

CITY OF WASHINGTON, ILLINOIS
ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2023

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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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Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

October 2, 2023

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, (the City), Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, 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, 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.

City of Washington, Illinois
October 2, 2023

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, 2023

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, 2023, for the City of Washington. Please read it in conjunction with 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 \$3,874,499, or 8.0 percent, from a restated beginning balance of \$48,503,636. Net position of business-type activities increased by \$1,029,572, or 2.6 percent, from a beginning balance of \$39,353,031.
- During the year, government-wide revenues primary government totaled \$26,122,159, while expenses totaled \$21,218,088, resulting in an increase to net position of \$4,904,071 from a restated beginning balance of \$87,856,667.
- The City's net position totaled \$92,760,738 on April 30, 2023, which includes \$63,947,052 net investment in capital assets, \$5,402,839 subject to external restrictions, and \$23,410,847 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 \$21,618,782, and total unassigned fund balance of \$16,317,466 or 75.5 percent of the total fund balance amount is available for spending at the City's discretion.
- Beginning net position of the City was restated to correct a prior year error in the recognition of net pension liability.

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, 2023

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 sixteen 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, 2023

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.

CITY OF WASHINGTON, ILLINOIS

Management’s Discussion and Analysis

April 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table represents the net position as of April 30, 2023. 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 \$92,760,738.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Current Assets	\$ 33,491,542	29,703,604	12,019,351	11,932,087	45,510,893	41,635,691
Capital Assets	37,160,685	36,128,790	35,683,247	34,990,343	72,843,932	71,119,133
Other Assets	—	448,461	—	—	—	448,461
Total Assets	70,652,227	66,280,855	47,702,598	46,922,430	118,354,825	113,203,285
Deferred Outflows	3,521,885	1,960,256	—	—	3,521,885	1,960,256
Total Assets/Deferred Outflows	74,174,112	68,241,111	47,702,598	46,922,430	121,876,710	115,163,541
Long-Term Liabilities	14,832,847	10,861,020	5,419,128	6,141,000	20,251,975	17,002,020
Other Liabilities	1,232,354	1,256,398	1,548,894	1,428,399	2,781,248	2,684,797
Total Liabilities	16,065,201	12,117,418	6,968,022	7,569,399	23,033,223	19,686,817
Deferred Inflows	5,730,776	6,962,538	351,973	—	6,082,749	6,962,538
Total Liabilities/Deferred Inflows	21,795,977	19,079,956	7,319,995	7,569,399	29,115,972	26,649,355
Net Position						
Net Investment in Capital Assets	34,350,161	33,057,287	29,596,891	28,196,067	63,947,052	61,253,354
Restricted	4,591,840	4,824,890	810,999	710,540	5,402,839	5,535,430
Unrestricted	13,436,134	11,278,978	9,974,713	10,446,424	23,410,847	21,725,402
Total Net Position	52,378,135	49,161,155	40,382,603	39,353,031	92,760,738	88,514,186

A large portion of the City’s net position, \$63,947,052 or 68.9 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, \$5,402,839 or 5.8 percent, of the City’s net position represents resources that are subject to external restrictions on how they may be used. The remaining 25.3 percent, or \$23,410,847, 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, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2023	2022
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 2,541,366	1,909,247	6,481,250	6,134,935	9,022,616	8,044,182
Operating Grants/Contributions	1,352,925	1,181,031	—	—	1,352,925	1,181,031
Capital Grants/Contributions	11,581	403,279	—	—	11,581	403,279
General Revenues						
Property Taxes	2,131,339	1,988,308	—	—	2,131,339	1,988,308
Intergovernmental	6,640,204	6,501,761	—	—	6,640,204	6,501,761
Other Taxes	6,343,321	4,983,509	—	—	6,343,321	4,983,509
Other General Revenues	536,805	508,326	83,368	(17,145)	620,173	491,181
Total Revenues	19,557,541	17,475,461	6,564,618	6,117,790	26,122,159	23,593,251
Expenses						
General Government	4,193,561	2,338,379	—	—	4,193,561	2,338,379
Public Safety	6,718,362	7,014,877	—	—	6,718,362	7,014,877
Highways and Streets	4,601,291	4,421,468	—	—	4,601,291	4,421,468
Cemetery	107,074	82,905	—	—	107,074	82,905
Interest on Long-Term Debt	62,754	53,283	—	—	62,754	53,283
Waterworks	—	—	2,072,056	2,014,211	2,072,056	2,014,211
Sewerage	—	—	3,462,990	3,385,709	3,462,990	3,385,709
Total Expenses	15,683,042	13,910,912	5,535,046	5,399,920	21,218,088	19,310,832
Change in Net Position	3,874,499	3,564,549	1,029,572	717,870	4,904,071	4,282,419
Fund Balance - Beginning as Restated	48,503,636	45,596,606	39,353,031	38,635,161	87,856,667	84,231,767
Net Position - Ending	52,378,135	49,161,155	40,382,603	39,353,031	92,760,738	88,514,186

CITY OF WASHINGTON, ILLINOIS

Management’s Discussion and Analysis

April 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Net position of the City’s governmental activities increased by 8.0 percent (\$52,378,135 in 2023 compared to \$48,503,636 in 2022, as restated).

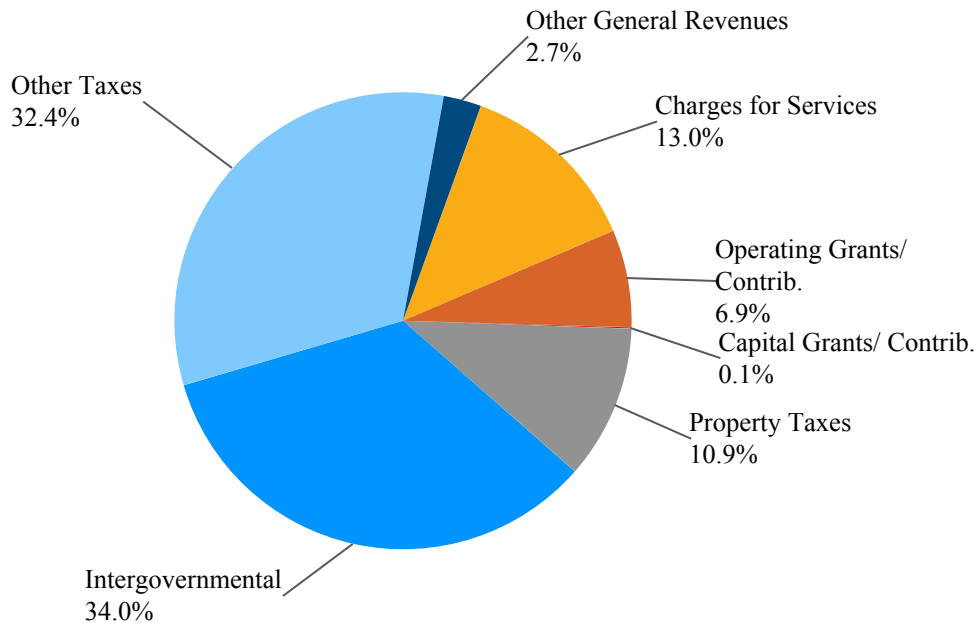
Net position of business-type activities increased by 2.6 percent (\$40,382,603 in 2023 compared to \$39,353,031 in 2022, as restated).

Governmental Activities

Revenues for governmental activities totaled \$19,557,541, while the cost of all governmental functions totaled \$15,683,042. This results in a surplus of \$3,874,499. In 2022, revenues of \$17,475,461 exceeded expenses of \$13,910,912, resulting in a surplus of \$3,564,549. 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

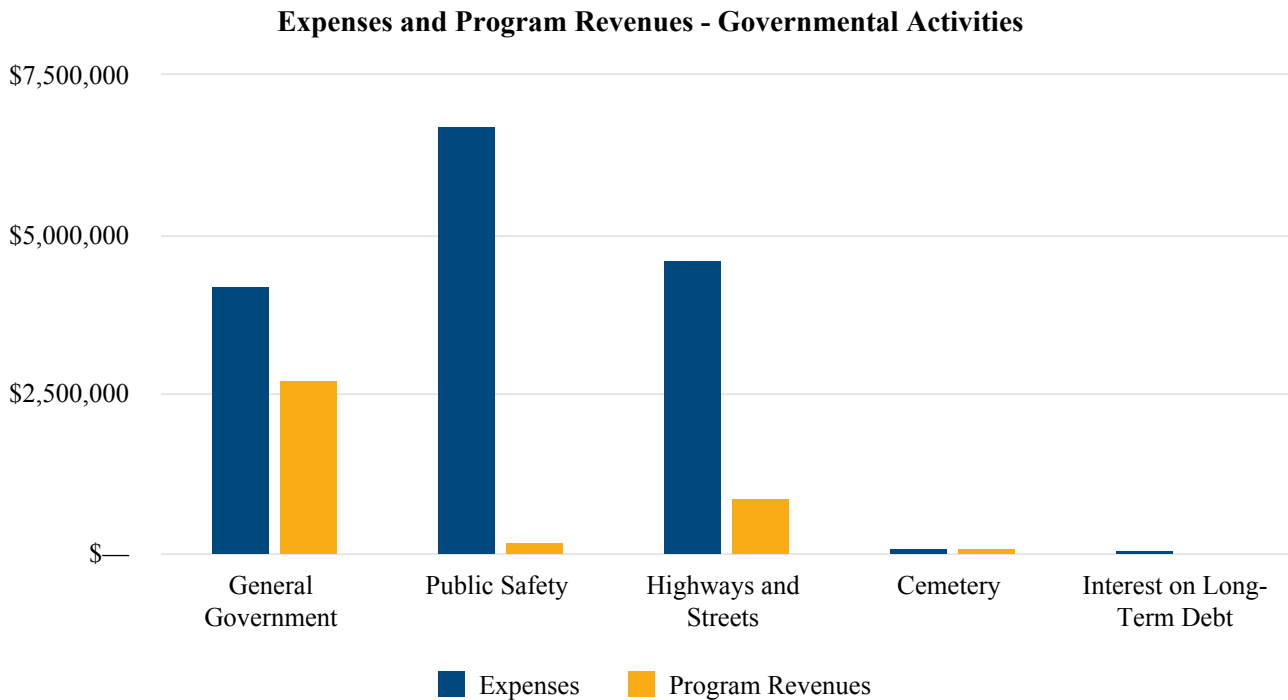
Management’s Discussion and Analysis

April 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

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



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 \$6,564,618, while the cost of all business-type activities totaled \$5,535,046. This results in a surplus of \$1,029,572. In 2022, revenues of \$6,117,790 exceeded expenses of \$5,399,920, resulting in a surplus of \$717,870. 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.

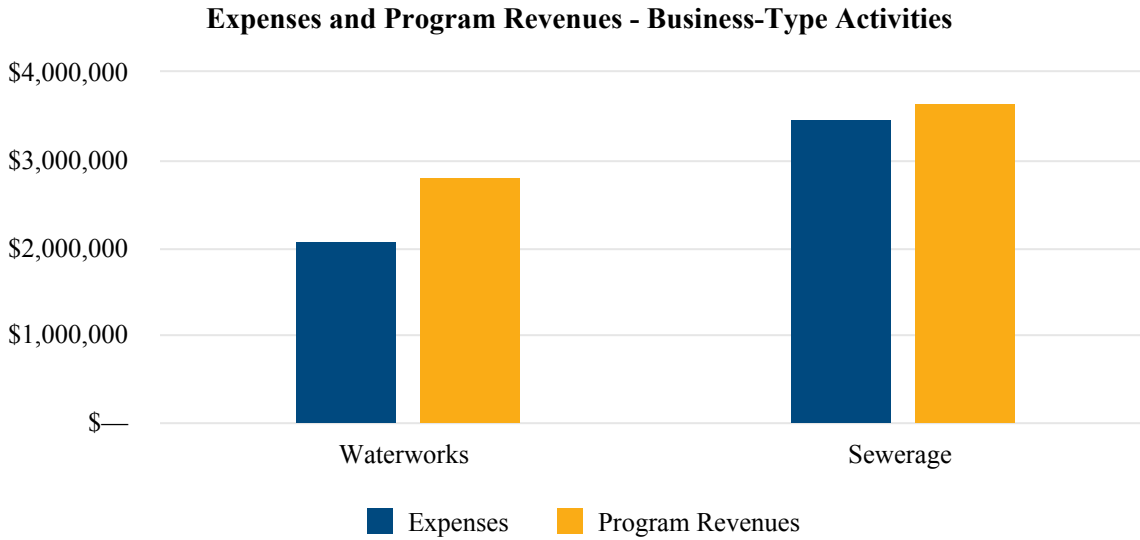
CITY OF WASHINGTON, ILLINOIS

Management’s Discussion and Analysis

April 30, 2023

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 \$21,618,782, which is \$2,165,200, or 11.1 percent, higher than last year’s total of \$19,453,582. Of the \$21,618,782 total, \$16,317,466, or 75.5 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 \$2,411,733, which is an increase of 16.3 percent from a beginning balance of \$14,816,114. This increase 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 \$16,352,187, which represents 94.9 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 132.2 percent of total General Fund expenditures.

CITY OF WASHINGTON, ILLINOIS

Management's Discussion and Analysis

April 30, 2023

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 provide 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 \$810,247 from a beginning balance of \$13,600,358. Prior year's operations resulted in a surplus of \$547,995. Unrestricted net position in the Waterworks Fund totaled \$2,680,618 at April 30, 2023. The current year surplus is due to expenses in all categories except depreciation expense coming in under budget, which resulted in operating income of \$747,849.

The Sewerage Fund reported an increase of \$219,325 from a beginning balance of \$25,752,673. Prior year's operations resulted in a surplus of \$169,875. Unrestricted net position in the Sewerage Fund totaled \$7,294,095 at April 30, 2023. The current year surplus is due to charges for services exceeding budget by \$167,954, which helped to provide operating income of \$198,355.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$16,062,666, compared to budgeted revenues of \$15,245,500. Revenues for all functions except charges for services were higher than budgeted.

General Fund actual expenditures for the year were \$1,628,765 lower than budgeted (\$12,373,025 actual compared to \$14,001,790 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, 2023

CAPITAL ASSETS

The City’s investment in capital assets for its governmental and business type activities as of April 30, 2023 was \$72,843,932 (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			
	2023	2022	2023	2022	2023	2022
Land	\$ 4,965,000	4,965,000	204,676	204,676	5,169,676	5,169,676
Construction in Progress	3,854,915	2,841,232	2,907,856	1,695,943	6,762,771	4,537,175
Land Improvements	848,094	760,476	—	—	848,094	760,476
Buildings	3,298,253	3,410,368	—	—	3,298,253	3,410,368
Infrastructure	20,987,437	20,850,714	—	—	20,987,437	20,850,714
Water System	—	—	9,618,181	9,676,685	9,618,181	9,676,685
Sewer System	—	—	21,179,522	21,598,756	21,179,522	21,598,756
Equipment and Vehicles	2,778,054	2,845,404	1,773,012	1,814,283	4,551,066	4,659,687
Leased Assets - Vehicles	428,932	455,596	—	—	428,932	455,596
Totals	37,160,685	36,128,790	35,683,247	34,990,343	72,843,932	71,119,133

This year’s major additions included:

Construction in Progress	\$ 3,079,041
Land Improvements	108,991
Infrastructure	2,035,397
Water System	484,227
Sewer System	336,255
Equipment and Vehicles	436,232
Leased Assets - Vehicles	141,286
	<u>6,621,429</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, 2023

DEBT ADMINISTRATION

As of April 30, 2023, the City had total outstanding debt of \$8,896,880 as compared to \$9,865,779 the previous year, a decrease of 9.8 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Promissory Notes Payable	\$ 2,294,905	2,589,905	836,048	1,072,091	3,130,953	3,661,996
Leases Payable	515,619	481,598	—	—	515,619	481,598
IEPA Loans Payable	—	—	5,250,308	5,722,185	5,250,308	5,722,185
	<u>2,810,524</u>	<u>3,071,503</u>	<u>6,086,356</u>	<u>6,794,276</u>	<u>8,896,880</u>	<u>9,865,779</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 has largely rebounded from the effects of the COVID-19 pandemic; however rising inflation continues to be a concern. Legislation allowing for sales tax on internet sales has been a positive impact for home rule sales tax. Municipal and home rule sales tax recorded growth of over 5% and these trends are expected to continue into next budget year. Unemployment rates also showed slight improvement with the state unemployment rate in April 2023 at 4.2%, compared to 4.6%, 5.3%, and 15.1% in April 2022, April 2021, and April 2020, respectively. Grants received over the past three years, 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% 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. In July 2022, an additional .5% Home Rule Sales Tax took effect, bringing the total sales tax rate to 9.0% which will provide funding for stormwater management initiatives. A \$4.735M bond was issued in October 2023 so that multiple projects could be addressed while utilizing the sales tax for debt service purposes.

As a result of these additional funding sources, capital spending will continue to increase in future years. Accumulated reserves will also begin to decrease as projects that have been delayed in past years are completed. Grant funding has been awarded that will largely offset some of the capital projects that are on the horizon, most notably, the Nofsinger Realignment project which will bring a much-needed improvement to a very dangerous intersection on a major bypass.

Management's Discussion and Analysis

April 30, 2023

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

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 9.3% over the last six 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 been completed; however, it is yet to be seen whether this will bring a positive or negative local impact. 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 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, including the Freedom Parkway improvement and Nofsinger Realignment project which should continue to improve the EAV and stimulate further economic growth. In addition, a brew pub that is being developed in the downtown TIF district is anticipated to provide further vitality to the historic downtown square.

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, 2023

See Following Page

CITY OF WASHINGTON, ILLINOIS

Statement of Net Position

April 30, 2023

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 26,680,063	11,087,257	37,767,320
Receivables - Net of Allowances	6,226,862	927,111	7,153,973
Due from Other Governments	267,769	—	267,769
Internal Balances	3,694	(3,694)	—
Prepays	156,594	8,677	165,271
Inventories	156,560	—	156,560
Total Current Assets	<u>33,491,542</u>	<u>12,019,351</u>	<u>45,510,893</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	8,819,915	3,112,532	11,932,447
Depreciable/Amortizable	61,496,081	59,621,620	121,117,701
Accumulated Depreciation/Amortization	<u>(33,155,311)</u>	<u>(27,050,905)</u>	<u>(60,206,216)</u>
Total Noncurrent Assets	<u>37,160,685</u>	<u>35,683,247</u>	<u>72,843,932</u>
Total Assets	<u>70,652,227</u>	<u>47,702,598</u>	<u>118,354,825</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	1,912,073	—	1,912,073
Deferred Items - Police Pension	1,609,812	—	1,609,812
Total Deferred Outflows of Resources	<u>3,521,885</u>	<u>—</u>	<u>3,521,885</u>
Total Assets and Deferred Outflows of Resources	<u>74,174,112</u>	<u>47,702,598</u>	<u>121,876,710</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	\$ 613,514	358,392	971,906
Accrued Payroll	70,027	9,983	80,010
Accrued Interest Payable	27,493	20,061	47,554
Deposits	—	430,060	430,060
Other Payables	51,450	—	51,450
Current Portion of Long-Term Debt	469,870	730,398	1,200,268
Total Current Liabilities	1,232,354	1,548,894	2,781,248
Noncurrent Liabilities			
Compensated Absences Payable	479,482	50,536	530,018
Net Pension Liability - IMRF	3,256,013	—	3,256,013
Net Pension Liability - Police Pension	7,050,034	—	7,050,034
Total OPEB Liability - RBP	1,673,570	—	1,673,570
Promissory Notes Payable	1,989,905	594,385	2,584,290
Leases Payable	383,843	—	383,843
IEPA Loans Payable	—	4,774,207	4,774,207
Total Noncurrent Liabilities	14,832,847	5,419,128	20,251,975
Total Liabilities	16,065,201	6,968,022	23,033,223
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,436,235	—	2,436,235
Grants	2,249,407	—	2,249,407
Leases	308,590	351,973	660,563
Other	502,741	—	502,741
Deferred Items - IMRF	25,307	—	25,307
Deferred Items - Police Pension	208,496	—	208,496
Total Deferred Inflows of Resources	5,730,776	351,973	6,082,749
Total Liabilities and Deferred Inflows of Resources	21,795,977	7,319,995	29,115,972
NET POSITION			
Net Investment in Capital Assets	34,350,161	29,596,891	63,947,052
Restricted			
Special Police Funds	702,278	—	702,278
Audit	60,475	—	60,475
Motor Fuel Tax	1,839,168	—	1,839,168
Incremental Tax	609,097	—	609,097
Liability Insurance	266,341	—	266,341
Illinois Municipal Retirement	524,770	—	524,770
Rural Development Business Grant	181,857	—	181,857
Social Security and Medicare	407,854	—	407,854
Debt Service	—	810,999	810,999
Unrestricted	13,436,134	9,974,713	23,410,847
Total Net Position	52,378,135	40,382,603	92,760,738
Total Liabilities, Deferred Inflows of Resources, and Net Position	74,174,112	47,702,598	121,876,710

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, 2023

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 4,193,561	2,225,177	508,264	—
Public Safety	6,718,362	192,680	—	—
Highways and Streets	4,601,291	32,309	844,661	11,581
Cemetery	107,074	91,200	—	—
Interest on Long-Term Debt	62,754	—	—	—
Total Governmental Activities	15,683,042	2,541,366	1,352,925	11,581
Business-Type Activities				
Waterworks	2,072,056	2,819,905	—	—
Sewerage	3,462,990	3,661,345	—	—
Total Business-Type Activities	5,535,046	6,481,250	—	—
Total Primary Government	21,218,088	9,022,616	1,352,925	11,581

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
(1,460,120)	—	(1,460,120)
(6,525,682)	—	(6,525,682)
(3,712,740)	—	(3,712,740)
(15,874)	—	(15,874)
(62,754)	—	(62,754)
<u>(11,777,170)</u>	<u>—</u>	<u>(11,777,170)</u>
—	747,849	747,849
—	198,355	198,355
—	<u>946,204</u>	<u>946,204</u>
<u>(11,777,170)</u>	<u>946,204</u>	<u>(10,830,966)</u>
2,131,339	—	2,131,339
5,208,527	—	5,208,527
664,214	—	664,214
470,580	—	470,580
3,829,152	—	3,829,152
2,473,189	—	2,473,189
179,803	—	179,803
158,060	—	158,060
246,834	42,349	289,183
289,971	41,019	330,990
<u>15,651,669</u>	<u>83,368</u>	<u>15,735,037</u>
3,874,499	1,029,572	4,904,071
<u>48,503,636</u>	<u>39,353,031</u>	<u>87,856,667</u>
<u>52,378,135</u>	<u>40,382,603</u>	<u>92,760,738</u>

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

CITY OF WASHINGTON, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2023

	General	Nonmajor	Totals
ASSETS			
Cash and Investments	\$ 16,651,332	4,542,637	21,193,969
Receivables - Net of Allowances			
Taxes	4,154,027	1,113,761	5,267,788
Accounts	116,417	4,600	121,017
Interest	4,469	—	4,469
Leases Receivables	—	296,915	296,915
Other	—	530,060	530,060
Due from Other Governments	200,825	66,944	267,769
Due from Other Funds	5,767	—	5,767
Prepays	16,822	16,557	33,379
Inventories	156,560	—	156,560
Total Assets	<u>21,306,219</u>	<u>6,571,474</u>	<u>27,877,693</u>
LIABILITIES			
Accounts Payable	338,953	249,471	588,424
Accrued Payroll	72,641	27,408	100,049
Due to Other Funds	22,015	—	22,015
Other Payables	51,450	—	51,450
Total Liabilities	<u>485,059</u>	<u>276,879</u>	<u>761,938</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	1,325,906	1,110,329	2,436,235
Grants	2,249,407	—	2,249,407
Leases	18,000	308,590	326,590
Other	—	484,741	484,741
Total Deferred Inflows of Resources	<u>3,593,313</u>	<u>1,903,660</u>	<u>5,496,973</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,078,372</u>	<u>2,180,539</u>	<u>6,258,911</u>
FUND BALANCES			
Nonspendable	173,382	16,557	189,939
Restricted	702,278	3,889,562	4,591,840
Assigned	—	519,537	519,537
Unassigned	16,352,187	(34,721)	16,317,466
Total Fund Balances	<u>17,227,847</u>	<u>4,390,935</u>	<u>21,618,782</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>21,306,219</u>	<u>6,571,474</u>	<u>27,877,693</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, 2023

Total Governmental Fund Balances	\$ 21,618,782
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.	37,160,685
Less: Internal Service Capital Assets	(2,186,970)
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	1,886,766
Deferred Items - Police Pension	1,401,316
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	7,284,117
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(470,144)
Net Pension Liability - IMRF	(3,256,013)
Net Pension Liability - Police Pension	(7,050,034)
Total OPEB Liability - RBP	(1,673,570)
Promissory Notes Payable	(2,294,905)
Capital Leases Payable	(14,402)
Accrued Interest Payable	(27,493)
Net Position of Governmental Activities	<u>52,378,135</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, 2023**

	General	Nonmajor	Totals
Revenues			
Taxes	\$ 7,396,233	1,078,427	8,474,660
Intergovernmental	7,119,020	885,690	8,004,710
Licenses and Permits	487,037	—	487,037
Charges for Services	542,654	1,318,995	1,861,649
Fines and Forfeitures	192,680	—	192,680
Interest Income	87,168	101,670	188,838
Miscellaneous	237,874	52,097	289,971
Total Revenues	<u>16,062,666</u>	<u>3,436,879</u>	<u>19,499,545</u>
Expenditures			
General Government	2,815,326	1,609,459	4,424,785
Public Safety	6,452,366	28,045	6,480,411
Highways and Streets	1,781,451	93,371	1,874,822
Cemetery	—	97,966	97,966
Capital Outlay	1,319,006	2,776,536	4,095,542
Debt Service			
Principal Retirement	4,572	295,000	299,572
Interest and Fiscal Charges	304	60,943	61,247
Total Expenditures	<u>12,373,025</u>	<u>4,961,320</u>	<u>17,334,345</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,689,641</u>	<u>(1,524,441)</u>	<u>2,165,200</u>
Other Financing Sources (Uses)			
Transfers In	—	1,277,908	1,277,908
Transfers Out	(1,277,908)	—	(1,277,908)
	<u>(1,277,908)</u>	<u>1,277,908</u>	<u>—</u>
Net Change in Fund Balances	2,411,733	(246,533)	2,165,200
Fund Balances - Ending	<u>14,816,114</u>	<u>4,637,468</u>	<u>19,453,582</u>
Fund Balances - Ending	<u>17,227,847</u>	<u>4,390,935</u>	<u>21,618,782</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, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 2,165,200

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	4,255,063
Depreciation Expense	(2,995,757)
Disposals - Cost	(3,895)
Disposals - Accumulated Depreciation	3,895

The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	3,544,117
Change in Deferred Items - Police Pension	646,759

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	(6,853)
Change in Net Pension Liability/(Asset) - IMRF	(3,704,474)
Change in Net Pension Liability - Police Pension	(869,086)
Change in Total OPEB Liability - RBP	504,371
Retirement of Debt	299,572
Changes to Accrued Interest	3,533

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.

32,054

Changes in Net Position of Governmental Activities

3,874,499

CITY OF WASHINGTON, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2023

	Business-Type Activities - Enterprise			Governmental
				Activities
	Waterworks	Sewerage	Totals	Internal Service
ASSETS				
Current Assets				
Cash and Investments	\$ 3,025,975	8,061,282	11,087,257	5,486,094
Receivables - Net of Allowances				
Accounts	260,934	291,046	551,980	5,404
Interest	7,731	11,671	19,402	1,209
Leases	355,729	—	355,729	—
Due from Other Funds	—	—	—	22,015
Prepays	5,150	3,527	8,677	123,215
Total Current Assets	<u>3,655,519</u>	<u>8,367,526</u>	<u>12,023,045</u>	<u>5,637,937</u>
Noncurrent Assets				
Capital Assets				
Nondepreciable	1,279,204	1,833,328	3,112,532	—
Depreciable/Amortizable	20,948,454	38,673,166	59,621,620	4,398,608
Accumulated Depreciation/Amortization	(9,661,623)	(17,389,282)	(27,050,905)	(2,211,638)
Total Noncurrent Assets	<u>12,566,035</u>	<u>23,117,212</u>	<u>35,683,247</u>	<u>2,186,970</u>
Total Assets	<u>16,221,554</u>	<u>31,484,738</u>	<u>47,706,292</u>	<u>7,824,907</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	\$ 147,926	210,466	358,392	25,090
Accrued Payroll	4,611	5,372	9,983	738
Accrued Interest Payable	10,989	9,072	20,061	—
Deposits	430,060	—	430,060	—
Due to Other Funds	3,694	—	3,694	2,073
Current Portion of Long-Term Debt	246,793	483,605	730,398	129,280
Total Current Liabilities	844,073	708,515	1,552,588	157,181
Noncurrent Liabilities				
Compensated Absences Payable	20,518	30,018	50,536	9,338
Promissory Notes Payable	594,385	—	594,385	—
IEPA Loans Payable	—	4,774,207	4,774,207	—
Leases Payable	—	—	—	374,271
Total Noncurrent Liabilities	614,903	4,804,225	5,419,128	383,609
Total Liabilities	1,458,976	5,512,740	6,971,716	540,790
DEFERRED INFLOWS OF RESOURCES				
Leases	351,973	—	351,973	—
Total Liabilities and Deferred Inflows of Resources	1,810,949	5,512,740	7,323,689	540,790
NET POSITION				
Net Investment in Capital Assets	11,729,987	17,866,904	29,596,891	1,685,753
Restricted - Debt Service	—	810,999	810,999	—
Unrestricted	2,680,618	7,294,095	9,974,713	5,598,364
Total Net Position	14,410,605	25,971,998	40,382,603	7,284,117
Total Liabilities, Deferred Inflows of Resources, and Net Position	16,221,554	31,484,738	47,706,292	7,824,907

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, 2023**

	Business-Type Activities - Enterprise			Governmental
	Waterworks	Sewerage	Totals	Activities Internal Service
Operating Revenues				
Metered Sales	\$ 1,412,412	2,437,965	3,850,377	—
Charges for Services	1,397,670	1,217,298	2,614,968	1,161,679
Employee Contributions	—	—	—	1,255,486
Other	9,823	6,082	15,905	22,181
Total Operating Revenues	2,819,905	3,661,345	6,481,250	2,439,346
Operating Expenses				
Operations				
Personnel	706,774	817,690	1,524,464	1,379,018
Contractual Services	322,005	593,764	915,769	265,594
Commodities	256,403	155,658	412,061	345,533
Other	201,977	1,117,748	1,319,725	11,949
Depreciation	584,897	778,130	1,363,027	462,778
Total Operating Expenses	2,072,056	3,462,990	5,535,046	2,464,872
Operating Income	747,849	198,355	946,204	(25,526)
Nonoperating Revenues (Expenses)				
Grant Income	1,950	1,950	3,900	—
Other Income	37,119	—	37,119	—
Interest Income	48,602	72,752	121,354	57,996
Interest Expense	(25,273)	(53,732)	(79,005)	(5,040)
Disposal of Capital Assets	—	—	—	4,624
	62,398	20,970	83,368	57,580
Change in Net Position	810,247	219,325	1,029,572	32,054
Net Position - Beginning	13,600,358	25,752,673	39,353,031	7,252,063
Net Position - Ending	14,410,605	25,971,998	40,382,603	7,284,117

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, 2023**

	Business-Type Activities - Enterprise			Governmental
	Waterworks	Sewerage	Totals	Activities
				Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,477,490	3,653,899	6,131,389	1,277,667
Interfund Services Provided	—	—	—	1,170,424
Payments to Suppliers	(562,242)	(2,021,554)	(2,583,796)	(1,932,534)
Payments to Employees	(524,071)	(605,636)	(1,129,707)	(89,445)
	<u>1,391,177</u>	<u>1,026,709</u>	<u>2,417,886</u>	<u>426,112</u>
Cash Flows from Capital and Related				
Purchase of Capital Assets	(1,075,140)	(980,792)	(2,055,932)	(310,434)
Disposal of Capital Assets	—	—	—	79,691
Issuance of Debt	—	—	—	151,324
Principal Retirement	(236,043)	(471,877)	(707,920)	(112,731)
Interest Expense	(25,273)	(53,732)	(79,005)	(5,040)
	<u>(1,336,456)</u>	<u>(1,506,401)</u>	<u>(2,842,857)</u>	<u>(197,190)</u>
Cash Flows from Investing Activities				
Interest Income	48,602	72,752	121,354	57,996
Net Change in Cash and Cash Equivalents	103,323	(406,940)	(303,617)	286,918
Cash and Cash Equivalents - Beginning	2,922,652	8,468,222	11,390,874	5,199,176
Cash and Cash Equivalents - Ending	<u>3,025,975</u>	<u>8,061,282</u>	<u>11,087,257</u>	<u>5,486,094</u>
Reconciliation of Operating Income to Net Cash				
Provided (Used) by Operating Activities				
Operating Income (Loss)	747,849	198,355	946,204	(25,526)
Adjustments to Reconcile Operating Income				
to Net Cash Provided by (Used in)				
Operating Activities				
Depreciation	584,897	778,130	1,363,027	462,778
Other Income (Expense)	39,069	1,950	41,019	—
(Increase) Decrease in Current Assets	(381,484)	(9,396)	(390,880)	8,745
Increase (Decrease) in Current Liabilities	400,846	57,670	458,516	(19,885)
Net Cash Provided by Operating Activities	<u>1,391,177</u>	<u>1,026,709</u>	<u>2,417,886</u>	<u>426,112</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, 2023

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,436,243
Investments	
Illinois Police Officers' Pension Investment Fund	7,800,613
Receivables - Net of Allowance	
Accrued Interest	<u>895</u>
NET POSITION	
Net Position Restricted	<u><u>9,237,751</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, 2023

	Pension Trust
Additions	
Contributions - Employer	\$ 715,118
Contributions - Plan Members	175,056
Total Contributions	<u>890,174</u>
Investment Earnings	
Interest Earned	621,422
Net Change in Fair Value	<u>(426,212)</u>
	195,210
Less Investment Expenses	<u>(6,197)</u>
Net Investment Income	<u>189,013</u>
Total Additions	<u>1,079,187</u>
Deductions	
Administration	8,055
Benefits and Refunds	<u>740,234</u>
Total Deductions	<u>748,289</u>
Change in Fiduciary Net Position	330,898
Net Position Restricted for Pensions	
Beginning	<u>8,906,853</u>
Ending	<u><u>9,237,751</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, 2023

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

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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

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. Prepaids/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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

Land Improvements	20 Years
Buildings	20 - 50 Years
Infrastructure	20 - 50 Years
Equipment and Vehicles	3 - 50 Years
Leased Assets	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.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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, 2023

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, 2023

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 OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Washington 223	\$ 1,380

DEFICIT FUND BALANCES

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

Fund	Deficit
Freedom Parkway	\$ 21,729
Hilldale Avenue	12,992

The above deficit fund balances are due to accounts payable balances for which transfers are not made until the time of payment.

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

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$37,767,320 and the bank balances totaled \$35,007,610.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

City - Continued

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.

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

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund on December 1, 2022.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$1,436,243 and the bank balances totaled \$1,885,855.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund’s deposits may not be returned to it. The 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.. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Investments. At year-end the Fund has \$7,800,613 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

Investment Policy. IPOPIF’s current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Rate of Return

For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was not applicable. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2022 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.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	General	<u>\$ 1,277,908</u>

Transfers are used to transfer unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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, 2023. Interfund balances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	Waterworks	\$ 3,694
General	Internal Service	2,073
Internal Service	General	<u>22,015</u>
		<u><u>27,782</u></u>

LEASES RECEIVABLE

The City is a lessor on the following leases at year end:

Lease	Term	Start Date	Payments	Interest
Farm	2 Years	5/1/2022	\$60,877 per Year	1.772%
Water Tower	123 Months	5/1/2022	\$3,545 per Month	0.184%
Cell Tower	245 Months	5/1/2022	\$1,276 per Month	0.202%

During the fiscal year, the City has recognized \$94,596 of lease revenue.

The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
			Lease Payment			Lease Payment
2024	69,496	6,693	76,189	35,060	7,480	42,540
2025	9,914	5,398	15,312	35,839	6,701	42,540
2026	10,159	5,153	15,312	36,636	5,904	42,540
2027	10,407	4,905	15,312	37,452	5,068	42,520
2028	10,662	4,650	15,312	38,285	4,255	42,540
2029 - 2033	57,361	19,199	76,560	172,457	8,358	180,815
2034 - 2038	64,728	11,832	76,560	—	—	—
2039 - 2043	64,188	3,565	67,753	—	—	—
	<u>296,915</u>	<u>61,395</u>	<u>358,310</u>	<u>355,729</u>	<u>37,766</u>	<u>393,495</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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	2,841,232	1,867,128	853,445	3,854,915
	<u>7,806,232</u>	<u>1,867,128</u>	<u>853,445</u>	<u>8,819,915</u>
Depreciable/Amortizable Capital Assets				
Land Improvements	1,078,679	108,991	—	1,187,670
Buildings	5,214,401	—	—	5,214,401
Infrastructure	45,684,290	2,888,842	—	48,573,132
Equipment and Vehicles	5,679,171	412,695	138,564	5,953,302
Leased Assets - Vehicles	497,171	141,286	70,881	567,576
	<u>58,153,712</u>	<u>3,551,814</u>	<u>209,445</u>	<u>61,496,081</u>
Less Accumulated Depreciation/Amortization				
Land Improvements	318,203	21,373	—	339,576
Buildings	1,804,033	112,115	—	1,916,148
Infrastructure	24,833,576	2,752,119	—	27,585,695
Equipment and Vehicles	2,833,767	461,683	120,202	3,175,248
Leased Assets - Vehicles	41,575	111,245	14,176	138,644
	<u>29,831,154</u>	<u>3,458,535</u>	<u>134,378</u>	<u>33,155,311</u>
Total Net Depreciable/Amortizable Capital Assets	<u>28,322,558</u>	<u>93,279</u>	<u>75,067</u>	<u>28,340,770</u>
Total Net Capital Assets	<u>36,128,790</u>	<u>1,960,407</u>	<u>928,512</u>	<u>37,160,685</u>

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

General Government	\$ 85,035
Public Safety	175,145
Highways and Streets	2,726,469
Cemetery	9,108
Internal Service	<u>462,778</u>
	<u>3,458,535</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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	1,695,943	1,211,913	—	2,907,856
	<u>1,900,619</u>	<u>1,211,913</u>	<u>—</u>	<u>3,112,532</u>
Depreciable Capital Assets				
Water System	17,839,572	484,227	—	18,323,799
Sewer System	37,966,611	336,255	—	38,302,866
Equipment	2,971,418	23,537	—	2,994,955
	<u>58,777,601</u>	<u>844,019</u>	<u>—</u>	<u>59,621,620</u>
Less Accumulated Depreciation				
Water System	8,162,887	542,731	—	8,705,618
Sewer System	16,367,855	755,489	—	17,123,344
Equipment	1,157,135	64,808	—	1,221,943
	<u>25,687,877</u>	<u>1,363,028</u>	<u>—</u>	<u>27,050,905</u>
Total Net Depreciable Capital Assets	<u>33,089,724</u>	<u>(519,009)</u>	<u>—</u>	<u>32,570,715</u>
Total Net Capital Assets	<u>34,990,343</u>	<u>692,904</u>	<u>—</u>	<u>35,683,247</u>

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

Waterworks	\$ 584,897
Sewerage	<u>778,130</u>
	<u>1,363,027</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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 infrastructure, 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	\$ 2,589,905	—	295,000	2,294,905
Promissory Note of 2016 - Due in annual installments of \$91,942 to \$254,260 plus interest at 2.46% through June 2, 2026.	Waterworks	1,072,091	—	236,043	836,048
		<u>3,661,996</u>	<u>—</u>	<u>531,043</u>	<u>3,130,953</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	\$ 2,605,012	—	289,446	2,315,566
IEPA Loan of 2017 - Due in annual installments of \$237,182 including interest at 1.75% through March 15, 2037.	Sewerage	3,117,173	—	182,431	2,934,742
		<u>5,722,185</u>	<u>—</u>	<u>471,877</u>	<u>5,250,308</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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 equipment. An initial lease liability was recorded in the amount of \$151,324 during the current fiscal year. 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 equipment for various terms under long-term, noncancellable lease agreements. The leases expire at various dates through 2028. The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2024	\$ 131,776	6,623
2025	133,584	5,815
2026	134,519	2,954
2027	98,029	1,231
2028	17,711	187
	<u>515,619</u>	<u>16,810</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, 2023

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 as Restated	Additions	Deductions	Ending Balances	Amounts within One Year
Governmental Activities					
Compensated Absences					
Governmental	\$ 503,233	2,329	4,658	500,904	30,760
Internal Service	11,928	256	512	11,672	2,334
Net Pension Liability/(Asset) - IMRF	(448,461)	3,704,474	—	3,256,013	—
Net Pension Liability - Police Pension	6,180,948	869,086	—	7,050,034	—
Total OPEB Liability - RBP	2,177,941	—	504,371	1,673,570	—
Promissory Notes Payable	2,589,905	—	295,000	2,294,905	305,000
Leases Payable					
Governmental	18,974	—	4,572	14,402	4,830
Internal Service	462,624	151,324	112,731	501,217	126,946
	<u>11,497,092</u>	<u>4,727,469</u>	<u>921,844</u>	<u>15,302,717</u>	<u>469,870</u>
Business-Type Activities					
Compensated Absences	69,516	6,346	12,692	63,170	12,634
Promissory Notes Payable	1,072,091	—	236,043	836,048	241,663
IEPA Loans Payable	5,722,185	—	471,877	5,250,308	476,101
	<u>6,863,792</u>	<u>6,346</u>	<u>720,612</u>	<u>6,149,526</u>	<u>730,398</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 note is 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 note is 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, 2023

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
2024	\$ 305,000	53,563	241,663	19,652	476,101	50,527
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	92,188	945	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	—	—	—	—	235,102	2,080
Totals	2,294,905	205,814	836,048	41,030	5,250,308	385,806

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital/amortizable assets was comprised of the following as of April 30, 2023:

Governmental Activities	
Capital/Amortizable Assets - Net of Accumulated Depreciation/Amortization	\$ 37,160,685
Less Capital Related Debt:	
Promissory Notes	(2,294,905)
Leases Payable	(515,619)
	<hr/>
Net Investment in Capital/Amortizable Assets	<u>34,350,161</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	35,683,247
Less Capital Related Debt:	
Promissory Notes	(836,048)
IEPA Loans	(5,250,308)
	<hr/>
Net Investment in Capital Assets	<u>29,596,891</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, 2023

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	\$ 16,822	16,557	33,379
Inventories	156,560	—	156,560
	<u>173,382</u>	<u>16,557</u>	<u>189,939</u>
Restricted			
Special Police Funds	702,278	—	702,278
Audit	—	60,475	60,475
Motor Fuel Tax	—	1,839,168	1,839,168
Incremental Tax	—	609,097	609,097
Liability Insurance	—	266,341	266,341
Illinois Municipal Retirement	—	524,770	524,770
Rural Development Business Grant	—	181,857	181,857
Social Security and Medicare	—	407,854	407,854
	<u>702,278</u>	<u>3,889,562</u>	<u>4,591,840</u>
Assigned			
Capital Projects	—	37,235	37,235
Cemetery	—	116,978	116,978
Civil Defense	—	54,659	54,659
Storm Water Management	—	310,665	310,665
	<u>—</u>	<u>519,537</u>	<u>519,537</u>
Unassigned	<u>16,352,187</u>	<u>(34,721)</u>	<u>16,317,466</u>
Total Fund Balances	<u><u>17,227,847</u></u>	<u><u>4,390,935</u></u>	<u><u>21,618,782</u></u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION RESTATEMENT

Beginning net position of the City was restated to correct a prior year error in the recognition of net pension liability. The following is a summary of the net position as originally reported and as restated:

<u>Net Position</u>	<u>As Reported</u>	<u>As Restated</u>	<u>(Decreases)</u>
Governmental Activities	\$ 49,161,155	48,503,636	(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.

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.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

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, 2023, 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, 2023, the total City obligation remaining for these agreements was \$1,083,817.

The City has a contract for the extension of Freedom Parkway. As of April 30, 2023, the total estimated City obligation was \$6,595,005. A total of \$730,590 has been paid as of the year-end.

The City has a contract for the realignment of Nofsinger Road. As of April 30, 2023, the total estimated obligation was \$6,846,974. A total of \$151,333 has been paid as of the year-end.

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	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
IMRF	\$ 504,449	3,256,013	1,912,073	25,307
Police Pension	937,445	7,050,034	1,609,812	208,496
	<u>1,441,894</u>	<u>10,306,047</u>	<u>3,521,885</u>	<u>233,803</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

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.

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.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Plan Membership. As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	46
Inactive Plan Members Entitled to but not yet Receiving Benefits	27
Active Plan Members	<u>44</u>
Total	<u><u>117</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, 2023, the City's contribution was 11.69% of covered payroll.

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

Actuarial Assumptions. The total pension liabilities were determined by an actuarial valuation performed, as of December 31, 2022, 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	2.75%
Inflation	2.25%

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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. 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.

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	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

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.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 5,485,183	3,256,013	1,450,223

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, 2021	\$ 17,866,034	18,314,495	(448,461)
Changes for the Year:			
Service Cost	247,782	—	247,782
Interest on the Total Pension Liability	1,267,274	—	1,267,274
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	287,827	—	287,827
Changes of Assumptions	—	—	—
Contributions - Employer	—	352,731	(352,731)
Contributions - Employees	—	130,319	(130,319)
Net Investment Income	—	(2,470,804)	2,470,804
Benefit Payments, Including Refunds of Employee Contributions	(1,020,557)	(1,020,557)	—
Other (Net Transfer)	—	86,163	(86,163)
Net Changes	782,326	(2,922,148)	3,704,474
Balances at December 31, 2022	18,648,360	15,392,347	3,256,013

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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

For the year ended April 30, 2023, the City recognized pension expense of \$504,449. At April 30, 2023, the City and the Library reported deferred outflows or 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	\$ 457,733	—	457,733
Change in Assumptions	—	(25,307)	(25,307)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	1,340,117	—	1,340,117
Total Pension Expense to be Recognized in Future Periods	1,797,850	(25,307)	1,772,543
Pension Contributions Made Subsequent to the Measurement Date	114,223	—	114,223
Total Deferred Amounts Related to IMRF	<u>1,912,073</u>	<u>(25,307)</u>	<u>1,886,766</u>

\$114,223 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, 2024. 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 of Resources
2024	\$ 144,794
2025	342,212
2026	513,170
2027	772,367
2028	—
Thereafter	—
Totals	<u>1,772,543</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	13
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>22</u>
Total	<u><u>39</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 ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 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 ½ 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., ½ 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 ½ of the change in the Consumer Price Index for the preceding calendar year.

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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, 2023, the City's contribution percentage of covered payroll was not available.

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, 2022, 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, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the 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:

		Current	
	1% Decrease	Discount Rate	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Net Pension Liability	\$ 9,403,951	7,050,034	5,137,709

Changes in the Net Pension Liability

	Total		
	Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(A)	(B)	(A) - (B)
Balances at April 30, 2022 - as Restated	\$ 15,361,997	9,181,049	6,180,948
Changes for the Year:			
Service Cost	400,729	—	400,729
Interest on the Total Pension Liability	1,034,521	—	1,034,521
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(50,484)	—	(50,484)
Changes of Assumptions	33,877	—	33,877
Contributions - Employer	—	690,713	(690,713)
Contributions - Employees	49,216	208,957	(159,741)
Net Investment Income	—	(285,571)	285,571
Benefit Payments, Including Refunds			
of Employee Contributions	(872,969)	(872,969)	—
Other (Net Transfer)	—	(15,326)	15,326
Net Changes	594,890	(274,196)	869,086
Balances at April 30, 2023	15,956,887	8,906,853	7,050,034

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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, 2023, the City recognized pension expense of \$937,445. At April 30, 2023, 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	\$ 132,621	(168,128)	(35,507)
Change in Assumptions	343,363	(40,368)	302,995
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	418,710	—	418,710
Total Pension Expense to be Recognized in Future Periods	894,694	(208,496)	686,198
Pension Contributions Made Subsequent to the Measurement Date	715,118	—	715,118
Total Deferred Amounts Related to Police Pension	<u>1,609,812</u>	<u>(208,496)</u>	<u>1,401,316</u>

\$715,118 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, 2024. 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
2024	\$ 249,789
2025	145,792
2026	26,672
2027	262,502
2028	1,997
Thereafter	<u>(554)</u>
Total	<u>686,198</u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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 for family and \$5/month for single. 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, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	11
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>63</u>
Total	<u><u>74</u></u>

Total OPEB Liability

The City's total OPEB liability was measured as of April 30, 2023, and was determined by an actuarial valuation as of April 30, 2022.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2022 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, 2023

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	3.98%
Healthcare Cost Trend Rates	7.00% to an ultimate rate of 4.00% for 2024 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 April 30, 2022 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

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, 2022	\$ <u>2,177,941</u>
Changes for the Year:	
Service Cost	71,616
Interest on the Total OPEB Liability	38,738
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(4,480)
Changes of Assumptions or Other Inputs	(343,598)
Benefit Payments	(266,647)
Other Changes	
Net Changes	<u>(504,371)</u>
Balance at April 30, 2023	<u><u>1,673,570</u></u>

CITY OF WASHINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2023

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 3.98%, while the prior valuation used 1.83%. 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 (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Total OPEB Liability	\$ 1,775,498	1,673,570	1,581,787

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	\$ 1,571,704	1,673,570	1,790,698

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 revenue of \$237,724.

SUBSEQUENT EVENT

On August 21, 2023, the City issued \$4,435,000 of General Obligation Bonds of 2023. The bonds bear interest at a rate of 5.00% and are due in annual installments through May 15, 2038.

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 Schedule
 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, 2023**

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%
4/30/23	344,092	344,092	—	2,943,778	11.69%

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	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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, 2023

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%
4/30/29	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%
4/30/23	713,027	715,118	2,091	N/A	N/A

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 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.

N/A - Not Available

CITY OF WASHINGTON, ILLINOIS

Illinois Municipal Retirement Fund

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

April 30, 2023

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, 2023

	<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	12/31/2022
270,831	289,151	264,423	248,219	250,001	256,064	247,782
1,049,524	1,094,710	1,092,031	1,095,502	1,153,477	1,217,899	1,267,274
—	—	—	—	—	—	—
1,984	(201,115)	(453,590)	258,156	494,445	209,108	287,827
(57,997)	(430,251)	441,510	—	(100,010)	—	—
(718,617)	(735,824)	(815,897)	(756,719)	(849,497)	(975,232)	(1,020,557)
545,725	16,671	528,477	845,158	948,416	707,839	782,326
14,273,748	14,819,473	14,836,144	15,364,621	16,209,779	17,158,195	17,866,034
14,819,473	14,836,144	15,364,621	16,209,779	17,158,195	17,866,034	18,648,360
395,121	385,941	357,653	307,825	368,581	392,070	352,731
130,400	117,905	116,026	110,464	116,557	123,206	130,319
764,487	2,114,999	(774,914)	2,351,809	2,056,553	2,789,698	(2,470,804)
(718,617)	(735,824)	(815,897)	(756,719)	(849,497)	(975,232)	(1,020,557)
32,124	(257,194)	142,357	65,210	166,160	(249,614)	86,163
603,515	1,625,827	(974,775)	2,078,589	1,858,354	2,080,128	(2,922,148)
11,042,857	11,646,372	13,272,199	12,297,424	14,376,013	16,234,367	18,314,495
11,646,372	13,272,199	12,297,424	14,376,013	16,234,367	18,314,495	15,392,347
3,173,101	1,563,945	3,067,197	1,833,766	923,828	(448,461)	3,256,013
78.59%	89.46%	80.04%	88.69%	94.62%	102.51%	82.54%
2,580,806	2,620,105	2,469,975	2,454,749	2,590,170	2,737,921	2,895,984
122.95%	59.69%	124.18%	74.70%	35.67%	(16.38%)	112.43%

CITY OF WASHINGTON, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2023

	<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	(528,697)
Administrative Expenses	<u>(4,357)</u>
Net Change in Plan Fiduciary Net Position	186,090
Plan Net Position - Beginning as Restated	<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	4/30/2022
290,520	324,331	342,439	322,692	355,536	372,154	400,729
759,768	807,141	850,614	860,298	944,014	992,655	1,034,521
—	—	—	—	—	—	—
(92,933)	99,029	(299,557)	167,797	3,798	28,787	(50,484)
641,098	—	(107,650)	467,158	79,002	—	33,877
(486,957)	(569,929)	(639,208)	(600,996)	(616,977)	(739,416)	(823,753)
1,111,496	660,572	146,638	1,216,949	765,373	654,180	594,890
10,806,789	11,918,285	12,578,857	12,725,495	13,942,444	14,707,817	15,361,997
11,918,285	12,578,857	12,725,495	13,942,444	14,707,817	15,361,997	15,956,887
373,617	514,605	551,778	553,041	632,190	687,092	690,713
124,594	130,676	135,723	147,472	153,915	174,405	208,957
(50,667)	504,132	403,054	341,748	16,639	1,484,929	(285,572)
(486,957)	(569,929)	(639,208)	(606,049)	(625,188)	(747,942)	(872,969)
(6,318)	(5,827)	(9,268)	(7,804)	(5,933)	(7,294)	(15,326)
(45,731)	573,657	442,079	428,408	171,623	1,591,190	(274,197)
6,677,342	6,631,611	7,205,268	7,647,347	8,075,755	8,247,378	9,181,050
6,631,611	7,205,268	7,647,347	8,075,755	8,247,378	9,838,568	8,906,853
5,286,674	5,373,589	5,078,148	5,866,689	6,460,439	5,523,429	7,050,034
55.64%	57.28%	60.09%	57.92%	56.07%	64.04%	55.82%
1,268,296	1,336,695	1,369,110	1,473,074	1,521,288	1,645,994	1,611,917
416.83%	402.01%	370.91%	398.26%	424.67%	335.57%	437.37%

CITY OF WASHINGTON, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

April 30, 2023

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
2023	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, 2023

See Following Page

CITY OF WASHINGTON, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2023

	<u>4/30/2019</u>
Total OPEB Liability	
Service Cost	\$ 56,444
Interest	122,834
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions or Other Inputs	(30,009)
Benefit Payments	(314,967)
Other Changes	—
Net Change in Total OPEB Liability	<u>(165,698)</u>
Total OPEB Liability - Beginning	<u>3,314,257</u>
Total OPEB Liability - Ending	<u><u>3,148,559</u></u>
Covered-Employee Payroll	3,778,813
Total OPEB Liability as a Percentage of Covered-Employee Payroll	83.32%

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 2023.

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

4/30/2020	4/30/2021	4/30/2022	4/30/2023
56,394	65,835	57,923	71,616
120,504	96,731	60,343	38,738
—	—	—	—
—	(250,210)	—	(4,480)
149,019	(489,560)	125,775	(343,598)
(342,527)	(371,642)	(249,203)	(266,647)
—	—	—	—
(16,610)	(948,846)	(5,162)	(504,371)
3,148,559	3,131,949	2,183,103	2,177,941
3,131,949	2,183,103	2,177,941	1,673,570
3,873,283	4,274,811	4,381,681	4,818,984
80.86%	51.07%	49.71%	34.73%

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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 6,995,307	6,995,307	7,396,233
Intergovernmental	6,886,040	6,886,040	7,119,020
Licenses and Permits	480,400	480,400	487,037
Charges for Services	571,903	571,903	542,654
Fines and Forfeitures	149,000	149,000	192,680
Interest Income	44,300	44,300	87,168
Miscellaneous	118,550	118,550	237,874
Total Revenues	<u>15,245,500</u>	<u>15,245,500</u>	<u>16,062,666</u>
Expenditures			
General Government	2,879,509	2,879,509	2,815,326
Public Safety	6,853,313	6,853,313	6,452,366
Highways and Streets	2,075,368	2,075,368	1,781,451
Capital Outlay	2,059,000	2,189,000	1,319,006
Debt Service			
Principal Retirement	4,296	4,296	4,572
Interest and Fiscal Charges	304	304	304
Total Expenditures	<u>13,871,790</u>	<u>14,001,790</u>	<u>12,373,025</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,373,710	1,243,710	3,689,641
Other Financing (Uses)			
Transfers Out	<u>(4,966,062)</u>	<u>(4,966,062)</u>	<u>(1,277,908)</u>
Net Change in Fund Balance	<u>(3,592,352)</u>	<u>(3,722,352)</u>	2,411,733
Fund Balance - Beginning			<u>14,816,114</u>
Fund Balance - Ending			<u><u>17,227,847</u></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 Fund

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 Fund

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 Fund

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

Motor Fuel Tax Fund

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 Fund

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

Liability Insurance Fund

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 Fund

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 Fund

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 Fund

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 Fund

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 FUND

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 Fund

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 Fund

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 Fund

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

North Lawndale Special Service Area Fund

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 Fund

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

Hilldale Avenue Fund

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, 2023

	Original Budget	Final Budget	Actual
Taxes			
Property Tax	\$ 1,000,727	1,000,727	1,052,912
Home Rule Sales Tax	4,977,580	4,977,580	5,208,527
Local Use Tax	602,000	602,000	664,214
Road and Bridge Tax	220,000	220,000	219,167
Telecommunication Tax	100,000	100,000	125,971
Hotel and Motel Tax	65,000	65,000	90,690
Foreign Fire Insurance Tax	30,000	30,000	34,752
Total Taxes	6,995,307	6,995,307	7,396,233
Intergovernmental			
Sales Tax	3,775,000	3,775,000	3,829,152
Income Tax	2,124,000	2,124,000	2,473,189
Replacement Tax	34,000	34,000	150,355
Gaming Tax	75,000	75,000	133,297
Cannabis Tax	20,000	20,000	24,763
Grants	858,040	858,040	508,264
Total Intergovernmental	6,886,040	6,886,040	7,119,020
Licenses and Permits	480,400	480,400	487,037
Charges for Services	571,903	571,903	542,654
Fines and Forfeitures	149,000	149,000	192,680
Interest Income	44,300	44,300	87,168
Miscellaneous	118,550	118,550	237,874
Total Revenues	15,245,500	15,245,500	16,062,666

CITY OF WASHINGTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
General Government			
Legislative and Administrative			
Personnel	\$ 638,400	638,400	641,210
Operations	267,275	267,275	227,980
Other	67,850	67,850	61,075
	<u>973,525</u>	<u>973,525</u>	<u>930,265</u>
City Hall			
Personnel	11,800	11,800	10,209
Operations	1,200,154	1,200,154	1,323,882
Other	37,500	37,500	39,337
	<u>1,249,454</u>	<u>1,249,454</u>	<u>1,373,428</u>
Tourism and Economic Development			
Personnel	63,670	63,670	63,527
Operations	74,375	74,375	69,298
Other	40,100	40,100	29,570
	<u>178,145</u>	<u>178,145</u>	<u>162,395</u>
Planning, Zoning, and Code Enforcement			
Personnel	178,900	178,900	182,355
Operations	283,685	283,685	165,486
Other	15,800	15,800	1,397
	<u>478,385</u>	<u>478,385</u>	<u>349,238</u>
Total General Government	<u>2,879,509</u>	<u>2,879,509</u>	<u>2,815,326</u>

CITY OF WASHINGTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
Public Safety			
Police			
Personnel	\$ 4,103,300	4,103,300	4,106,527
Operations	758,420	758,420	517,526
Other	323,215	323,215	304,574
	<u>5,184,935</u>	<u>5,184,935</u>	<u>4,928,627</u>
Fire and Rescue			
Operations	1,619,320	1,619,320	1,431,524
Other	3,500	3,500	50,673
	<u>1,622,820</u>	<u>1,622,820</u>	<u>1,482,197</u>
Police Special Projects			
Operations	43,558	43,558	39,588
Other	2,000	2,000	1,954
	<u>45,558</u>	<u>45,558</u>	<u>41,542</u>
Total Public Safety	<u>6,853,313</u>	<u>6,853,313</u>	<u>6,452,366</u>
Highways and Streets			
Streets			
Personnel	983,600	983,600	955,119
Operations	1,047,768	1,047,768	718,018
Other	44,000	44,000	108,314
	<u>2,075,368</u>	<u>2,075,368</u>	<u>1,781,451</u>
Total Highways and Streets	<u>2,075,368</u>	<u>2,075,368</u>	<u>1,781,451</u>
Capital Outlay	<u>2,059,000</u>	<u>2,189,000</u>	<u>1,319,006</u>
Debt Service			
Principal Retirement	4,296	4,296	4,572
Interest and Fiscal Charges	304	304	304
	<u>4,600</u>	<u>4,600</u>	<u>4,876</u>
Total Debt Service	<u>4,600</u>	<u>4,600</u>	<u>4,876</u>
Total Expenditures	<u>13,871,790</u>	<u>14,001,790</u>	<u>12,373,025</u>

CITY OF WASHINGTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2023

	Special Revenue	Debt Service Washington Area Community Center	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 4,418,976	—	123,661	4,542,637
Receivables - Net of Allowances				
Taxes	1,092,761	—	21,000	1,113,761
Accounts	4,600	—		4,600
Leases Receivables	237,098	—	59,817	296,915
Other	45,319	484,741	—	530,060
Due from Other Governments	66,944	—	—	66,944
Prepays	16,557	—	—	16,557
Total Assets	5,882,255	484,741	204,478	6,571,474
LIABILITIES				
Accounts Payable	142,628	—	106,843	249,471
Accrued Payroll	27,408	—	—	27,408
Total Liabilities	170,036	—	106,843	276,879
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	1,089,329	—	21,000	1,110,329
Leases	234,469	—	74,121	308,590
Other	—	484,741	—	484,741
Total Deferred Inflows of Resources	1,323,798	484,741	95,121	1,903,660
Total Liabilities and Deferred Inflows of Resources	1,493,834	484,741	201,964	2,180,539
FUND BALANCES				
Nonspendable	16,557	—	—	16,557
Restricted	3,889,562	—	—	3,889,562
Assigned	482,302	—	37,235	519,537
Unassigned	—	—	(34,721)	(34,721)
Total Fund Balances	4,388,421	—	2,514	4,390,935
Total Liabilities, Deferred Inflows of Resources and Fund Balances	5,882,255	484,741	204,478	6,571,474

CITY OF WASHINGTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2023

	Special Revenue	Debt Service Washington Area Community Center	Capital Projects	Totals
Revenues				
Taxes	\$ 1,057,927	—	20,500	1,078,427
Intergovernmental	885,690	—	—	885,690
Charges for Services	226,069	—	1,092,926	1,318,995
Interest Income	48,617	48,831	4,222	101,670
Miscellaneous	928	51,169	—	52,097
Total Revenues	2,219,231	100,000	1,117,648	3,436,879
Expenditures				
General Government	1,554,975	—	54,484	1,609,459
Public Safety	28,045	—	—	28,045
Highways and Streets	76,911	—	16,460	93,371
Cemetery	97,966	—	—	97,966
Capital Outlay	1,376,427	—	1,400,109	2,776,536
Debt Service				
Principal Retirement	—	295,000	—	295,000
Interest and Fiscal Charges	—	60,943	—	60,943
Total Expenditures	3,134,324	355,943	1,471,053	4,961,320
Excess (Deficiency) of Revenues Over (Under) Expenditures	(915,093)	(255,943)	(353,405)	(1,524,441)
Other Financing Sources				
Transfers In	722,953	255,943	299,012	1,277,908
Net Change in Fund Balances	(192,140)	—	(54,393)	(246,533)
Fund Balances - Beginning	4,580,561	—	56,907	4,637,468
Fund Balances - Ending	4,388,421	—	2,514	4,390,935

CITY OF WASHINGTON, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2023

	Cemetery	Emergency Management Agency	Audit	Motor Fuel Tax
ASSETS				
Cash and Investments	\$ 113,949	54,999	60,475	1,786,818
Receivables - Net of Allowances				
Taxes	—	4,050	30,025	—
Accounts	4,600	—	—	—
Leases Receivables	—	—	—	—
Other	—	—	—	—
Due from Other Governments	—	—	—	57,097
Prepays	177	228	—	—
Total Assets	118,726	59,277	90,500	1,843,915
LIABILITIES				
Accounts Payable	1,174	340	—	4,747
Accrued Payroll	397	—	—	—
Total Liabilities	1,571	340	—	4,747
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	—	4,050	30,025	—
Leases	—	—	—	—
Total Deferred Inflows of Resources	—	4,050	30,025	—
Total Liabilities and Deferred Inflows of Resources	1,571	4,390	30,025	4,747
FUND BALANCES				
Nonspendable	177	228	—	—
Restricted	—	—	60,475	1,839,168
Assigned	116,978	54,659	—	—
Total Fund Balances	117,155	54,887	60,475	1,839,168
Total Liabilities, Deferred Inflows of Resources and Fund Balances	118,726	59,277	90,500	1,843,915

Incremental Tax	Liability Insurance	Storm Water Management	Illinois Municipal Retirement	Social Security and Medicare	Rural Business Development Grant	Totals
597,418	266,341	443,322	536,946	418,978	139,730	4,418,976
235,209	115,028	—	371,803	336,646	—	1,092,761
—	—	—	—	—	—	4,600
—	—	237,098	—	—	—	237,098
3,192	—	—	—	—	42,127	45,319
9,847	—	—	—	—	—	66,944
—	14,634	1,518	—	—	—	16,557
845,666	396,003	681,938	908,749	755,624	181,857	5,882,255
1,081	—	135,286	—	—	—	142,628
279	—	—	13,977	12,755	—	27,408
1,360	—	135,286	13,977	12,755	—	170,036
235,209	115,028	—	370,002	335,015	—	1,089,329
—	—	234,469	—	—	—	234,469
235,209	115,028	234,469	370,002	335,015	—	1,323,798
236,569	115,028	369,755	383,979	347,770	—	1,493,834
—	14,634	1,518	—	—	—	16,557
609,097	266,341	—	524,770	407,854	181,857	3,889,562
—	—	310,665	—	—	—	482,302
609,097	280,975	312,183	524,770	407,854	181,857	4,388,421
845,666	396,003	681,938	908,749	755,624	181,857	5,882,255

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, 2023

	Cemetery	Emergency Management Agency	Audit	Motor Fuel Tax
Revenues				
Taxes	\$ —	4,139	34,966	—
Intergovernmental	—	—	—	844,661
Charges for Services	91,200	—	—	—
Interest Income	300	905	1,152	1,712
Miscellaneous	630	—	—	256
Total Revenues	92,130	5,044	36,118	846,629
Expenditures				
General Government	—	—	24,951	—
Public Safety	—	28,045	—	—
Highways and Streets	—	—	—	76,911
Cemetery	97,966	—	—	—
Capital Outlay	54,885	—	—	880,995
Total Expenditures	152,851	28,045	24,951	957,906
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,721)	(23,001)	11,167	(111,277)
Other Financing Sources				
Transfers In	—	30,000	—	—
Net Change in Fund Balances	(60,721)	6,999	11,167	(111,277)
Fund Balances - Beginning	177,876	47,888	49,308	1,950,445
Fund Balances - Ending	117,155	54,887	60,475	1,839,168

Incremental Tax	Liability Insurance	Storm Water Management	Illinois Municipal Retirement	Social Security and Medicare	Rural Business Development Grant	Totals
235,209	94,835	—	369,343	319,435	—	1,057,927
11,581	—	—	15,455	13,993	—	885,690
—	—	8,369	38,500	88,000	—	226,069
12,462	4,426	7,806	10,267	8,069	1,518	48,617
42	—	—	—	—	—	928
259,294	99,261	16,175	433,565	429,497	1,518	2,219,231
643,141	95,706	41,166	344,092	405,919	—	1,554,975
—	—	—	—	—	—	28,045
—	—	—	—	—	—	76,911
—	—	—	—	—	—	97,966
—	—	440,547	—	—	—	1,376,427
643,141	95,706	481,713	344,092	405,919	—	3,134,324
(383,847)	3,555	(465,538)	89,473	23,578	1,518	(915,093)
—	—	692,953	—	—	—	722,953
(383,847)	3,555	227,415	89,473	23,578	1,518	(192,140)
992,944	277,420	84,768	435,297	384,276	180,339	4,580,561
609,097	280,975	312,183	524,770	407,854	181,857	4,388,421

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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Charges for Services	\$ 79,000	79,000	91,200
Interest Income	100	100	300
Miscellaneous	700	700	630
Total Revenues	<u>79,800</u>	<u>79,800</u>	<u>92,130</u>
Expenditures			
Cemetery			
Personnel	78,420	78,420	75,705
Operations	16,560	16,560	13,207
Other	10,210	90,210	9,054
Capital Outlay	50,000	50,000	54,885
Total Expenditures	<u>155,190</u>	<u>235,190</u>	<u>152,851</u>
Net Change in Fund Balance	<u>(75,390)</u>	<u>(155,390)</u>	(60,721)
Fund Balance - Beginning			<u>177,876</u>
Fund Balance - Ending			<u><u>117,155</u></u>

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, 2023**

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 4,142	4,142	4,139
Interest Income	30	30	905
Total Revenues	<u>4,172</u>	<u>4,172</u>	<u>5,044</u>
Expenditures			
Public Safety			
Operations	51,399	51,399	27,770
Other	500	500	275
Total Expenditures	<u>51,899</u>	<u>51,899</u>	<u>28,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,727)	(47,727)	(23,001)
Other Financing Sources			
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>30,000</u>
Net Change in Fund Balance	<u>2,273</u>	<u>2,273</u>	6,999
Fund Balance - Beginning			<u>47,888</u>
Fund Balance - Ending			<u>54,887</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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 35,000	35,000	34,966
Interest Income	30	30	1,152
Total Revenues	<u>35,030</u>	<u>35,030</u>	<u>36,118</u>
Expenditures			
General Government			
Operations	<u>35,200</u>	<u>35,200</u>	<u>24,951</u>
Net Change in Fund Balance	<u>(170)</u>	<u>(170)</u>	11,167
Fund Balance - Beginning			<u>49,308</u>
Fund Balance - Ending			<u><u>60,475</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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax	\$ 378,000	378,000	368,722
Grants	584,000	584,000	475,939
Interest Income	500	500	1,712
Miscellaneous	—	—	256
Total Revenues	<u>962,500</u>	<u>962,500</u>	<u>846,629</u>
Expenditures			
Highways and Streets			
Other	—	—	76,911
Capital Outlay	1,300,000	1,300,000	880,995
Total Expenditures	<u>1,300,000</u>	<u>1,300,000</u>	<u>957,906</u>
Net Change in Fund Balance	<u>(337,500)</u>	<u>(337,500)</u>	(111,277)
Fund Balance - Beginning			<u>1,950,445</u>
Fund Balance - Ending			<u>1,839,168</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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 245,000	245,000	235,209
Intergovernmental			
Grants	60,000	60,000	11,581
Interest Income	2,500	2,500	12,462
Miscellaneous	—	—	42
Total Revenues	<u>307,500</u>	<u>307,500</u>	<u>259,294</u>
Expenditures			
General Government			
Personnel	21,890	21,890	21,549
Operations	335,500	739,300	596,701
Other	21,200	21,200	24,891
Capital Outlay	76,500	76,500	—
Total Expenditures	<u>455,090</u>	<u>858,890</u>	<u>643,141</u>
Net Change in Fund Balance	<u>(147,590)</u>	<u>(551,390)</u>	(383,847)
Fund Balance - Beginning			<u>992,944</u>
Fund Balance - Ending			<u><u>609,097</u></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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 95,000	95,000	94,835
Interest Income	200	200	4,426
Total Revenues	<u>95,200</u>	<u>95,200</u>	<u>99,261</u>
Expenditures			
General Government			
Operations	95,000	96,000	95,706
Net Change in Fund Balance	<u>200</u>	<u>(800)</u>	3,555
Fund Balance - Beginning			<u>277,420</u>
Fund Balance - Ending			<u><u>280,975</u></u>

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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Charges for Services	\$ 11,900	11,900	8,369
Interest Income	—	—	7,806
Total Revenues	<u>11,900</u>	<u>11,900</u>	<u>16,175</u>
Expenditures			
General Government			
Operations	42,200	42,200	41,166
Capital Outlay	672,000	672,000	440,547
Total Expenditures	<u>714,200</u>	<u>714,200</u>	<u>481,713</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(702,300)	(702,300)	(465,538)
Other Financing Sources			
Transfers In	660,000	660,000	692,953
Net Change in Fund Balance	<u>(42,300)</u>	<u>(42,300)</u>	227,415
Fund Balance - Beginning			<u>84,768</u>
Fund Balance - Ending			<u><u>312,183</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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 370,000	370,000	369,343
Intergovernmental			
Replacement Tax	16,000	16,000	15,455
Charges for Services	47,000	47,000	38,500
Interest Income	300	300	10,267
Total Revenues	<u>433,300</u>	<u>433,300</u>	<u>433,565</u>
Expenditures			
General Government			
Personnel	440,000	440,000	344,092
Net Change in Fund Balance	<u>(6,700)</u>	<u>(6,700)</u>	89,473
Fund Balance - Beginning			<u>435,297</u>
Fund Balance - Ending			<u><u>524,770</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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 320,000	320,000	319,435
Intergovernmental			
Replacement Tax	13,000	13,000	13,993
Charges for Services	97,000	97,000	88,000
Interest Income	300	300	8,069
Total Revenues	<u>430,300</u>	<u>430,300</u>	<u>429,497</u>
Expenditures			
General Government			
Personnel	<u>450,000</u>	<u>450,000</u>	<u>405,919</u>
Net Change in Fund Balance	<u>(19,700)</u>	<u>(19,700)</u>	23,578
Fund Balance - Beginning			<u>384,276</u>
Fund Balance - Ending			<u><u>407,854</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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Interest Income	\$ —	—	48,831
Miscellaneous	50,000	50,000	51,169
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>100,000</u>
Expenditures			
Debt Service			
Principal Retirement	295,000	295,000	295,000
Interest and Fiscal Charges	61,062	65,000	60,943
Total Expenditures	<u>356,062</u>	<u>360,000</u>	<u>355,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(306,062)	(310,000)	(255,943)
Other Financing Sources			
Transfers In	<u>306,062</u>	<u>306,062</u>	<u>255,943</u>
Net Change in Fund Balance	<u>—</u>	<u>(3,938)</u>	—
Fund Balance - Beginning			<u>—</u>
Fund Balance - Ending			<u>—</u>

CITY OF WASHINGTON, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2023

	<u>Freedom Parkway</u>
ASSETS	
Cash and Investments	\$ —
Receivables - Net of Allowances	
Taxes	—
Leases Receivables	—
	<u>—</u>
Total Assets	<u><u>—</u></u>
LIABILITIES	
Accounts Payable	<u>21,729</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	—
Leases	—
	<u>—</u>
Total Deferred Inflows of Resources	<u>—</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>21,729</u></u>
FUND BALANCES	
Assigned	—
Unassigned	(21,729)
	<u>(21,729)</u>
Total Fund Balances	<u><u>(21,729)</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>—</u></u>

Washington 223 Capital	North Lawndale SSA	West Holland SSA	Hilldale Avenue	Totals
123,661	—	—	—	123,661
—	16,500	4,500	—	21,000
59,817	—	—	—	59,817
183,478	16,500	4,500	—	204,478
72,122	—	—	12,992	106,843
—	16,500	4,500	—	21,000
74,121	—	—	—	74,121
74,121	16,500	4,500	—	95,121
146,243	16,500	4,500	12,992	201,964
37,235	—	—	—	37,235
—	—	—	(12,992)	(34,721)
37,235	—	—	(12,992)	2,514
183,478	16,500	4,500	—	204,478

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, 2023

	<u>Freedom Parkway</u>
Revenues	
Taxes	\$ —
Charges for Services	—
Interest Income	—
Total Revenues	<u>—</u>
Expenditures	
General Government	37,937
Highways and Streets	—
Capital Outlay	221,807
Total Expenditures	<u>259,744</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(259,744)
Other Financing Sources	
Transfers In	<u>299,012</u>
Net Change in Fund Balances	39,268
Fund Balances - Beginning	<u>(60,997)</u>
Fund Balances - Ending	<u><u>(21,729)</u></u>

Washington 223 Capital	North Lawndale SSA	West Holland SSA	Hilldale Avenue	Totals
—	16,000	4,500	—	20,500
49,540	23,940	3,748	1,015,698	1,092,926
4,222	—	—	—	4,222
53,762	39,940	8,248	1,015,698	1,117,648
12,047	—	4,500	—	54,484
—	16,460	—	—	16,460
151,333	—	—	1,026,969	1,400,109
163,380	16,460	4,500	1,026,969	1,471,053
(109,618)	23,480	3,748	(11,271)	(353,405)
—	—	—	—	299,012
(109,618)	23,480	3,748	(11,271)	(54,393)
146,853	(23,480)	(3,748)	(1,721)	56,907
37,235	—	—	(12,992)	2,514

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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Interest Income	\$ —	—	—
Expenditures			
General Government			
Other	—	—	37,937
Capital Outlay	3,950,000	3,950,000	221,807
Total Expenditures	3,950,000	3,950,000	259,744
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,950,000)	(3,950,000)	(259,744)
Other Financing Sources			
Transfers In	3,950,000	3,950,000	299,012
Net Change in Fund Balance	—	—	39,268
Fund Balance - Beginning			(60,997)
Fund Balance - Ending			(21,729)

CITY OF WASHINGTON, ILLINOIS

Washington 223 - Capital Projects Fund

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

For the Fiscal Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Grants	\$ 100,000	100,000	—
Charges for Services	81,000	81,000	49,540
Interest Income	50	50	4,222
Total Revenues	181,050	181,050	53,762
Expenditures			
General Government			
Operations	100,000	100,000	—
Other	12,000	12,000	12,047
Capital Outlay	—	50,000	151,333
Total Expenditures	112,000	162,000	163,380
Net Change in Fund Balance	69,050	19,050	(109,618)
Fund Balance - Beginning			146,853
Fund Balance - Ending			37,235

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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Property Tax	\$ 16,500	16,500	16,000
Charges for Services	—	—	23,940
Total Revenues	<u>16,500</u>	<u>16,500</u>	<u>39,940</u>
Expenditures			
Highways and Streets			
Operations	16,500	16,500	16,000
Other	—	—	460
Total Expenditures	<u>16,500</u>	<u>16,500</u>	<u>16,460</u>
Net Change in Fund Balance	<u>—</u>	<u>—</u>	23,480
Fund Balance - Beginning			<u>(23,480)</u>
Fund Balance - Ending			<u>—</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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Property Tax	\$ 4,500	4,500	4,500
Charges for Services	—	—	3,748
Total Revenues	4,500	4,500	8,248
Expenditures			
General Government			
Operations	4,500	4,500	4,500
Net Change in Fund Balance	—	—	3,748
Fund Balance - Beginning			(3,748)
Fund Balance - Ending			—

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, 2023

	Original Budget	Final Budget	Actual
Revenues			
Charges for Services	\$ 1,135,000	1,135,000	1,015,698
Expenditures			
Capital Outlay	1,135,000	1,135,000	1,026,969
Net Change in Fund Balance	<u>—</u>	<u>—</u>	(11,271)
Fund Balance - Beginning			<u>(1,721)</u>
Fund Balance - Ending			<u>(12,992)</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, 2023

	Original Budget	Final Budget	Actual
Operating Revenues			
Metered Sales	\$ 1,462,600	1,462,600	1,412,412
Charges for Services	1,299,800	1,299,800	1,397,670
Other	1,000	1,000	9,823
Total Operating Revenues	<u>2,763,400</u>	<u>2,763,400</u>	<u>2,819,905</u>
Operating Expenses			
Operations			
Personnel	792,400	792,400	706,774
Contractual Services	337,400	337,400	322,005
Commodities	270,250	270,250	256,403
Other	154,500	154,500	201,977
Capital Outlay	1,785,000	1,785,000	—
Depreciation	552,500	552,500	584,897
Total Operating Expenses	<u>3,892,050</u>	<u>3,892,050</u>	<u>2,072,056</u>
Operating Income (Loss)	<u>(1,128,650)</u>	<u>(1,128,650)</u>	<u>747,849</u>
Nonoperating Revenues (Expenses)			
Operating Grants	2,000	2,000	1,950
Other Income	37,200	37,200	37,119
Interest Income	6,200	6,200	48,602
Interest Expense	(25,275)	(25,275)	(25,273)
Principal Retirement	(236,040)	(236,040)	—
	<u>(215,915)</u>	<u>(215,915)</u>	<u>62,398</u>
Change in Net Position	<u>(1,344,565)</u>	<u>(1,344,565)</u>	810,247
Net Position - Beginning			<u>13,600,358</u>
Net Position - Ending			<u>14,410,605</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, 2023

	Original Budget	Final Budget	Actual
Operating Revenues			
Metered Sales	\$ 2,534,000	2,534,000	2,437,965
Charges for Services	922,782	922,782	1,217,298
Other	1,000	1,000	6,082
Total Operating Revenues	<u>3,457,782</u>	<u>3,457,782</u>	<u>3,661,345</u>
Operating Expenses			
Operations			
Personnel	918,000	918,000	817,690
Contractual Services	572,800	572,800	593,764
Commodities	149,000	149,000	155,658
Other	845,884	845,884	1,117,748
Capital Outlay	1,152,500	1,152,500	—
Depreciation	745,000	745,000	778,130
Total Operating Expenses	<u>4,383,184</u>	<u>4,383,184</u>	<u>3,462,990</u>
Operating Income (Loss)	<u>(925,402)</u>	<u>(925,402)</u>	<u>198,355</u>
Nonoperating Revenues (Expenses)			
Operating Grants	2,000	2,000	1,950
Interest Income	24,050	24,050	72,752
Interest Expense	(53,751)	(53,751)	(53,732)
Principal Retirement	(472,876)	(472,876)	—
	<u>(500,577)</u>	<u>(500,577)</u>	<u>20,970</u>
Change in Net Position	<u>(1,425,979)</u>	<u>(1,425,979)</u>	219,325
Net Position - Beginning			<u>25,752,673</u>
Net Position - Ending			<u>25,971,998</u>

CITY OF WASHINGTON, ILLINOIS

**Internal Service Funds
Combining Statement of Net Position
April 30, 2023**

	Employee Benefits	Motor Equipment Replacement	Capital Replacement	Building Maintenance	Totals
ASSETS					
Current Assets					
Cash and Investments	\$ 1,567,131	2,524,573	1,150,239	244,151	5,486,094
Receivables - Net of Allowances					
Accounts	1,184	4,220	—	—	5,404
Interest	624	585	—	—	1,209
Due from Other Funds	—	—	22,015	—	22,015
Prepays	113,877	9,338	—	—	123,215
Total Current Assets	1,682,816	2,538,716	1,172,254	244,151	5,637,937
Noncurrent Assets					
Capital Assets					
Depreciable/Amortizable	—	4,271,392	38,356	88,860	4,398,608
Accumulated Depreciation/Amortization	—	(2,185,558)	(21,637)	(4,443)	(2,211,638)
Total Noncurrent Assets	—	2,085,834	16,719	84,417	2,186,970
Total Assets	1,682,816	4,624,550	1,188,973	328,568	7,824,907
LIABILITIES					
Current Liabilities					
Accounts Payable	—	25,090	—	—	25,090
Accrued Payroll	—	738	—	—	738
Due to Other Funds	2,073	—	—	—	2,073
Current Portion of Long-Term Debt	—	129,280	—	—	129,280
Total Current Liabilities	2,073	155,108	—	—	157,181
Noncurrent Liabilities					
Compensated Absences Payable	—	9,338	—	—	9,338
Leases Payable	—	374,271	—	—	374,271
Total Noncurrent Liabilities	—	383,609	—	—	383,609
Total Liabilities	2,073	538,717	—	—	540,790
NET POSITION					
Net Investment in Capital Assets	—	1,584,617	16,719	84,417	1,685,753
Unrestricted	1,680,743	2,501,216	1,172,254	244,151	5,598,364
Total Net Position	1,680,743	4,085,833	1,188,973	328,568	7,284,117
Total Liabilities and Net Position	1,682,816	4,624,550	1,188,973	328,568	7,824,907

CITY OF WASHINGTON, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended April 30, 2023

	Employee Benefits	Motor Equipment Replacement	Capital Replacement	Building Maintenance	Totals
Operating Revenues					
Charges for Services	\$ —	761,479	307,600	92,600	1,161,679
Employee Contributions	1,255,486	—	—	—	1,255,486
Other	—	22,181	—	—	22,181
Total Operating Revenues	1,255,486	783,660	307,600	92,600	2,439,346
Operating Expenses					
Operations					
Personnel	1,258,984	120,034	—	—	1,379,018
Contractual Services	—	166,608	—	98,986	265,594
Commodities	—	345,533	—	—	345,533
Other	850	11,099	—	—	11,949
Depreciation	—	451,924	6,411	4,443	462,778
Total Operating Expenses	1,259,834	1,095,198	6,411	103,429	2,464,872
Operating Income (Loss)	(4,348)	(311,538)	301,189	(10,829)	(25,526)
Nonoperating Revenues (Expenses)					
Interest Income	10,318	27,854	16,860	2,964	57,996
Interest Expense	—	(5,040)	—	—	(5,040)
Disposal of Capital Assets	—	4,624	—	—	4,624
	10,318	27,438	16,860	2,964	57,580
Change in Net Position	5,970	(284,100)	318,049	(7,865)	32,054
Net Position - Beginning	1,674,773	4,369,933	870,924	336,433	7,252,063
Net Position - Ending	1,680,743	4,085,833	1,188,973	328,568	7,284,117

CITY OF WASHINGTON, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended April 30, 2023

	Employee Benefit	Motor Equipment Replacement	Capital Replacement	Building Maintenance	Totals
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 1,255,486	22,181	—	—	1,277,667
Interfund Services Provided	31,524	760,715	285,585	92,600	1,170,424
Payments to Suppliers	(1,257,761)	(575,787)	—	(98,986)	(1,932,534)
Payments to Employees	—	(89,445)	—	—	(89,445)
	<u>29,249</u>	<u>117,664</u>	<u>285,585</u>	<u>(6,386)</u>	<u>426,112</u>
Cash Flows from Capital and Related					
Purchase of Capital Assets	—	(310,434)	—	—	(310,434)
Disposal of Capital Assets	—	79,691	—	—	79,691
Issuance of Debt	—	151,324	—	—	151,324
Principal Retirement	—	(112,731)	—	—	(112,731)
Interest Expense	—	(5,040)	—	—	(5,040)
	<u>—</u>	<u>(197,190)</u>	<u>—</u>	<u>—</u>	<u>(197,190)</u>
Cash Flows from Investing Activities					
Interest Income	10,318	27,854	16,860	2,964	57,996
Net Change in Cash and Cash Equivalents	39,567	(51,672)	302,445	(3,422)	286,918
Cash and Cash Equivalents - Beginning	1,527,564	2,576,245	847,794	247,573	5,199,176
Cash and Cash Equivalents - Ending	<u>1,567,131</u>	<u>2,524,573</u>	<u>1,150,239</u>	<u>244,151</u>	<u>5,486,094</u>
Reconciliation of Operating Income to Net Cash					
Provided (Used) by Operating Activities					
Operating Income (Loss)	(4,348)	(311,538)	301,189	(10,829)	(25,526)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)					
Operating Activities					
Depreciation	—	451,924	6,411	4,443	462,778
(Increase) Decrease in Current Assets	31,524	(764)	(22,015)	—	8,745
Increase (Decrease) in Current Liabilities	2,073	(21,958)	—	—	(19,885)
Net Cash Provided by Operating Activities	<u>29,249</u>	<u>117,664</u>	<u>285,585</u>	<u>(6,386)</u>	<u>426,112</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, 2023

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	\$ 738,300	738,300	761,479
Other	—	—	22,181
Total Operating Revenues	<u>738,300</u>	<u>738,300</u>	<u>783,660</u>
Operating Expenses			
Operations			
Personnel	124,710	124,710	120,034
Contractual Services	274,300	274,300	166,608
Commodities	276,500	276,500	345,533
Other	1,000	1,000	11,099
Capital Outlay	408,600	408,600	—
Depreciation	—	—	451,924
Total Operating Expenses	<u>1,085,110</u>	<u>1,085,110</u>	<u>1,095,198</u>
Operating (Loss)	<u>(346,810)</u>	<u>(346,810)</u>	<u>(311,538)</u>
Nonoperating Revenues (Expenses)			
Interest Income	7,000	7,000	27,854
Interest Expense	—	—	(5,040)
Disposal of Capital Assets	100,000	100,000	4,624
	<u>107,000</u>	<u>107,000</u>	<u>27,438</u>
Change in Net Position	<u>(239,810)</u>	<u>(239,810)</u>	(284,100)
Net Position - Beginning			<u>4,369,933</u>
Net Position - Ending			<u><u>4,085,833</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, 2023

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	\$ 307,600	307,600	307,600
Operating Expenses			
Operations			
Capital Outlay	613,350	613,350	—
Depreciation	—	—	6,411
Total Operating Expenses	613,350	613,350	6,411
Operating Income (Loss)	(305,750)	(305,750)	301,189
Nonoperating Revenues			
Interest Income	500	500	16,860
Change in Net Position	<u>(305,250)</u>	<u>(305,250)</u>	318,049
Net Position - Beginning			<u>870,924</u>
Net Position - Ending			<u>1,188,973</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, 2023

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	\$ 92,600	92,600	92,600
Operating Expenses			
Operations			
Contractual Services	180,000	180,000	98,986
Capital Outlay	112,400	112,400	—
Depreciation	—	—	4,443
Total Operating Expenses	292,400	292,400	103,429
Operating (Loss)	(199,800)	(199,800)	(10,829)
Nonoperating Revenues			
Interest Income	100	100	2,964
Change in Net Position	(199,700)	(199,700)	(7,865)
Net Position - Beginning			336,433
Net Position - Ending			328,568

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, 2023

	Original Budget	Final Budget	Actual
Additions			
Contributions - Employer	\$ 713,100	713,100	715,118
Contributions - Plan Members	170,000	170,000	175,056
Total Contributions	<u>883,100</u>	<u>883,100</u>	<u>890,174</u>
Investment Income			
Interest Earned	250,000	250,000	621,422
Net Change in Fair Value	—	—	(426,212)
	<u>250,000</u>	<u>250,000</u>	<u>195,210</u>
Less Investment Expenses	(25,000)	(25,000)	(6,197)
Net Investment Income	<u>225,000</u>	<u>225,000</u>	<u>189,013</u>
Total Additions	<u>1,108,100</u>	<u>1,108,100</u>	<u>1,079,187</u>
Deductions			
Administration	9,900	9,900	8,055
Benefits and Refunds	770,000	770,000	740,234
Total Deductions	<u>779,900</u>	<u>779,900</u>	<u>748,289</u>
Change in Fiduciary Net Position	<u>328,200</u>	<u>328,200</u>	330,898
Net Position Restricted for Pensions			
Beginning			<u>8,906,853</u>
Ending			<u>9,237,751</u>

CITY OF WASHINGTON, ILLINOIS

**Consolidated Year-End Financial Report
April 30, 2023**

CSFA #	Program Name	State	Federal	Other	Total
494-00-2725	Provision of Services to the Public from Named Line GRF-Source	\$ —	—	1,659	1,659
494-00-1000	Illinois Transportation Enhancement Program	—	201,043	118,613	319,656
494-00-1439	Statewide Planning & Research Funds		51,360	12,840	64,200
	Other Grant Programs and Activities	—	4,307	25,344	29,651
	All Other Costs Not Allocated	—	—	20,802,922	20,802,922
	Totals	—	256,710	20,961,378	21,218,088

SUPPLEMENTAL SCHEDULES

CITY OF WASHINGTON, ILLINOIS

Long-Term Debt Requirements

Promissory Note of 2015

April 30, 2023

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
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>2,294,905</u>	<u>205,814</u>	<u>2,500,719</u>

CITY OF WASHINGTON, ILLINOIS

Long-Term Debt Requirements

Promissory Note of 2016

April 30, 2023

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
2024	\$ 241,663	19,652	261,315
2025	247,966	13,349	261,315
2026	254,231	7,084	261,315
2027	92,188	945	93,133
	<u>836,048</u>	<u>41,030</u>	<u>877,078</u>

CITY OF WASHINGTON, ILLINOIS

Long-Term Debt Requirements

IEPA Loan of 2009

April 30, 2023

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
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>2,315,566</u>	<u>—</u>	<u>2,315,566</u>

CITY OF WASHINGTON, ILLINOIS

Long-Term Debt Requirements

IEPA Loan of 2017

April 30, 2023

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
2024	\$ 186,655	50,527	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	235,102	2,080	237,182
	<u>2,934,742</u>	<u>385,806</u>	<u>3,320,548</u>

CITY OF WASHINGTON, ILLINOIS

**Property Tax Assessed Valuations, Rates, Extensions, and Collections - Last Four Tax Levy Years
April 30, 2023**

Tax Levy Year	2019	2020	2021	2022
Assessed Valuations	\$ 348,552,322	349,930,355	351,363,677	370,766,281
Tax Rates				
General Corporate	—	—	0.0302	0.0195
Police Pension	0.1762	0.1879	0.1958	0.2100
Ambulance	0.0501	0.0499	0.0497	0.0479
Fire Protection	0.0247	0.0246	0.0245	0.0236
Civil Defense	0.0015	0.0012	0.0012	0.0011
Audit	0.0083	0.0083	0.0100	0.0082
Illinois Municipal Retirement	0.0990	0.1035	0.1053	0.1014
Social Security	0.0846	0.0903	0.0911	0.0918
Liability Insurance	0.0287	0.0286	0.0270	0.0315
Total Tax Rates	0.4731	0.4943	0.5348	0.5350
Tax Extensions				
General Corporate	\$ —	—	105,971	72,299
Police Pension	614,000	657,519	688,111	778,498
Ambulance	174,601	174,650	174,663	177,523
Fire Protection	85,998	86,048	86,049	87,464
Civil Defense	4,142	4,164	4,146	4,115
Audit	29,000	29,009	35,031	30,514
Illinois Municipal Retirement	345,000	362,003	370,021	376,031
Social Security	295,000	316,022	320,022	340,475
Liability Insurance	100,000	100,010	95,009	116,903
Total Tax Extensions	1,647,741	1,729,425	1,879,023	1,983,822
Tax Collections	\$ 1,643,641	1,723,309	1,879,023	1,952,012
Percentage Collected	99.75%	99.65%	100.00%	98.40%
Other Collections				
City Share of Township Road and Bridge	\$ 217,133	218,706	219,602	228,013
Incremental Tax District	\$ 236,492	243,312	235,209	118,216
N. Lawndale Special Service Area	\$ 16,500	16,500	16,500	16,500
W. Holland Special Service Area	\$ 4,500	4,500	4,500	4,500