portion of the active premiums. As of the most recent actuarial valuation, the retiree's portion of coverage was \$170/month for family and \$81/month for single after a wellness incentive premium reduction of \$50/month. Additionally, the City pays 100% of the retiree premium for dental insurance coverage for eligible retirees. Retirees ineligible for this benefit must pay 100% of the active premium for medical and/or dental insurance to remain covered by the plan. To be eligible for the Plan, retirees need to be at least 55 years old, have combined age and years of service of at least 80, and have been hired by the City before August 1, 1998 to receive the retiree health and dental insurance benefits or meet retirement eligibility under one of the pension plans offered by the City.

Plan Membership. As of April 30, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	10
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>57</u>
Total	<u><u>67</u></u>

Total OPEB Liability

The City's total OPEB liability was measured as of April 30, 2022, and was determined by an actuarial valuation as of April 30, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs - Continued.

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	1.83%
Healthcare Cost Trend Rates	7.00% to an ultimate rate of 4.00% for 2023 and later years.
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees.

The discount rate assumption is based on the High Quality 20-Year Tax-Exempt G.O. Bond Rate.

Mortality rates were based on PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2020.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at April 30, 2021	\$ 2,183,103
Changes for the Year:	
Service Cost	57,923
Interest on the Total OPEB Liability	60,343
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	125,775
Benefit Payments	—
Other Changes	(249,203)
Net Changes	<u>(5,162)</u>
Balance at April 30, 2022	<u>2,177,941</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 1.83%, while the prior valuation used 2.85%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (0.83%)	Current Discount Rate (1.83%)	1% Increase (2.83%)
Total OPEB Liability	\$ 2,313,818	2,177,941	2,064,652

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 2,018,095	2,177,941	2,362,001

Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB. For the year ended , the City recognized OPEB expense of \$1,999,985.

SUBSEQUENT EVENT

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The City has been allocated \$2,246,415 to be received in two installments. On September 20, 2021 the City received their first installment of \$1,122,628. On September 14, 2022 the City received their second installment of \$1,123,787.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
 Illinois Municipal Retirement Fund
 Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
 Illinois Municipal Retirement Fund
 Police Pension Fund
- Schedule of Investment Returns
 Police Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
 Retiree Benefit Plan
- Budgetary Comparison Schedules
 General Fund

Notes to the Required Supplementary Information

Budgetary information - budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF WASHINGTON, ILLINOIS

**Illinois Municipal Retirement Fund - Regular Plan
Schedule of Employer Contributions
April 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
4/30/16	\$ 343,295	\$ 343,295	\$ —	\$ 2,409,094	14.25%
4/30/17	395,121	395,121	—	2,580,806	15.31%
4/30/18	385,941	385,941	—	2,620,105	14.73%
4/30/19	357,653	357,653	—	2,469,975	14.48%
4/30/20	307,825	307,825	—	2,454,749	12.54%
4/30/21	368,581	368,581	—	2,590,170	14.23%
4/30/22	374,206	374,206	—	2,750,167	13.61%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF WASHINGTON, ILLINOIS

Police Pension Fund

Schedule of Employer Contributions

April 30, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
4/30/15	\$ 304,709	\$ 320,283	\$ 15,574	\$ 1,179,945	27.14%
4/30/16	320,912	373,617	52,705	1,268,296	29.46%
4/30/17	378,061	514,605	136,544	1,336,695	38.50%
4/30/18	513,651	551,778	38,127	1,369,110	40.30%
4/30/19	550,691	553,041	2,350	1,473,074	37.54%
4/30/20	550,231	532,190	(18,041)	1,521,288	34.98%
4/30/21	634,090	687,092	53,002	1,645,994	41.74%
4/30/22	679,478	690,713	11,235	1,611,917	42.85%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.00%
Salary Increases	3.75% - 9.30%
Investment Rate of Return	6.75%
Retirement Age	50-65
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF WASHINGTON, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2022

See Following Page

CITY OF WASHINGTON, ILLINOIS

Illinois Municipal Retirement Fund - Regular Plan

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2022

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 263,773
Interest	981,553
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	419,869
Change of Assumptions	—
Benefit Payments, Including Refunds of Member Contributions	(798,996)
Net Change in Total Pension Liability	<u>866,199</u>
Total Pension Liability - Beginning	<u>13,407,549</u>
Total Pension Liability - Ending	<u><u>14,273,748</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 343,295
Contributions - Members	142,475
Net Investment Income	53,662
Benefit Payments, Including Refunds of Member Contributions	(798,996)
Other (Net Transfer)	413,324
Net Change in Plan Fiduciary Net Position	<u>153,760</u>
Plan Net Position - Beginning	<u>10,889,097</u>
Plan Net Position - Ending	<u><u>11,042,857</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ 3,230,891</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.36%
Covered Payroll	\$ 2,409,094
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	134.11%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017.

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
270,831	289,151	264,423	248,219	250,001	256,064
1,049,524	1,094,710	1,092,031	1,095,502	1,153,477	1,217,899
—	—	—	—	—	—
1,984	(201,115)	(453,590)	258,156	494,445	209,108
(57,997)	(430,251)	441,510	—	(100,010)	—
(718,617)	(735,824)	(815,897)	(756,719)	(849,497)	(975,232)
545,725	16,671	528,477	845,158	948,416	707,839
14,273,748	14,819,473	14,836,144	15,364,621	16,209,779	17,158,195
14,819,473	14,836,144	15,364,621	16,209,779	17,158,195	17,866,034
395,121	385,941	357,653	307,825	368,581	392,070
130,400	117,905	116,026	110,464	116,557	123,206
764,487	2,114,999	(774,914)	2,351,809	2,056,553	2,789,698
(718,617)	(735,824)	(815,897)	(756,719)	(849,497)	(975,232)
32,124	(257,194)	142,357	65,210	166,160	(249,614)
603,515	1,625,827	(974,775)	2,078,589	1,858,354	2,080,128
11,042,857	11,646,372	13,272,199	12,297,424	14,376,013	16,234,367
11,646,372	13,272,199	12,297,424	14,376,013	16,234,367	18,314,495
3,173,101	1,563,945	3,067,197	1,833,766	923,828	(448,461)
78.59%	89.46%	80.04%	88.69%	94.62%	102.51%
2,580,806	2,620,105	2,469,975	2,454,749	2,590,170	2,737,921
122.95%	59.69%	124.18%	74.70%	35.67%	(16.38%)

CITY OF WASHINGTON, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2022

	<u>4/30/2015</u>
Total Pension Liability	
Service Cost	\$ 284,738
Interest	681,523
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	(293,629)
Change of Assumptions	662,460
Benefit Payments, Including Refunds of Member Contributions	<u>(528,697)</u>
Net Change in Total Pension Liability	806,395
Total Pension Liability - Beginning	<u>10,000,394</u>
 Total Pension Liability - Ending	 <u><u>10,806,789</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 320,283
Contributions - Members	115,109
Net Investment Income	283,752
Benefit Payments, Including Refunds of Member Contributions	<u>(528,697)</u>
Administrative Expenses	<u>(4,357)</u>
Net Change in Plan Fiduciary Net Position	186,090
Plan Net Position - Beginning	<u>6,491,252</u>
 Plan Net Position - Ending	 <u><u>6,677,342</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 4,129,447</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	 61.79%
 Covered Payroll	 \$ 1,179,945
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 349.97%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

4/30/2016	4/30/2017	4/30/2018	4/30/2019	4/30/2020	4/30/2021
290,520	324,331	342,439	322,692	355,536	372,154
759,768	807,141	850,614	860,298	944,014	992,655
—	—	—	—	—	—
(92,933)	99,029	(299,557)	167,797	3,798	28,787
641,098	—	(107,650)	467,158	79,002	—
(486,957)	(569,929)	(639,208)	(600,996)	(616,977)	(739,416)
1,111,496	660,572	146,638	1,216,949	765,373	654,180
10,806,789	11,918,285	12,578,857	12,725,495	13,942,444	14,707,817
11,918,285	12,578,857	12,725,495	13,942,444	14,707,817	15,361,997
373,617	514,605	551,778	553,041	632,190	687,092
124,594	130,676	135,723	147,472	153,915	174,405
(50,667)	504,132	403,054	341,748	16,639	1,484,929
(486,957)	(569,929)	(639,208)	(606,049)	(625,188)	(747,942)
(6,318)	(5,827)	(9,268)	(7,804)	(5,933)	(7,294)
(45,731)	573,657	442,079	428,408	171,623	1,591,190
6,677,342	6,631,611	7,205,268	7,647,347	8,075,755	8,247,378
6,631,611	7,205,268	7,647,347	8,075,755	8,247,378	9,838,568
5,286,674	5,373,589	5,078,148	5,866,689	6,460,439	5,523,429
55.64%	57.28%	60.09%	57.92%	56.07%	64.04%
1,268,296	1,336,695	1,369,110	1,473,074	1,521,288	1,645,994
416.83%	402.01%	370.91%	398.26%	424.67%	335.57%

CITY OF WASHINGTON, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

April 30, 2022

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	3.58%
2016	(0.32%)
2017	6.97%
2018	3.81%
2019	4.88%
2020	5.82%
2021	19.11%
2022	N/A

N/A - Not Available

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF WASHINGTON, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2022

	4/30/2019	4/30/2020	4/30/2021	4/30/2022
Total OPEB Liability				
Service Cost	\$ 56,444	56,394	65,835	57,923
Interest	122,834	120,504	96,731	60,343
Changes in Benefit Terms	—	—	—	—
Differences Between Expected and Actual Experience	—	—	(250,210)	—
Change of Assumptions or Other Inputs	(30,009)	149,019	(489,560)	125,775
Benefit Payments	(314,967)	(342,527)	(371,642)	(249,203)
Other Changes	—	—	—	—
Net Change in Total OPEB Liability	(165,698)	(16,610)	(948,846)	(5,162)
Total OPEB Liability - Beginning	3,314,257	3,148,559	3,131,949	2,183,103
Total OPEB Liability - Ending	3,148,559	3,131,949	2,183,103	2,177,941
Employee-Covered Payroll	3,778,813	3,873,283	4,274,811	4,381,681
Total OPEB Liability as a Percentage of Employee-Covered Payroll	83.32%	80.86%	51.07%	49.71%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 through 2022.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

CITY OF WASHINGTON, ILLINOIS

General Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 5,398,148	5,398,148	5,898,843
Intergovernmental	6,611,960	6,611,960	6,713,960
Licenses and Permits	474,000	474,000	450,959
Charges for Services	513,838	513,838	509,394
Fines and Forfeitures	156,100	156,100	151,916
Interest Income	65,100	65,100	38,202
Miscellaneous	123,600	123,600	448,735
Total Revenues	<u>13,342,746</u>	<u>13,342,746</u>	<u>14,212,009</u>
Expenditures			
General Government	1,704,363	1,704,363	1,368,164
Public Safety	6,824,165	6,824,165	6,812,160
Highways and Streets	2,339,671	2,339,671	1,962,135
Capital Outlay	1,290,175	1,290,175	991,942
Total Expenditures	<u>12,158,374</u>	<u>12,158,374</u>	<u>11,134,401</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,184,372</u>	<u>1,184,372</u>	<u>3,077,608</u>
Other Financing Sources (Uses)			
Transfers In	131,900	131,900	—
Transfers Out	(2,875,275)	(2,875,275)	(2,042,864)
	<u>(2,743,375)</u>	<u>(2,743,375)</u>	<u>(2,042,864)</u>
Net Change in Fund Balance	<u>(1,559,003)</u>	<u>(1,559,003)</u>	1,034,744
Fund Balance - Beginning			<u>13,781,370</u>
Fund Balance - Ending			<u>14,816,114</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - General Fund
- Combining Statements - Nonmajor Governmental Funds
- Combining Statements - Nonmajor Governmental - Special Revenue Funds
- Budgetary Comparison Schedules - Nonmajor Governmental - Special Revenue Funds
- Budgetary Comparison Schedule - Nonmajor Governmental - Debt Service Fund
- Combining Statements - Nonmajor Governmental - Capital Projects Funds
- Budgetary Comparison Schedules - Nonmajor Governmental - Capital Projects Funds
- Budgetary Comparison Schedules - Enterprise Funds
- Combining Statements - Internal Service Funds
- Budgetary Comparison Schedules - Internal Service Funds
- Budgetary Comparison Schedule - Police Pension Fund
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Cemetery

The Cemetery Fund is used to account for the operations of the municipal cemetery. Revenue is derived principally from sale of lots and interment fees.

Emergency Management Agency

The Emergency Management Agency Fund is used to account for the operations of the City's program in connection with the "Illinois Emergency Services and Disaster Agency Act of 1975." Financing is provided through property taxes with the purpose to pay those costs which may be necessary or proper to prevent, minimize, repair and alleviate injury, loss of life, or property damage resulting from disasters caused by flood, earthquake, extended periods of severe and inclement weather, etc.

Audit

The Audit Fund is used to account for the cost of the annual audit of the City's financial statements.

Motor Fuel Tax

The Motor Fuel Tax Fund is used to account for the state motor fuel tax revenue collected by the City and used in connection with the highway construction and maintenance projects of the City as authorized by the Illinois Department of Transportation.

Incremental Tax

The Incremental Tax Fund is used to account for the revenue and expenditures related to tax increment designated areas within the City.

Liability Insurance

The Liability Insurance Fund is used to account for the cost of insurance premiums and tort judgments or settlements of the City.

Storm Water Management

The Storm Water Management Fund is used to account for the revenue and expenditures in connection with storm water management.

INDIVIDUAL FUND DESCRIPTIONS - Continued

SPECIAL REVENUE FUNDS – Continued

Illinois Municipal Retirement

The Illinois Municipal Retirement Fund is used to account for the expenditures related to the City's participation in the Illinois Municipal Retirement Fund system.

Social Security and Medicare

The Social Security and Medicare Fund is used to account for the expenditures related to the City's portion of Social Security and Medicare for eligible employees.

Rural Business Development Grant

The Rural Business Development Grant Fund is used to account for grant revenues legally restricted for making economic development loans to businesses and other organizations.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Washington Area Community Center

The Washington Area Community Center Fund is used to account for the accumulation of resources for and the payment of general obligation bond principal, interest, and related costs for the Washington Area Community Center project.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital assets (other than those financed by business-type/proprietary funds).

Freedom Parkway

The Freedom Parkway Fund is used to account for the improvement of Freedom Parkway for road and stormwater improvements.

INDIVIDUAL FUND DESCRIPTIONS - Continued

CAPITAL PROJECTS FUNDS - Continued

Washington 223 Capital

The Washington 223 Capital Fund is used to account for the improvements of the Washington 223 property.

North Lawndale Special Service Area

The North Lawndale Special Service Area Fund is used to account the improvement of North Lawndale Road for road and stormwater.

West Holland Special Service Area

The West Holland Special Service Area Fund is used to account for the improvement of West Holland Road for road and stormwater.

Hilldale Avenue

The Hilldale Avenue Fund is used to account for the improvement of Hilldale Avenue.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Waterworks Fund

The Waterworks Fund is used to account for the water service to the residents of the City. Revenue is provided through user charges which are designed to pay operating expenses (including depreciation of the Fund's fixed assets) and provide for a net income to finance the continued operations of the system.

Sewerage Fund

The Sewerage Fund is used to account for the sewer services to the residents of the City. Revenue is provided through user charges which are designed to pay operating expenses (including depreciation of the Fund's fixed assets) and provide for a net income to finance the continued operations of the system.

INDIVIDUAL FUND DESCRIPTIONS - Continued

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Employee Benefit Fund

The Employee Benefit Fund is used to account for the City's health plan. The purpose of the Fund is to pay the premiums for health insurance of the City's employees and retirees and their covered dependents.

Motor Equipment Replacement Fund

The Motor Equipment Replacement Fund is used to account for the maintenance and repair of motorized equipment and vehicles used in the operations of City services. Revenue is from rental charges to user departments. Expenses include cost of labor, material, supplies, and services.

Capital Replacement Fund

The Capital Replacement Fund is used to account for funding for non-motorized capital equipment in excess of \$5,000. Revenue is from rental charges to user departments. Expenses include cost for depreciation.

Building Maintenance Fund

The Building Maintenance Fund is used to account for for building maintenance in excess of \$5,000. Revenue is from transfers from other departments. Expenses include cost of labor, material, supplies, and services.

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the City's sworn police personnel. Most rules and regulations of the fund are established by the Pension Division of the Illinois Department of Insurance. Resources are contributed by sworn police personnel at rates fixed by state statutes and by the City through an annual property tax levy.

CITY OF WASHINGTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Taxes			
Property Tax	\$ 918,148	918,148	915,334
Home Rule Sales Tax	3,290,000	3,290,000	3,915,893
Local Use Tax	740,000	740,000	625,693
Road and Bridge Tax	220,000	220,000	218,019
Telecommunication Tax	150,000	150,000	126,709
Hotel and Motel Tax	50,000	50,000	65,185
Foreign Fire Insurance Tax	30,000	30,000	32,010
Total Taxes	5,398,148	5,398,148	5,898,843
Intergovernmental			
Sales Tax	3,230,000	3,230,000	3,615,305
Income Tax	1,840,000	1,840,000	2,585,580
Replacement Tax	33,000	33,000	120,584
Gaming Tax	60,000	60,000	118,770
Cannabis Tax	15,000	15,000	25,981
Grants	1,433,960	1,433,960	247,740
Total Intergovernmental	6,611,960	6,611,960	6,713,960
Licenses and Permits	474,000	474,000	450,959
Charges for Services	513,838	513,838	509,394
Fines and Forfeitures	156,100	156,100	151,916
Interest Income	65,100	65,100	38,202
Miscellaneous	123,600	123,600	448,735
Total Revenues	13,342,746	13,342,746	14,212,009

CITY OF WASHINGTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
General Government			
Legislative and Administrative			
Personnel	\$ 666,500	666,500	525,680
Operations	279,350	279,350	217,925
Other	23,350	23,350	34,482
	<u>969,200</u>	<u>969,200</u>	<u>778,087</u>
City Hall			
Personnel	14,750	14,750	11,348
Operations	45,050	45,050	46,538
Other	31,428	31,428	17,167
	<u>91,228</u>	<u>91,228</u>	<u>75,053</u>
Tourism and Economic Development			
Personnel	57,050	57,050	60,919
Operations	69,725	69,725	62,696
Other	46,100	46,100	36,486
	<u>172,875</u>	<u>172,875</u>	<u>160,101</u>
Planning, Zoning, and Code Enforcement			
Personnel	158,500	158,500	160,176
Operations	299,760	299,760	191,873
Other	12,800	12,800	2,874
	<u>471,060</u>	<u>471,060</u>	<u>354,923</u>
Total General Government	<u>1,704,363</u>	<u>1,704,363</u>	<u>1,368,164</u>

CITY OF WASHINGTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Public Safety			
Police			
Personnel	\$ 3,899,700	3,899,700	3,871,898
Operations	691,608	691,608	595,959
Other	340,962	340,962	329,644
	<u>4,932,270</u>	<u>4,932,270</u>	<u>4,797,501</u>
Fire and Rescue			
Operations	1,531,837	1,531,837	1,508,554
Other	3,500	3,500	—
	<u>1,535,337</u>	<u>1,535,337</u>	<u>1,508,554</u>
Police Special Projects			
Operations	355,058	355,058	503,123
Other	1,500	1,500	2,982
	<u>356,558</u>	<u>356,558</u>	<u>506,105</u>
Total Public Safety	<u>6,824,165</u>	<u>6,824,165</u>	<u>6,812,160</u>
Highways and Streets			
Streets			
Personnel	1,015,300	1,015,300	943,724
Operations	1,272,251	1,272,251	989,330
Other	52,120	52,120	29,081
Total Highways and Streets	<u>2,339,671</u>	<u>2,339,671</u>	<u>1,962,135</u>
Capital Outlay	<u>1,290,175</u>	<u>1,290,175</u>	<u>991,942</u>
Total Expenditures	<u>12,158,374</u>	<u>12,158,374</u>	<u>11,134,401</u>

CITY OF WASHINGTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2022

	Special Revenue	Debt Service Washington Area Community Center	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 4,632,112	—	126,938	4,759,050
Receivables - Net of Allowances				
Taxes	1,068,454	—	21,001	1,089,455
Accounts	20,450	—	19,915	40,365
Other	50,768	535,910	—	586,678
Due from Other Governments	64,728	—	—	64,728
Prepays	13,907	—	—	13,907
Total Assets	5,850,419	535,910	167,854	6,554,183
LIABILITIES				
Accounts Payable	166,105	—	89,947	256,052
Accrued Payroll	31,403	—	—	31,403
Due to Other Funds	3,075	—	—	3,075
Total Liabilities	200,583	—	89,947	290,530
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	1,069,275	—	21,000	1,090,275
Other	—	535,910	—	535,910
Total Deferred Inflows of Resources	1,069,275	535,910	21,000	1,626,185
Total Liabilities and Deferred Inflows of Resources	1,269,858	535,910	110,947	1,916,715
FUND BALANCES				
Nonspendable	13,907	—	—	13,907
Restricted	4,257,809	—	—	4,257,809
Assigned	308,845	—	146,853	455,698
Unassigned	—	—	(89,946)	(89,946)
Total Fund Balances	4,580,561	—	56,907	4,637,468
Total Liabilities, Deferred Inflows of Resources and Fund Balances	5,850,419	535,910	167,854	6,554,183

CITY OF WASHINGTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2022

	Special Revenue	Debt Service Washington Area Community Center	Capital Projects	Totals
Revenues				
Taxes	\$ 1,051,974	—	21,000	1,072,974
Intergovernmental	1,372,111	—	—	1,372,111
Charges for Services	249,506	—	547,472	796,978
Interest Income	5,961	—	60	6,021
Miscellaneous	1,260	—	—	1,260
Total Revenues	<u>2,680,812</u>	<u>—</u>	<u>568,532</u>	<u>3,249,344</u>
Expenditures				
General Government	1,741,410	—	15,710	1,757,120
Public Safety	26,144	—	—	26,144
Highways and Streets	183,007	—	16,500	199,507
Cemetery	76,494	—	—	76,494
Capital Outlay	1,126,053	—	1,600,733	2,726,786
Debt Service				
Principal Retirement	—	290,000	—	290,000
Interest and Fiscal Charges	—	68,494	—	68,494
Total Expenditures	<u>3,153,108</u>	<u>358,494</u>	<u>1,632,943</u>	<u>5,144,545</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(472,296)	(358,494)	(1,064,411)	(1,895,201)
Other Financing Sources				
Transfers In	450,000	358,494	1,234,370	2,042,864
Net Change in Fund Balances	(22,296)	—	169,959	147,663
Fund Balances - Beginning	4,602,857	—	(113,052)	4,489,805
Fund Balances - Ending	<u>4,580,561</u>	<u>—</u>	<u>56,907</u>	<u>4,637,468</u>

CITY OF WASHINGTON, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2022

	Cemetery	Emergency Management Agency	Audit	Motor Fuel Tax
ASSETS				
Cash and Investments	\$ 158,332	47,694	49,308	1,912,488
Receivables - Net of Allowances				
Taxes	—	4,146	35,031	—
Accounts	20,450	—	—	—
Other	—	194	—	—
Due from Other Governments	—	—	—	55,589
Prepays	289	—	—	—
	<hr/>			
Total Assets	179,071	52,034	84,339	1,968,077
LIABILITIES				
Accounts Payable	810	—	—	17,372
Accrued Payroll	385	—	—	—
Due to Other Funds	—	—	—	260
Total Liabilities	1,195	—	—	17,632
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	—	4,146	35,031	—
Total Liabilities and Deferred Inflows of Resources	1,195	4,146	35,031	17,632
FUND BALANCES				
Nonspendable	289	—	—	—
Restricted	—	—	49,308	1,950,445
Assigned	177,587	47,888	—	—
Total Fund Balances	177,876	47,888	49,308	1,950,445
	<hr/>			
Total Liabilities, Deferred Inflows of Resources and Fund Balances	179,071	52,034	84,339	1,968,077

Incremental Tax	Liability Insurance	Storm Water Management	Illinois Municipal Retirement	Social Security and Medicare	Rural Business Development Grant	Totals
986,305	265,200	229,987	453,449	399,584	129,765	4,632,112
243,312	95,009	913	370,021	320,022	—	1,068,454
—	—	—	—	—	—	20,450
—	—	—	—	—	50,574	50,768
9,139	—	—	—	—	—	64,728
—	12,220	1,398	—	—	—	13,907
1,238,756	372,429	232,298	823,470	719,606	180,339	5,850,419
393	—	147,530	—	—	—	166,105
373	—	—	16,643	14,002	—	31,403
—	—	—	1,509	1,306	—	3,075
766	—	147,530	18,152	15,308	—	200,583
245,046	95,009	—	370,021	320,022	—	1,069,275
245,812	95,009	147,530	388,173	335,330	—	1,269,858
—	12,220	1,398	—	—	—	13,907
992,944	265,200	—	435,297	384,276	180,339	4,257,809
—	—	83,370	—	—	—	308,845
992,944	277,420	84,768	435,297	384,276	180,339	4,580,561
1,238,756	372,429	232,298	823,470	719,606	180,339	5,850,419

CITY OF WASHINGTON, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2022

	Cemetery	Emergency Management Agency	Audit	Motor Fuel Tax
Revenues				
Taxes	\$ —	4,151	28,918	—
Intergovernmental	—	—	—	1,297,213
Charges for Services	101,350	—	—	—
Interest Income	205	31	36	538
Miscellaneous	1,260	—	—	—
Total Revenues	102,815	4,182	28,954	1,297,751
Expenditures				
General Government	—	—	28,176	—
Public Safety	—	26,144	—	—
Highways and Streets	—	—	—	183,007
Cemetery	76,494	—	—	—
Capital Outlay	24,064	50,158	—	890,741
Total Expenditures	100,558	76,302	28,176	1,073,748
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,257	(72,120)	778	224,003
Other Financing Sources				
Transfers In	—	50,000	—	—
Net Change in Fund Balances	2,257	(22,120)	778	224,003
Fund Balances - Beginning	175,619	70,008	48,530	1,726,442
Fund Balances - Ending	177,876	47,888	49,308	1,950,445

Incremental Tax	Liability Insurance	Storm Water Management	Illinois Municipal Retirement	Social Security and Medicare	Rural Business Development Grant	Totals
243,312	99,697	—	360,867	315,029	—	1,051,974
39,357	—	—	19,043	16,498	—	1,372,111
—	—	10,956	45,700	91,500	—	249,506
2,257	173	101	323	292	2,005	5,961
—	—	—	—	—	—	1,260
284,926	99,870	11,057	425,933	423,319	2,005	2,680,812
396,040	81,341	480,555	374,724	380,574	—	1,741,410
—	—	—	—	—	—	26,144
—	—	—	—	—	—	183,007
—	—	—	—	—	—	76,494
43,112	—	117,978	—	—	—	1,126,053
439,152	81,341	598,533	374,724	380,574	—	3,153,108
(154,226)	18,529	(587,476)	51,209	42,745	2,005	(472,296)
—	—	400,000	—	—	—	450,000
(154,226)	18,529	(187,476)	51,209	42,745	2,005	(22,296)
1,147,170	258,891	272,244	384,088	341,531	178,334	4,602,857
992,944	277,420	84,768	435,297	384,276	180,339	4,580,561

CITY OF WASHINGTON, ILLINOIS

Cemetery - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Charges for Services	\$ 68,500	68,500	101,350
Interest Income	500	500	205
Miscellaneous	—	—	1,260
Total Revenues	69,000	69,000	102,815
Expenditures			
Cemetery			
Personnel	87,700	87,700	55,722
Operations	18,140	18,140	10,249
Other	10,710	10,710	10,523
Capital Outlay	34,000	34,000	24,064
Total Expenditures	150,550	150,550	100,558
Net Change in Fund Balance	(81,550)	(81,550)	2,257
Fund Balance - Beginning			175,619
Fund Balance - Ending			177,876

CITY OF WASHINGTON, ILLINOIS

Emergency Management Agency - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 4,142	4,142	4,151
Interest Income	30	30	31
Total Revenues	<u>4,172</u>	<u>4,172</u>	<u>4,182</u>
Expenditures			
Public Safety			
Operations	74,149	79,149	26,144
Other	1,000	1,000	—
Capital Outlay	—	—	50,158
Total Expenditures	<u>75,149</u>	<u>80,149</u>	<u>76,302</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,977)	(75,977)	(72,120)
Other Financing Sources			
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Net Change in Fund Balance	<u>(20,977)</u>	<u>(25,977)</u>	(22,120)
Fund Balance - Beginning			<u>70,008</u>
Fund Balance - Ending			<u><u>47,888</u></u>

CITY OF WASHINGTON, ILLINOIS

Audit - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 29,000	29,000	28,918
Interest Income	25	25	36
Total Revenues	<u>29,025</u>	<u>29,025</u>	<u>28,954</u>
Expenditures			
General Government			
Operations	<u>28,200</u>	<u>28,200</u>	<u>28,176</u>
Net Change in Fund Balance	<u>825</u>	<u>825</u>	778
Fund Balance - Beginning			<u>48,530</u>
Fund Balance - Ending			<u><u>49,308</u></u>

CITY OF WASHINGTON, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax	\$ 380,000	380,000	426,542
Grants	636,422	636,422	870,671
Interest Income	1,000	1,000	538
Total Revenues	<u>1,017,422</u>	<u>1,017,422</u>	<u>1,297,751</u>
Expenditures			
Highways and Streets			
Operations	—	—	183,007
Capital Outlay	1,650,000	1,650,000	890,741
Total Expenditures	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,073,748</u>
Net Change in Fund Balance	<u>(632,578)</u>	<u>(632,578)</u>	224,003
Fund Balance - Beginning			<u>1,726,442</u>
Fund Balance - Ending			<u>1,950,445</u>

CITY OF WASHINGTON, ILLINOIS

Incremental Tax - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 240,000	240,000	243,312
Intergovernmental			
Grants	8,000	8,000	39,357
Interest Income	4,000	4,000	2,257
Total Revenues	<u>252,000</u>	<u>252,000</u>	<u>284,926</u>
Expenditures			
General Government			
Personnel	22,100	22,100	16,278
Operations	286,258	336,258	368,015
Other	18,200	18,200	11,747
Capital Outlay	696,500	696,500	43,112
Total Expenditures	<u>1,023,058</u>	<u>1,073,058</u>	<u>439,152</u>
Net Change in Fund Balance	<u>(771,058)</u>	<u>(821,058)</u>	(154,226)
Fund Balance - Beginning			<u>1,147,170</u>
Fund Balance - Ending			<u>992,944</u>

CITY OF WASHINGTON, ILLINOIS

Liability Insurance - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 100,000	100,000	99,697
Interest Income	300	300	173
Total Revenues	100,300	100,300	99,870
Expenditures			
General Government			
Operations	95,000	95,000	81,341
Net Change in Fund Balance	5,300	5,300	18,529
Fund Balance - Beginning			258,891
Fund Balance - Ending			277,420

CITY OF WASHINGTON, ILLINOIS

Storm Water Management - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Charges for Services	\$ 11,000	11,000	10,956
Interest Income	—	—	101
Total Revenues	<u>11,000</u>	<u>11,000</u>	<u>11,057</u>
Expenditures			
General Government			
Operations	496,100	496,100	480,555
Capital Outlay	242,000	242,000	117,978
Total Expenditures	<u>738,100</u>	<u>738,100</u>	<u>598,533</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(727,100)	(727,100)	(587,476)
Other Financing Sources			
Transfers In	<u>660,000</u>	<u>660,000</u>	<u>400,000</u>
Net Change in Fund Balance	<u>(67,100)</u>	<u>(67,100)</u>	(187,476)
Fund Balance - Beginning			<u>272,244</u>
Fund Balance - Ending			<u><u>84,768</u></u>

CITY OF WASHINGTON, ILLINOIS

Illinois Municipal Retirement - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 362,000	362,000	360,867
Intergovernmental			
Replacement Tax	15,000	15,000	19,043
Charges for Services	50,000	50,000	45,700
Interest Income	200	200	323
Total Revenues	<u>427,200</u>	<u>427,200</u>	<u>425,933</u>
Expenditures			
General Government			
Personnel	<u>450,000</u>	<u>450,000</u>	<u>374,724</u>
Net Change in Fund Balance	<u>(22,800)</u>	<u>(22,800)</u>	51,209
Fund Balance - Beginning			<u>384,088</u>
Fund Balance - Ending			<u><u>435,297</u></u>

CITY OF WASHINGTON, ILLINOIS

Social Security and Medicare - Special Revenue Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 316,000	316,000	315,029
Intergovernmental			
Replacement Tax	12,500	12,500	16,498
Charges for Services	95,300	95,300	91,500
Interest Income	200	200	292
Total Revenues	<u>424,000</u>	<u>424,000</u>	<u>423,319</u>
Expenditures			
General Government			
Personnel	<u>430,000</u>	<u>430,000</u>	<u>380,574</u>
Net Change in Fund Balance	<u>(6,000)</u>	<u>(6,000)</u>	42,745
Fund Balance - Beginning			<u>341,531</u>
Fund Balance - Ending			<u><u>384,276</u></u>

CITY OF WASHINGTON, ILLINOIS

Washington Area Community Center - Debt Service Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$ 75,000	75,000	—
Expenditures			
General Government			
Other	25,000	25,000	—
Debt Service			
Principal Retirement	290,000	291,000	290,000
Interest and Fiscal Charges	68,375	69,000	68,494
Total Expenditures	383,375	385,000	358,494
Excess (Deficiency) of Revenues Over (Under) Expenditures	(308,375)	(310,000)	(358,494)
Other Financing Sources			
Transfers In	308,375	308,375	358,494
Net Change in Fund Balance	—	(1,625)	—
Fund Balance - Beginning			—
Fund Balance - Ending			—

CITY OF WASHINGTON, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2022

	<u>Freedom Parkway</u>
ASSETS	
Cash and Investments	\$ —
Receivables - Net of Allowances	
Taxes	—
Accounts	—
	<u> </u>
Total Assets	<u> </u>
LIABILITIES	
Accounts Payable	60,997
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	—
Total Liabilities and Deferred Inflows of Resources	<u>60,997</u>
FUND BALANCES	
Assigned	—
Unassigned	(60,997)
Total Fund Balances	<u>(60,997)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u> </u>

Washington 223 Capital	North Lawndale SSA	West Holland SSA	Hilldale Avenue	Totals
126,938	—	—	—	126,938
—	16,501	4,500	—	21,001
19,915	—	—	—	19,915
146,853	16,501	4,500	—	167,854
—	23,481	3,748	1,721	89,947
—	16,500	4,500	—	21,000
—	39,981	8,248	1,721	110,947
146,853	—	—	—	146,853
—	(23,480)	(3,748)	(1,721)	(89,946)
146,853	(23,480)	(3,748)	(1,721)	56,907
146,853	16,501	4,500	—	167,854

CITY OF WASHINGTON, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2022

	<u>Freedom Parkway</u>
Revenues	
Taxes	\$ —
Charges for Services	—
Interest Income	—
Total Revenues	<u>—</u>
Expenditures	
General Government	—
Highways and Streets	—
Capital Outlay	262,454
Total Expenditures	<u>262,454</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(262,454)
Other Financing Sources	
Transfers In	<u>216,866</u>
Net Change in Fund Balances	(45,588)
Fund Balances - Beginning	<u>(15,409)</u>
Fund Balances - Ending	<u><u>(60,997)</u></u>

Washington 223 Capital	North Lawndale SSA	West Holland SSA	Hilldale Avenue	Totals
—	16,500	4,500	—	21,000
81,750	284,862	180,860	—	547,472
60	—	—	—	60
81,810	301,362	185,360	—	568,532
11,206	—	4,504	—	15,710
—	16,500	—	—	16,500
—	204,295	114,759	1,019,225	1,600,733
11,206	220,795	119,263	1,019,225	1,632,943
70,604	80,567	66,097	(1,019,225)	(1,064,411)
—	—	—	1,017,504	1,234,370
70,604	80,567	66,097	(1,721)	169,959
76,249	(104,047)	(69,845)	—	(113,052)
146,853	(23,480)	(3,748)	(1,721)	56,907

CITY OF WASHINGTON, ILLINOIS

Freedom Parkway - Capital Projects Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Interest Income	\$ —	—	—
Expenditures			
Capital Outlay	450,000	450,000	262,454
Excess (Deficiency) of Revenues Over (Under) Expenditures	(450,000)	(450,000)	(262,454)
Other Financing Sources			
Transfers In	450,000	450,000	216,866
Net Change in Fund Balance	<u>—</u>	<u>—</u>	(45,588)
Fund Balance - Beginning			<u>(15,409)</u>
Fund Balance - Ending			<u><u>(60,997)</u></u>

CITY OF WASHINGTON, ILLINOIS

Washington 223 Capital - Capital Projects Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Grants	\$ 100,000	100,000	—
Charges for Services	66,000	66,000	81,750
Interest Income	—	—	60
Total Revenues	166,000	166,000	81,810
Expenditures			
General Government			
Operations	100,000	100,000	—
Other	11,500	11,500	11,206
Total Expenditures	111,500	111,500	11,206
Net Change in Fund Balance	<u>54,500</u>	<u>54,500</u>	70,604
Fund Balance - Beginning			<u>76,249</u>
Fund Balance - Ending			<u><u>146,853</u></u>

CITY OF WASHINGTON, ILLINOIS

North Lawndale Special Service Area - Capital Projects Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Property Tax	\$ 16,500	16,500	16,500
Charges for Services	205,300	205,300	284,862
Total Revenues	<u>221,800</u>	<u>221,800</u>	<u>301,362</u>
Expenditures			
Highways and Streets			
Operations	—	—	16,500
Capital Outlay	221,800	266,500	204,295
Total Expenditures	<u>221,800</u>	<u>266,500</u>	<u>220,795</u>
Net Change in Fund Balance	<u>—</u>	<u>(44,700)</u>	80,567
Fund Balance - Beginning			<u>(104,047)</u>
Fund Balance - Ending			<u>(23,480)</u>

CITY OF WASHINGTON, ILLINOIS

West Holland SSA - Capital Projects Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Property Tax	\$ 4,500	4,500	4,500
Charges for Services	75,500	75,500	180,860
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>185,360</u>
Expenditures			
General Government			
Operations	—	—	4,500
Other	—	—	4
Capital Outlay	80,000	110,000	114,759
Total Expenditures	<u>80,000</u>	<u>110,000</u>	<u>119,263</u>
Net Change in Fund Balance	<u>—</u>	<u>(30,000)</u>	66,097
Fund Balance - Beginning			<u>(69,845)</u>
Fund Balance - Ending			<u>(3,748)</u>

CITY OF WASHINGTON, ILLINOIS

Hilldale Avenue - Capital Projects Fund

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

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Charges for Services	\$ —	—	—
Expenditures			
Capital Outlay	1,275,000	1,275,000	1,019,225
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,275,000)	(1,275,000)	(1,019,225)
Other Financing Sources			
Transfers In	1,275,000	1,275,000	1,017,504
Net Change in Fund Balance	<u>—</u>	<u>—</u>	(1,721)
Fund Balance - Beginning			<u>—</u>
Fund Balance - Ending			<u>(1,721)</u>

CITY OF WASHINGTON, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Operating Revenues			
Metered Sales	\$ 1,435,000	1,435,000	1,384,557
Charges for Services	1,200,600	1,200,600	1,162,782
Other	1,000	1,000	1,651
Total Operating Revenues	<u>2,636,600</u>	<u>2,636,600</u>	<u>2,548,990</u>
Operating Expenses			
Operations			
Personnel	777,150	777,150	708,794
Contractual Services	324,625	324,625	324,533
Commodities	235,000	235,000	226,174
Other	220,912	220,912	179,331
Capital Outlay	1,301,900	1,301,900	—
Depreciation	575,000	575,000	575,379
Total Operating Expenses	<u>3,434,587</u>	<u>3,434,587</u>	<u>2,014,211</u>
Operating Income (Loss)	<u>(797,987)</u>	<u>(797,987)</u>	<u>534,779</u>
Nonoperating Revenues (Expenses)			
Operating Grants	500	500	1,646
Other Income	36,000	36,000	33,101
Interest Income	8,500	8,500	7,160
Interest Expense	(31,058)	(31,058)	(28,691)
	<u>13,942</u>	<u>13,942</u>	<u>13,216</u>
Change in Net Position	<u>(784,045)</u>	<u>(784,045)</u>	547,995
Net Position - Beginning			<u>13,052,363</u>
Net Position - Ending			<u>13,600,358</u>

CITY OF WASHINGTON, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Operating Revenues			
Metered Sales	\$ 2,460,000	2,460,000	2,404,992
Charges for Services	1,005,122	1,005,122	1,173,076
Other	500	500	7,877
Total Operating Revenues	<u>3,465,622</u>	<u>3,465,622</u>	<u>3,585,945</u>
Operating Expenses			
Operations			
Personnel	924,400	924,400	858,075
Contractual Services	451,200	451,200	523,579
Commodities	107,500	107,500	90,710
Other	929,390	929,390	1,157,391
Capital Outlay	1,791,000	1,791,000	—
Depreciation	775,000	775,000	755,954
Total Operating Expenses	<u>4,978,490</u>	<u>4,978,490</u>	<u>3,385,709</u>
Operating Income (Loss)	<u>(1,512,868)</u>	<u>(1,512,868)</u>	<u>200,236</u>
Nonoperating Revenues (Expenses)			
Operating Grants	500	500	1,646
Interest Income	14,250	14,250	24,387
Interest Expense	(56,920)	(56,920)	(56,394)
	<u>(42,170)</u>	<u>(42,170)</u>	<u>(30,361)</u>
Change in Net Position	<u>(1,555,038)</u>	<u>(1,555,038)</u>	169,875
Net Position - Beginning			<u>25,582,798</u>
Net Position - Ending			<u><u>25,752,673</u></u>

CITY OF WASHINGTON, ILLINOIS

**Internal Service Funds
Combining Statement of Net Position
April 30, 2022**

	Employee Benefits	Motor Equipment Replacement	Capital Replacement	Building Maintenance	Totals
ASSETS					
Current Assets					
Cash and Investments	\$ 1,527,564	2,576,245	847,794	247,573	5,199,176
Receivables - Net of Allowances					
Accounts	5,876	4,788	—	—	10,664
Interest	2,038	363	—	—	2,401
Other	3,760	715	—	—	4,475
Prepays	135,535	7,513	—	—	143,048
Total Current Assets	1,674,773	2,589,624	847,794	247,573	5,359,764
Noncurrent Assets					
Capital Assets					
Depreciable	—	4,166,508	38,356	88,860	4,293,724
Accumulated Depreciation	—	(1,864,117)	(15,226)	—	(1,879,343)
Total Noncurrent Assets	—	2,302,391	23,130	88,860	2,414,381
Total Assets	1,674,773	4,892,015	870,924	336,433	7,774,145
LIABILITIES					
Current Liabilities					
Accounts Payable	—	46,700	—	—	46,700
Accrued Payroll	—	830	—	—	830
Current Portion of Long-Term Debt	—	87,500	—	—	87,500
Total Current Liabilities	—	135,030	—	—	135,030
Noncurrent Liabilities					
Compensated Absences Payable	—	9,542	—	—	9,542
Capital Leases Payable	—	377,510	—	—	377,510
Total Noncurrent Liabilities	—	387,052	—	—	387,052
Total Liabilities	—	522,082	—	—	522,082
NET POSITION					
Net Investment in Capital Assets	—	1,839,767	23,130	88,860	1,951,757
Unrestricted	1,674,773	2,530,166	847,794	247,573	5,300,306
Total Net Position	1,674,773	4,369,933	870,924	336,433	7,252,063
Total Liabilities and Net Position	1,674,773	4,892,015	870,924	336,433	7,774,145

CITY OF WASHINGTON, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended April 30, 2022

	Employee Benefits	Motor Equipment Replacement	Capital Replacement	Building Maintenance	Totals
Operating Revenues					
Charges for Services	\$ 1,243,001	959,005	121,285	81,180	2,404,471
Employee Contributions	41,200	—	—	—	41,200
Other	4,236	64	—	—	4,300
Total Operating Revenues	1,288,437	959,069	121,285	81,180	2,449,971
Operating Expenses					
Operations					
Personnel	1,281,685	116,744	—	—	1,398,429
Contractual Services	—	154,896	—	94,822	249,718
Commodities	—	286,609	—	—	286,609
Other	—	923	—	—	923
Depreciation	—	356,846	4,665	—	361,511
Total Operating Expenses	1,281,685	916,018	4,665	94,822	2,297,190
Operating Income (Loss)	6,752	43,051	116,620	(13,642)	152,781
Nonoperating Revenues					
Interest Income	6,274	7,234	525	75	14,108
Disposal of Capital Assets	—	116,360	—	—	116,360
	6,274	123,594	525	75	130,468
Change in Net Position	13,026	166,645	117,145	(13,567)	283,249
Net Position - Beginning	1,661,747	4,203,288	753,779	350,000	6,968,814
Net Position - Ending	1,674,773	4,369,933	870,924	336,433	7,252,063

CITY OF WASHINGTON, ILLINOIS

**Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended April 30, 2022**

	Employee Benefit	Motor Equipment Replacement	Capital Replacement	Building Maintenance	Totals
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 45,436	64	—	—	45,500
Interfund Services Provided	1,102,179	964,679	121,285	81,180	2,269,323
Payments to Suppliers	(1,283,056)	(464,928)	—	(94,822)	(1,842,806)
Payments to Employees	—	(86,473)	—	—	(86,473)
	<u>(135,441)</u>	<u>413,342</u>	<u>121,285</u>	<u>(13,642)</u>	<u>385,544</u>
Cash Flows from Capital and Related					
Purchase of Capital Assets	—	(920,938)	(20,013)	(88,860)	(1,029,811)
Disposal of Capital Assets	—	178,250	1,193	—	179,443
Issuance of Debt	—	497,171	—	—	497,171
Principal Retirement	—	(34,547)	—	—	(34,547)
	<u>—</u>	<u>(280,064)</u>	<u>(18,820)</u>	<u>(88,860)</u>	<u>(387,744)</u>
Cash Flows from Investing Activities					
Interest Income	6,274	7,234	525	75	14,108
Net Change in Cash and Cash Equivalents	(129,167)	140,512	102,990	(102,427)	11,908
Cash and Cash Equivalents - Beginning	1,656,731	2,435,733	744,804	350,000	5,187,268
Cash and Cash Equivalents - Ending	<u>1,527,564</u>	<u>2,576,245</u>	<u>847,794</u>	<u>247,573</u>	<u>5,199,176</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	6,752	43,051	116,620	(13,642)	152,781
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)					
Operating Activities					
Depreciation and Amortization	—	356,846	4,665	—	361,511
(Increase) Decrease in Current Assets	(140,822)	5,674	—	—	(135,148)
Increase (Decrease) in Current Liabilities	(1,371)	7,771	—	—	6,400
Net Cash Provided by Operating Activities	<u>(135,441)</u>	<u>413,342</u>	<u>121,285</u>	<u>(13,642)</u>	<u>385,544</u>

CITY OF WASHINGTON, ILLINOIS

Motor Equipment Replacement - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	\$ 1,146,710	1,146,710	959,005
Other	—	—	64
Total Operating Revenues	<u>1,146,710</u>	<u>1,146,710</u>	<u>959,069</u>
Operating Expenses			
Operations			
Personnel	122,510	122,510	116,744
Contractual Services	218,041	218,041	154,896
Commodities	239,300	239,300	286,609
Other	352,000	352,000	923
Capital Outlay	578,000	578,000	—
Depreciation	300,000	300,000	356,846
Total Operating Expenses	<u>1,809,851</u>	<u>1,809,851</u>	<u>916,018</u>
Operating Income (Loss)	<u>(663,141)</u>	<u>(663,141)</u>	<u>43,051</u>
Nonoperating Revenues			
Interest Income	12,000	12,000	7,234
Disposal of Capital Assets	—	—	116,360
	<u>12,000</u>	<u>12,000</u>	<u>123,594</u>
Change in Net Position	<u>(651,141)</u>	<u>(651,141)</u>	166,645
Net Position - Beginning			<u>4,203,288</u>
Net Position - Ending			<u><u>4,369,933</u></u>

CITY OF WASHINGTON, ILLINOIS

Capital Replacement - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	\$ 163,318	163,318	121,285
Operating Expenses			
Depreciation	6,500	6,500	4,665
Operating Income	156,818	156,818	116,620
Nonoperating Revenues			
Interest Income	200	200	525
Change in Net Position	<u>157,018</u>	<u>157,018</u>	117,145
Net Position - Beginning			<u>753,779</u>
Net Position - Ending			<u>870,924</u>

CITY OF WASHINGTON, ILLINOIS

Building Maintenance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	\$ 431,180	431,180	81,180
Operating Expenses			
Operations			
Contractual Services	193,000	193,000	94,822
Capital Outlay	135,000	135,000	—
Depreciation	5,000	5,000	—
Total Operating Expenses	333,000	333,000	94,822
Operating Income (Loss)	98,180	98,180	(13,642)
Nonoperating Revenues			
Interest Income	—	—	75
Change in Net Position	98,180	98,180	(13,567)
Net Position - Beginning			350,000
Net Position - Ending			336,433

CITY OF WASHINGTON, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in the Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Additions			
Contributions - Employer	\$ 670,000	670,000	690,713
Contributions - Plan Members	200,000	200,000	208,957
Total Contributions	<u>870,000</u>	<u>870,000</u>	<u>899,670</u>
Investment Income			
Interest Earned	170,000	170,000	462,594
Net Change in Fair Value	100,000	100,000	(719,045)
	<u>270,000</u>	<u>270,000</u>	<u>(256,451)</u>
Less Investment Expenses	(25,000)	(25,000)	(29,121)
Net Investment Income	<u>245,000</u>	<u>245,000</u>	<u>(285,572)</u>
Total Additions	<u>1,115,000</u>	<u>1,115,000</u>	<u>614,098</u>
Deductions			
Administration	9,900	9,900	15,326
Benefits and Refunds	750,000	895,000	872,969
Total Deductions	<u>759,900</u>	<u>904,900</u>	<u>888,295</u>
Change in Fiduciary Net Position	<u>355,100</u>	<u>210,100</u>	(274,197)
Net Position Restricted for Pensions			
Beginning as Restated			<u>9,181,050</u>
Ending			<u>8,906,853</u>

CITY OF WASHINGTON, ILLINOIS

**Consolidated Year-End Financial Report
April 30, 2022**

CSFA #	Program Name	State	Federal	Other	Total
494-00-1000	Illinois Transportation Enhancement Program	\$ —	73,782	18,446	92,228
494-00-1002	Safe Routes to School	—	82,474	—	82,474
494-00-1439	Statewide Planning & Research Funds	—	58,390	14,597	72,987
494-00-1488	Motor Fuel Tax Program	932,027	—	—	932,027
494-00-2356	Local REBUILD ILLINOIS Bond Program	141,721	—	—	141,721
	Other Grant Programs and Activities	—	2,647	34,798	37,445
	All Other Costs Not Allocated	—	—	17,951,950	17,951,950
	Totals	1,073,748	217,293	18,019,791	19,310,832



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

December 2, 2022

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

We have audited, in accordance with the 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 Washington, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 2, 2022.

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 a 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

CITY OF WASHINGTON, ILLINOIS

Long-Term Debt Requirements

Promissory Note of 2015

April 30, 2022

Date of Issue	February 18, 2015
Date of Maturity	May 15, 2029
Authorized Issue	\$4,010,000
Interest Rate	2.50%
Interest Dates	May 15 and November 15
Principal Maturity Date	May 15
Payable at	Busey Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2023	\$ 295,000	61,063	356,063
2024	305,000	53,563	358,563
2025	315,000	45,813	360,813
2026	320,000	37,875	357,875
2027	330,000	29,750	359,750
2028	335,000	21,438	356,438
2029	340,000	13,000	353,000
2030	349,905	4,375	354,280
	<u>2,589,905</u>	<u>266,877</u>	<u>2,856,782</u>

CITY OF WASHINGTON, ILLINOIS

Long-Term Debt Requirements

Promissory Note of 2016

April 30, 2022

Date of Issue	December 2, 2015
Date of Maturity	June 2, 2026
Authorized Issue	\$2,300,000
Denomination of Bonds	\$5,000
Interest Rate	2.46%
Interest Dates	June 2 and December 2
Principal Maturity Date	June 2
Payable at	Morton Community Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2023	\$ 236,012	25,303	261,315
2024	241,936	19,379	261,315
2025	247,966	13,349	261,315
2026	254,231	7,084	261,315
2027	91,946	1,187	93,133
	<u>1,072,091</u>	<u>66,302</u>	<u>1,138,393</u>

CITY OF WASHINGTON, ILLINOIS

Long-Term Debt Requirements

IEPA Loan of 2009

April 30, 2022

Date of Issue	April 20, 2009
Date of Maturity	November 30, 2030
Authorized Issue	\$9,500,000
Interest Rate	None
Interest Dates	N/A
Principal Maturity Date	November 30
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2023	\$ 289,446	—	289,446
2024	289,446	—	289,446
2025	289,446	—	289,446
2026	289,446	—	289,446
2027	289,446	—	289,446
2028	289,446	—	289,446
2029	289,446	—	289,446
2030	289,446	—	289,446
2031	289,444	—	289,444
	<u>2,605,012</u>	<u>—</u>	<u>2,605,012</u>

CITY OF WASHINGTON, ILLINOIS

Long-Term Debt Requirements

IEPA Loan of 2017

April 30, 2022

Date of Issue	August 2, 2016
Date of Maturity	March 15, 2037
Authorized Issue	\$3,900,000
Interest Rate	1.75%
Interest Dates	March 15 and September 15
Principal Maturity Date	March 15
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2023	\$ 183,431	53,751	237,182
2024	186,654	50,528	237,182
2025	189,935	47,247	237,182
2026	193,273	43,909	237,182
2027	196,670	40,512	237,182
2028	200,127	37,055	237,182
2029	203,644	33,538	237,182
2030	207,224	29,958	237,182
2031	210,866	26,316	237,182
2032	214,572	22,610	237,182
2033	218,344	18,838	237,182
2034	222,182	15,000	237,182
2035	226,087	11,095	237,182
2036	230,061	7,121	237,182
2037	234,103	3,079	237,182
	<u>3,117,173</u>	<u>440,557</u>	<u>3,557,730</u>

CITY OF WASHINGTON, ILLINOIS

**Property Tax Assessed Valuations, Rates, Extensions, and Collections - Last Four Tax Levy Years
April 30, 2022**

Tax Levy Year	2018	2019	2020	2021
Assessed Valuations	\$ 348,418,651	348,552,322	349,930,355	351,363,677
Tax Rates				
General Corporate	0.0965	—	—	0.0302
Police Pension	0.1536	0.1762	0.1879	0.1958
Ambulance	—	0.0501	0.0499	0.0497
Fire Protection	—	0.0247	0.0246	0.0245
Civil Defense	0.0010	0.0015	0.0012	0.0012
Audit	0.0083	0.0083	0.0083	0.0100
Illinois Municipal Retirement	0.0990	0.0990	0.1035	0.1053
Social Security	0.0847	0.0846	0.0903	0.0911
Liability Insurance	0.0299	0.0287	0.0286	0.0270
Total Tax Rates	0.4730	0.4731	0.4943	0.5348
Tax Extensions				
General Corporate	336,075	—	—	105,971
Police Pension	535,300	614,000	657,519	688,111
Ambulance	—	174,601	174,650	174,663
Fire Protection	—	85,998	86,048	86,049
Civil Defense	3,300	4,142	4,164	4,146
Audit	29,000	29,000	29,009	35,031
Illinois Municipal Retirement	345,000	345,000	362,003	370,021
Social Security	295,000	295,000	316,022	320,022
Liability Insurance	104,000	100,000	100,010	95,009
Total Tax Extensions	1,647,675	1,647,741	1,729,425	1,879,023
Tax Collections	\$ 1,647,741	1,643,641	1,723,309	1,879,023
Percentage Collected	100.00%	99.75%	99.65%	100.00%
Other Collections				
City Share of Township Road and Bridge	\$ 217,762	217,133	218,706	219,602
Incremental Tax District	230,595	236,492	243,312	243,312
N. Lawndale Special Service Area	—	16,500	16,500	16,500
W. Holland Special Service Area	—	4,500	4,500	4,500