



**CITY OF DARIEN, ILLINOIS**

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ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2022



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Prepared by the General Administration Department

Michael J. Coren  
City Treasurer

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## **INTRODUCTORY SECTION**

**CITY OF DARIEN, ILLINOIS**

**PRINCIPAL OFFICIALS**

April 30, 2022

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**MAYOR**

Joseph A. Marchese

**CITY COUNCIL**

Ted V. Schauer  
Lester Vaughan  
Joseph A. Kenny  
Thomas M. Chlystek  
Mary Coyle Sullivan  
Eric K. Gustafson  
Thomas J. Belczak

**CITY TREASURER**

Michael J. Coren

**CITY CLERK**

JoAnne Ragona

**CITY ATTORNEY**

John B. Murphey

## **FINANCIAL SECTION**

1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Darien, Illinois (the City) as of and for the year ended April 30, 2022, and the related notes to 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 Darien, Illinois, as of April 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these 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 these 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended April 30, 2021, which are not presented with the accompanying financial statements. In our report dated August 13, 2021, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statement as a whole. The 2021 comparative data included on certain individual fund schedules are presented for purposes of additional analysis and are not a required part of the 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 2021 financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information included on certain individual fund schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

#### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and supplemental data but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
September 13, 2022

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2022***

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Darien, we offer readers of Darien's financial statements this narrative overview and analysis of the financial activities of the City of Darien for the fiscal year ended April 30, 2022. Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

The City of Darien's MD&A is also designed to assist the reader in focusing on significant financial issues, provide an overview of financial activities, identify current changes, address the subsequent year's challenges, identify material deviations from the financial plan (approved budgets), and identify issues with individual funds.

***FINANCIAL HIGHLIGHTS***

- ❑ The City of Darien maintained compliance with the Police Pension funding requirements as well as the IMRF funding requirements throughout the year.
- ❑ The City transferred \$3.9 million to the Capital Improvements Fund in FYE 22 to be used in the City of Darien's 3-year Capital Improvement Plan. The Capital Improvement Plan includes sidewalk replacement, storm-water ditch projects, new street lighting, the road program, and crack sealing to name a few.
- ❑ The City planned and maintained a minimum of 3 months balance of operating expenses in the General Fund throughout the fiscal year.
- ❑ The City reduced its General Obligation Refunding Bond debt by \$740,000 during the year.

**CITY OF DARIEN**  
**Management's Discussion and Analysis**  
**For the Year Ended April 30, 2022**

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**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the basic financial statements

This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements (see pages 5-7) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

□ The focus of the *Statement of Net Position* (the "Unrestricted Net Position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

□ The *Statement of Activities* is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

□ The *Governmental Activities* reflect the City's basic services, including administration, police and buildings, planning and development, streets and yard waste, and public works. Property taxes, sales taxes, and shared state income taxes finance the majority of these services.

□ The *Business-Type Activities* reflect private sector type operations (Water & Sewer), where the fee for service typically covers all or most of the cost of operation including depreciation.

**Fund Financial Statements**

Traditional users of governmental financial statements will find the Fund Financial Statements presentation (pages 8-17) more familiar. The focus is on Major Funds, rather than the previous model fund types. 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 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.

(See independent auditor's report.)

**CITY OF DARIEN**  
**Management's Discussion and Analysis**  
**For the Year Ended April 30, 2022**

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□ Governmental Funds are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid (spendable) resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated herewith. Governmental Funds are recorded using the current financial resources method. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other financial sources, as well as capital expenditures and bond principal payments as expenditures. A reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-Wide Financial Statements).

□ *Proprietary Funds*, also called Enterprise Funds, include the Water/Sewer Fund. These are used to report the same function presented in business-type activities in the City-Wide Financial Statements. Accounting for this type of fund, we utilize the economic resources method, in a similar fashion as corporate accounting. Unlike Governmental Funds, the Business-Type Activities column on the Business-Type Fund Financial Statements is the same as the Business-Type column on the Government-Wide Financial Statements.

□ *Fiduciary Funds* represent trust responsibilities of the government, but which have resources that are held for the benefit of parties outside the City. These assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements. Accounting for fiduciary component units is similar to that used by proprietary funds. Currently the City has one fiduciary component unit, the Police Pension Fund.

**Notes to the Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and various 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 contributions and funding progress of the Illinois Municipal Retirement Fund, Police Pension Fund, and Other Postemployment Benefit Plan; as well as, budget to actual comparisons of the General Fund and any major special revenue funds. Supplementary schedules include combining and individual fund financial statements and schedules and supplemental data.

**CITY OF DARIEN**  
**Management's Discussion and Analysis**  
**For the Year Ended April 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Condensed Statement of Net Position As of April 30, 2022 and 2021 (In millions of dollars)									
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Government Total</u>		
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
Current and other assets	27.15	19.24	7.91	9.87	8.74	1.13	37.02	27.98	9.04
Capital assets	<u>5.98</u>	<u>6.48</u>	<u>(0.50)</u>	<u>5.54</u>	<u>5.90</u>	<u>(0.36)</u>	<u>11.52</u>	<u>12.38</u>	<u>(0.86)</u>
<i>Total Assets</i>	<u>33.13</u>	<u>25.72</u>	<u>7.41</u>	<u>15.41</u>	<u>14.64</u>	<u>0.77</u>	<u>48.54</u>	<u>40.36</u>	<u>8.18</u>
Deferred Outflow of Resources	4.98	2.38	2.60	0.15	0.20	(0.05)	5.13	2.58	2.55
Total assets and Deferred Outflow of Resources	<u><b>38.11</b></u>	<u><b>28.10</b></u>	<u><b>10.01</b></u>	<u><b>15.56</b></u>	<u><b>14.84</b></u>	<u><b>0.72</b></u>	<u><b>53.67</b></u>	<u><b>42.94</b></u>	<u><b>10.73</b></u>
Long-term liabilities	27.83	21.62	6.21	3.60	4.23	(0.63)	31.43	25.85	5.58
Other liabilities	<u>1.74</u>	<u>1.47</u>	<u>0.27</u>	<u>1.10</u>	<u>1.03</u>	<u>0.07</u>	<u>2.84</u>	<u>2.50</u>	<u>0.34</u>
<i>Total Liabilities</i>	<u>29.57</u>	<u>23.09</u>	<u>6.48</u>	<u>4.70</u>	<u>5.26</u>	<u>(0.56)</u>	<u>34.27</u>	<u>28.35</u>	<u>5.92</u>
Deferred Inflows of Resources	5.57	7.64	(2.07)	0.69	0.42	0.27	6.26	8.06	(1.80)
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>35.14</b>	<b>30.73</b>	<b>4.41</b>	<b>5.39</b>	<b>5.68</b>	<b>(0.29)</b>	<b>40.53</b>	<b>36.41</b>	<b>4.12</b>
<i>Net position</i>									
Net investment in capital Assets:									
Assets:	5.69	6.00	(0.31)	2.30	2.53	(0.23)	7.99	8.53	(0.54)
Restricted	1.28	1.72	(0.44)	0.00	0.00	0.00	1.28	1.72	(0.44)
Unrestricted	<u>(4.00)</u>	<u>(10.35)</u>	<u>6.35</u>	<u>7.87</u>	<u>6.63</u>	<u>1.24</u>	<u>3.87</u>	<u>(3.72)</u>	<u>7.59</u>
<b>Total Net Position</b>	<u><b>2.97</b></u>	<u><b>(2.63)</b></u>	<u><b>5.60</b></u>	<u><b>10.17</b></u>	<u><b>9.16</b></u>	<u><b>1.01</b></u>	<u><b>13.14</b></u>	<u><b>6.53</b></u>	<u><b>6.61</b></u>

(See independent auditor's report.)



***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2022***

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**Normal Impacts**

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) increase capital assets and long-term debt, which will not change the net investment in capital assets.

Spending of non-borrowed current assets on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal payment on debt – which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of capital assets through depreciation – will reduce capital assets and net investment in capital assets.

**Current Year Impacts**

As noted earlier, net position may serve over time as a useful indicator of a governments' financial position. In the case of the City of Darien, total net position increased approximately \$6.61 million from \$6.53 million to \$13.14 million. The increase was a result of conservative budgeting, a decrease in project expenses, and the approval of grants. The City of Darien has a goal to maintain a specific level of fund balance which is used to cover Capital Project expenditures or used for the early payment of debt.

The City of Darien's assessed property tax rate was .2531. The City of Darien's portion of a resident's tax bill is approximately 3.88% of their total tax bill. The City of Darien's property taxes remain relatively lower than other municipalities within DuPage County.

A portion of the net position of the governmental activities is restricted for street maintenance, road improvements, storm sewer, public safety, and a special service area.

**CITY OF DARIEN**  
**Management's Discussion and Analysis**  
**For the Year Ended April 30, 2022**

Condensed Statement of Activities									
As of April 30, 2022 and 2021									
(In millions of dollars)									
	<u>Governmental</u>			<u>Business-Type</u>			<u>Government</u>		
	<u>Activities</u>			<u>Activities</u>			<u>Total</u>		
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
<b>Revenues:</b>									
<i>Program Revenues:</i>									
Charges for Services Operating and Capital	1.74	1.54	0.20	7.89	8.14	(0.25)	9.63	9.68	(0.05)
Grants and Contributions	1.76	2.70	(0.94)	-	-	-	1.76	2.70	(0.94)
<i>General Revenues:</i>									
Property Taxes	2.50	2.47	0.03	-	-	-	2.50	2.47	0.03
Other Taxes	14.36	11.71	2.65	-	-	-	14.36	11.71	2.65
Other General Revenues	<u>1.56</u>	<u>0.18</u>	<u>1.38</u>	<u>0.12</u>	<u>0.15</u>	<u>(0.03)</u>	<u>1.68</u>	<u>0.33</u>	<u>1.35</u>
<b>Total Revenues</b>	<b>21.92</b>	<b>18.60</b>	<b>3.32</b>	<b>8.01</b>	<b>8.29</b>	<b>(0.28)</b>	<b>29.93</b>	<b>26.89</b>	<b>3.04</b>
<b>Expenses:</b>									
General Government	1.64	1.87	(0.23)	-	-	-	1.64	1.87	(0.23)
Highways and Streets	5.77	3.35	2.42	-	-	-	5.77	3.35	2.42
Public Safety	8.89	7.55	1.34	-	-	-	8.89	7.55	1.34
Interest and Fees	0.01	0.01	0.00	-	-	-	0.01	0.01	0.00
Water	<u>-</u>	<u>-</u>	<u>-</u>	<u>7.00</u>	<u>6.96</u>	<u>0.04</u>	<u>7.00</u>	<u>6.96</u>	<u>0.04</u>
<b>Total Expenses</b>	<b>16.31</b>	<b>12.78</b>	<b>3.53</b>	<b>7.00</b>	<b>6.96</b>	<b>0.04</b>	<b>23.31</b>	<b>19.74</b>	<b>3.57</b>
Increase (Decrease) in Net Position Before Prior Period Adjustment	5.61	5.82	(0.21)	1.01	1.33	(0.32)	6.62	7.15	(0.53)
Prior Period Adjustment & Change in Accounting Principles	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Change in Net Position	5.61	5.82	(0.21)	1.01	1.33	(0.32)	6.62	7.15	(0.53)
Net Position, Beginning of Year	<u>(2.64)</u>	<u>(8.46)</u>	<u>5.82</u>	<u>9.16</u>	<u>7.83</u>	<u>1.33</u>	<u>6.52</u>	<u>(0.63)</u>	7.15
<b>Net Position, End of Year</b>	<b>2.97</b>	<b>(2.64)</b>	<b>5.61</b>	<b>10.17</b>	<b>9.16</b>	<b>1.01</b>	<b>13.14</b>	<b>6.52</b>	<b>6.62</b>

(See independent auditor's report.)

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2022***

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**Normal Impacts**

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

**Revenues**

Economic condition – which can reflect a declining, stable, or growing economic environment, and has substantial impact on state sales, replacement, and hotel/motel tax revenue; as well as, public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/decrease in City approved rates – while certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, property taxes, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorted in their impact on year to year comparisons.

Market impacts on investment income – the City's investments may be affected by market conditions causing investment income to increase/decrease.

**Expenses**

Introduction of new programs – within the functional expense categories (general government, public safety, and highways and streets), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the City Council to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the City.

Salary increases (annual adjustments and merit) – the ability to attract and retain staff members, requires the City to strive to approach a competitive salary range position in the marketplace.

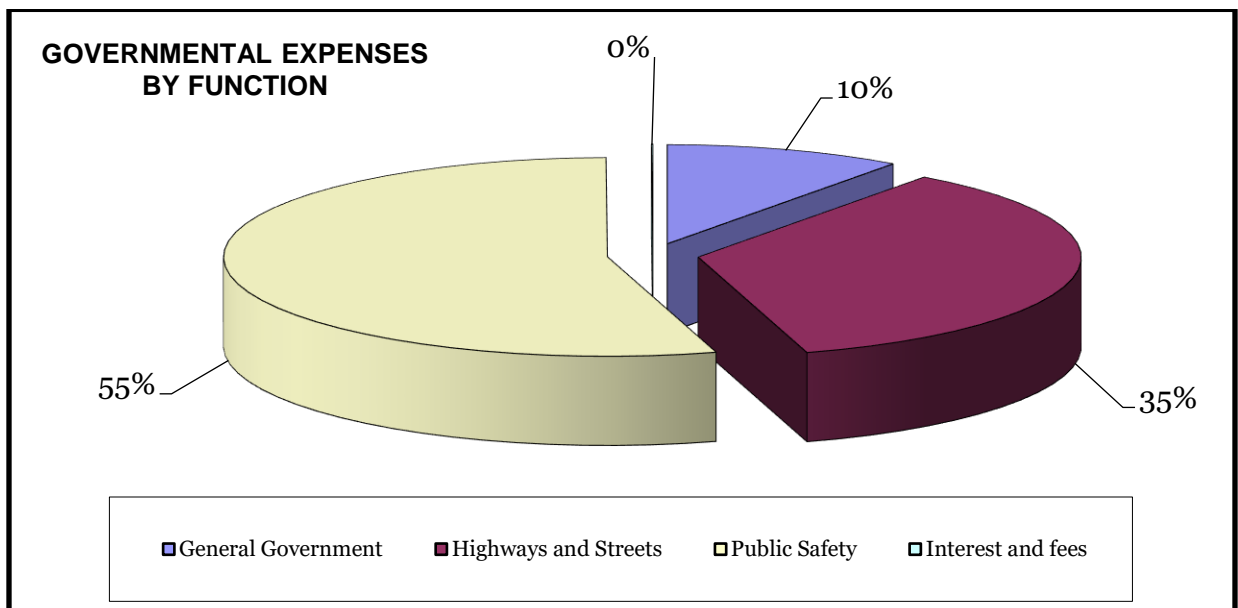
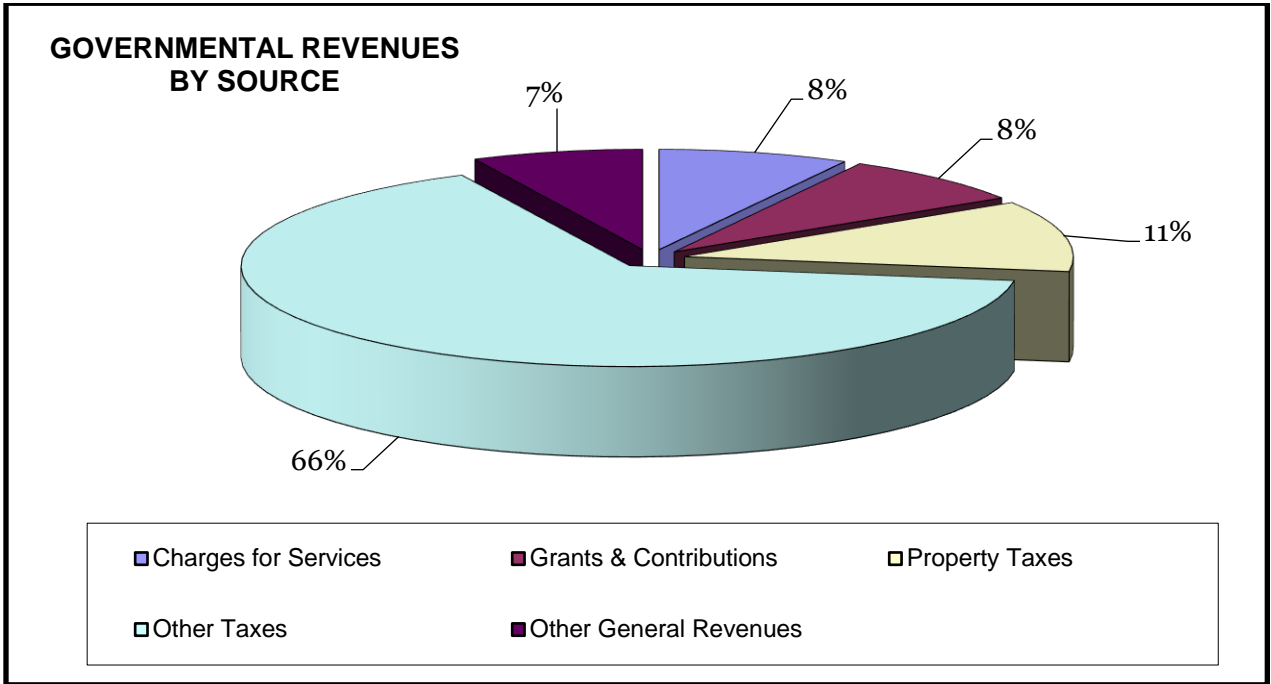
Inflation – the City is a major consumer of certain commodities such as supplies, fuel and parts. Due to significant inflation, some functions may experience unusual commodity specific increases.

**CITY OF DARIEN**  
**Management's Discussion and Analysis**  
**For the Year Ended April 30, 2022**

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**GOVERNMENTAL ACTIVITIES**

The percentages illustrated below, represent the governmental revenues and expenditures by source/function per page 6 of the MD&A, column 1.



# **CITY OF DARIEN**

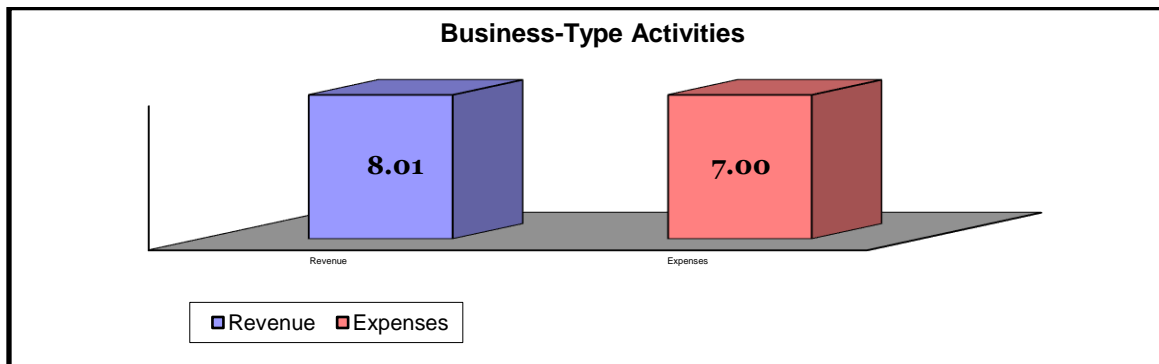
## **Management's Discussion and Analysis**

### **For the Year Ended April 30, 2022**

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#### **Business Type Activities**

The amounts illustrated below, represent the business-type revenues and expenditures by activity per page 6 of the MD&A, column 2.



The Business-Type activity of the City of Darien includes the Water Department. The Water Department serves the city residents and businesses; pricing of water is based on fees determined by the supplier of water, the DuPage Water Commission. The City of Darien has been able to avoid raising water rates to its residents and businesses over the past several years, even though there have been increases in the fee for the supply of water by the DuPage Water Commission. Sales of water (revenues) can be affected by climate, at times, with warmer and drier summers bringing higher demand. The operating revenues of the Water Department decreased by \$.28 million in comparison to the prior year.

The City pays all of the general expenses from the general fund. On an annual basis, a transfer in the amount of \$250 thousand is done from the Water Department to the General Fund. The reason this transfer is done, is to cover the overhead worked on behalf of the Water Department, yet captured within the General Fund. Operating expenses increased \$0.04 million for this fiscal year.

#### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City of Darien uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds:** The focus of the City of Darien's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Darien financing requirements.

The City of Darien's major funds include; the General Fund, the Motor Fuel Tax Fund, and the Capital Improvement Fund.

At the end of the current fiscal year, the City of Darien's governmental funds reported a combined (major and non-major) ending fund balance of \$19.81 million.

(See independent auditor's report.)

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2022***

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***CAPITAL ASSET AND DEBT ADMINISTRATION***

***Capital assets***

At the end of fiscal year 2022, the City of Darien had total capital assets (net of accumulated depreciation) of \$11.52 million, invested in a broad range of capital assets including police and public works equipment, buildings, water facilities, roads, streets, and sewer lines.

(For more detail see Note 4 of the Audit Report)

***Debt Administration***

The debt administration discussion covers two types of debt reported by the City's financial statements. The City's governmental activities include the general obligation bond issuance for the acquisition and construction of major capital facilities. Overall, the City's governmental activities report a total debt of \$28.31 million. The City began the fiscal year with a balance of \$22.06 million in debt.

In the City's business-type activities a total debt of \$4.20 million is reported. The City began the fiscal year with a balance of \$4.81 million in debt. The business activity debt is paid primarily by revenues generated by the Water Department's sale of water fee for service. The general obligation bonds of the business-type activity are obligations of the business-type activity only and are used for infrastructure and building improvements to the system. (More detailed information about the City's long-term liabilities is presented in Note 6 of the financial statements.)

***FACTORS BEARING ON THE CITY'S FUTURE***

The general economic conditions of DuPage County, Cook County, and the Chicago metropolitan statistical area are affected by the national economics. The unemployment rate for the most recent period available for this year is 4.5% County-wide (Local Area unemployment Statistics LAUS web site). The impact of the COVID-19 pandemic on the U.S. economy was broad based and negatively impacted national, state, and local economies. Although the pandemic has significantly affected the financial markets and the City suffered a reduction in investment income, with the passage of the American Rescue Plan Act of 2021 the City was able to continue as anticipated with the projects that had been budgeted. The City will continue to monitor the rapidly changing economic conditions to determine appropriate action necessary to maintain the City's sound financial condition, operations, and services.

The City's expenditures are comprised mostly of salaries, benefits and capital projects. Other factors bearing on the City's future include increases in water rates charged by DuPage Water Commission and the City of Chicago, and the general state of the economy. The uncertainty and financial problems with the State of Illinois is a concern for all Illinois municipalities. All of the local economic factors, revenue projections, and analysis of the City's expenditures are factored in the future fiscal budget plans.

(See independent auditor's report.)

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2022***

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***REQUESTS FOR INFORMATION***

This financial report is designed to provide the City's citizens, taxpayers, and creditors with a general overview of the City's finances; as well as, to demonstrate the City's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact City Hall:

Bryon Vana  
City Administrator  
1702 Plainfield Road  
Darien, Illinois 60561

Michael J. Coren  
City Treasurer  
1702 Plainfield Road  
Darien, Illinois 60561

## **BASIC FINANCIAL STATEMENTS**



**CITY OF DARIEN, ILLINOIS**

STATEMENT OF NET POSITION

April 30, 2022

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,746,192	\$ 7,203,577	\$ 24,949,769
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	2,475,434	-	2,475,434
Accounts	-	1,447,462	1,447,462
Intergovernmental	2,009,178	-	2,009,178
Other	2,469,997	581,848	3,051,845
Inventories	101,890	-	101,890
Net pension asset	2,345,230	636,365	2,981,595
Capital assets not being depreciated	819,529	100,000	919,529
Capital assets being depreciated	5,164,452	5,438,407	10,602,859
<b>Total assets</b>	<b>33,131,902</b>	<b>15,407,659</b>	<b>48,539,561</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	-	81,266	81,266
Pension items - police	4,566,071	-	4,566,071
Pension items - IMRF	131,799	25,942	157,741
Pension items - OPEB	282,465	42,581	325,046
<b>Total deferred outflows of resources</b>	<b>4,980,335</b>	<b>149,789</b>	<b>5,130,124</b>
<b>Total assets and deferred outflows of resources</b>	<b>38,112,237</b>	<b>15,557,448</b>	<b>53,669,685</b>
<b>LIABILITIES</b>			
Accounts payable	878,968	427,309	1,306,277
Accrued payroll	249,778	21,825	271,603
Accrued interest payable	2,283	41,658	43,941
Deposits payable	37,775	-	37,775
Unearned revenue	97,457	-	97,457
Noncurrent liabilities			
Due within one year	471,082	605,688	1,076,770
Due in more than one year	27,834,473	3,597,019	31,431,492
<b>Total liabilities</b>	<b>29,571,816</b>	<b>4,693,499</b>	<b>34,265,315</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	2,475,434	-	2,475,434
Pension items - police	386,759	-	386,759
Pension items - IMRF	2,496,359	662,766	3,159,125
Pension items - OPEB	207,444	31,272	238,716
<b>Total deferred inflows of resources</b>	<b>5,565,996</b>	<b>694,038</b>	<b>6,260,034</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>35,137,812</b>	<b>5,387,537</b>	<b>40,525,349</b>
<b>NET POSITION</b>			
Net investment in capital assets	5,688,981	2,304,065	7,993,046
Restricted for			
Special service area	25,088	-	25,088
Storm sewer	69,988	-	69,988
Public safety	248,738	-	248,738
Highways and streets	938,035	-	938,035
Unrestricted (deficit)	(3,996,405)	7,865,846	3,869,441
<b>TOTAL NET POSITION</b>	<b>\$ 2,974,425</b>	<b>\$ 10,169,911</b>	<b>\$ 13,144,336</b>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 1,635,235	\$ 1,088,249	\$ -	\$ -
Highways and streets	5,773,090	461,512	880,452	808,670
Public safety	8,888,754	187,973	73,043	-
Interest and fiscal charges on long-term debt	9,961	-	-	-
Total governmental activities	16,307,040	1,737,734	953,495	808,670
Business-Type Activities				
Water operations	6,997,448	7,889,672	-	-
Total business-type activities	6,997,448	7,889,672	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 23,304,488</b>	<b>\$ 9,627,406</b>	<b>\$ 953,495</b>	<b>\$ 808,670</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (546,986)	\$ -	\$ (546,986)
	(3,622,456)	-	(3,622,456)
	(8,627,738)	-	(8,627,738)
	(9,961)	-	(9,961)
	(12,807,141)	-	(12,807,141)
	-	892,224	892,224
	-	892,224	892,224
	(12,807,141)	892,224	(11,914,917)
<b>General Revenues</b>			
<b>Taxes</b>			
Property	2,497,867	-	2,497,867
Replacement	18,563	-	18,563
Telecommunications	321,804	-	321,804
Utility	1,195,844	-	1,195,844
Amusement	117,300	-	117,300
Hotel/motel	85,005	-	85,005
Road and bridge	235,166	-	235,166
Video gaming	287,430	-	287,430
Cannabis	34,569	-	34,569
Local gas	233,338	-	233,338
Food and beverage	700,397	-	700,397
<b>Intergovernmental</b>			
Income tax	3,174,556	-	3,174,556
Sales	7,124,267	-	7,124,267
Local use	833,736	-	833,736
Grants	1,374,162	-	1,374,162
Investment income	18,517	6,683	25,200
Miscellaneous	166,424	111,876	278,300
<b>Total</b>	<b>18,418,945</b>	<b>118,559</b>	<b>18,537,504</b>
<b>CHANGE IN NET POSITION</b>	<b>5,611,804</b>	<b>1,010,783</b>	<b>6,622,587</b>
<b>NET POSITION (DEFICIT), MAY 1</b>	<b>(2,637,379)</b>	<b>9,159,128</b>	<b>6,521,749</b>
<b>NET POSITION, APRIL 30</b>	<b>\$ 2,974,425</b>	<b>\$ 10,169,911</b>	<b>\$ 13,144,336</b>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2022

	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Capital Improvements</b>	<b>Nonmajor</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,054,164	\$ 959,761	\$ 10,434,941	\$ 297,326	\$ 17,746,192
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	2,283,737	-	191,697	-	2,475,434
Intergovernmental	1,935,066	74,112	-	-	2,009,178
Other	2,140,307	-	329,690	-	2,469,997
Inventory	101,890	-	-	-	101,890
<b>TOTAL ASSETS</b>	<b>\$ 12,515,164</b>	<b>\$ 1,033,873</b>	<b>\$ 10,956,328</b>	<b>\$ 297,326</b>	<b>\$ 24,802,691</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 617,447	\$ 95,838	\$ 164,054	\$ 1,629	\$ 878,968
Accrued payroll	249,778	-	-	-	249,778
Deposits payable	37,775	-	-	-	37,775
Unearned revenue	-	-	97,457	-	97,457
Total liabilities	905,000	95,838	261,511	1,629	1,263,978
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property taxes	2,283,737	-	191,697	-	2,475,434
Other unavailable revenue	927,492	-	329,690	-	1,257,182
Total deferred inflows of resources	3,211,229	-	521,387	-	3,732,616
Total liabilities and deferred inflows of resources	4,116,229	95,838	782,898	1,629	4,996,594
<b>FUND BALANCES</b>					
Nonspendable					
Inventory	101,890	-	-	-	101,890
Restricted					
Special service area	-	-	-	25,088	25,088
Storm sewer	-	-	-	69,988	69,988
Public safety	48,117	-	-	200,621	248,738
Highways and streets	-	938,035	-	-	938,035
Unrestricted					
Assigned					
Capital improvements	-	-	10,173,430	-	10,173,430
Unassigned					
General fund	8,248,928	-	-	-	8,248,928
Total fund balances	8,398,935	938,035	10,173,430	295,697	19,806,097
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 12,515,164</b>	<b>\$ 1,033,873</b>	<b>\$ 10,956,328</b>	<b>\$ 297,326</b>	<b>\$ 24,802,691</b>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

For the Year Ended April 30, 2022

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 19,806,097
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 governmental funds	5,983,981
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(295,000)
Compensated absences payable	(791,242)
Other long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds	1,257,182
Net pension asset for the Illinois Municipal Retirement Fund is shown as an asset on the statement of net position	2,345,230
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(2,364,560)
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(25,727,885)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	4,179,312
Total other postemployment benefit plan liability is shown as a liability on the statement of net position	(1,491,428)
Differences between expected and actual experiences and assumption changes for the other postemployment benefit plan are recognized as deferred outflows and inflows of resources on the statement of net position	75,021
Accrued interest payable is not recorded in governmental funds but is recorded on the statement of net position	(2,283)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 2,974,425</u></u>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2022

	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Capital Improvements</b>	<b>Nonmajor</b>	<b>Total</b>
<b>REVENUES</b>					
Taxes	\$ 5,524,398	\$ -	\$ 197,812	\$ 5,072	\$ 5,727,282
Licenses and permits	1,173,299	-	-	-	1,173,299
Intergovernmental	11,203,847	1,365,637	1,697,647	1,755	14,268,886
Charges for services	568,056	-	-	-	568,056
Investment income	5,083	854	12,278	302	18,517
Miscellaneous	18,050	-	-	-	18,050
<b>Total revenues</b>	<b>18,492,733</b>	<b>1,366,491</b>	<b>1,907,737</b>	<b>7,129</b>	<b>21,774,090</b>
<b>EXPENDITURES</b>					
Current					
General government	1,950,106	-	-	-	1,950,106
Highways and streets	2,563,783	614,820	51,527	12,149	3,242,279
Public safety	8,141,370	-	-	10,243	8,151,613
Capital outlay	-	1,179,959	1,500,856	-	2,680,815
Debt service					
Principal	-	-	185,000	-	185,000
Interest and fiscal charges	-	-	11,310	-	11,310
<b>Total expenditures</b>	<b>12,655,259</b>	<b>1,794,779</b>	<b>1,748,693</b>	<b>22,392</b>	<b>16,221,123</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>5,837,474</b>	<b>(428,288)</b>	<b>159,044</b>	<b>(15,263)</b>	<b>5,552,967</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	3,900,000	-	3,900,000
Transfers (out)	(3,900,000)	-	-	-	(3,900,000)
<b>Total other financing sources (uses)</b>	<b>(3,900,000)</b>	<b>-</b>	<b>3,900,000</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,937,474</b>	<b>(428,288)</b>	<b>4,059,044</b>	<b>(15,263)</b>	<b>5,552,967</b>
<b>FUND BALANCES, MAY 1</b>	<b>6,461,461</b>	<b>1,366,323</b>	<b>6,114,386</b>	<b>310,960</b>	<b>14,253,130</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 8,398,935</b>	<b>\$ 938,035</b>	<b>\$ 10,173,430</b>	<b>\$ 295,697</b>	<b>\$ 19,806,097</b>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2022

<b>NET CHANGE IN FUND BALANCES -</b>	
<b>TOTAL GOVERNMENTAL FUNDS</b>	\$ 5,552,967
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	133,194
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(626,425)
Revenues in the statement of activities that are not available in governmental funds are not reported as revenue in governmental funds until received	144,754
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	185,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	1,349
The change in compensated absences payable is shown as an expense on the statement of activities	(158,841)
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	1,969,225
The change in deferred outflows and inflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(1,004,977)
The change in the net pension liability for the Police Pension Fund is reported only in the statement of activities	(6,601,061)
The change in deferred outflows and inflows of resources for the Police Pension Fund is reported only in the statement of activities	5,939,167
The change in the total other postemployment benefit liability is reported only in the statement of activities	331,446
The change in deferred outflows and inflows of resources for the other postemployment benefit plan is reported only in the statement of activities	(253,994)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 5,611,804</u>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

April 30, 2022

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	<b>Business-Type Activities Water Operations</b>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 7,203,577
Receivables (net, where applicable, of allowances for uncollectibles)	
Water - billed	7,695
Water - unbilled	1,439,767
Other	581,848
	<hr/>
Total current assets	9,232,887
	<hr/>
<b>NONCURRENT ASSETS</b>	
Capital assets	
Assets not being depreciated	100,000
Assets being depreciated	
Cost	16,850,760
Accumulated depreciation	(11,412,353)
	<hr/>
Net capital assets being depreciated	5,438,407
	<hr/>
Net pension asset	636,365
	<hr/>
Total noncurrent assets	6,174,772
	<hr/>
Total assets	15,407,659
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Unamortized loss on refunding	81,266
Pension items - IMRF	25,942
Pension items - OPEB	42,581
	<hr/>
Total deferred outflows of resources	149,789
	<hr/>
Total assets and deferred outflows of resources	15,557,448
	<hr/>

(This schedule is continued on the following page.)



**CITY OF DARIEN, ILLINOIS**

**STATEMENT OF NET POSITION (Continued)  
PROPRIETARY FUNDS**

April 30, 2022

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	<b>Business-Type Activities Water Operations</b>
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 427,309
Accrued payroll	21,825
Accrued interest payable	41,658
Bonds payable	570,000
Compensated absences payable	10,453
Total OPEB liability	<u>25,235</u>
Total current liabilities	<u>1,096,480</u>
<b>LONG-TERM LIABILITIES</b>	
Bonds payable	3,338,189
Compensated absences payable	59,235
Total OPEB liability	<u>199,595</u>
Total long-term liabilities	<u>3,597,019</u>
Total liabilities	4,693,499
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension items - IMRF	662,766
Pension items - OPEB	<u>31,272</u>
Total deferred inflows of resources	<u>694,038</u>
Total liabilities and deferred inflows of resources	<u>5,387,537</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,304,065
Unrestricted	<u>7,865,846</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 10,169,911</u></u>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS**

For the Year Ended April 30, 2022

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	<b>Business-Type Activities Water Operations</b>
	<u>                    </u>
<b>OPERATING REVENUES</b>	
Water sales	\$ 7,862,004
Inspections/tap on/permits	16,756
Sale of meters	1,305
Other water sales	9,607
	<u>                    </u>
Total operating revenues	<u>7,889,672</u>
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>	
Personnel services	666,239
Materials and supplies	1,051,445
Contractual services	4,783,419
	<u>                    </u>
Total operating expenses excluding depreciation	<u>6,501,103</u>
<b>OPERATING INCOME BEFORE DEPRECIATION</b>	1,388,569
Depreciation	361,365
	<u>                    </u>
<b>OPERATING INCOME</b>	<u>1,027,204</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment income	6,683
Miscellaneous income	111,876
Interest expense	(134,980)
	<u>                    </u>
Total non-operating revenues (expenses)	<u>(16,421)</u>
<b>CHANGE IN NET POSITION</b>	1,010,783
<b>NET POSITION, MAY 1</b>	<u>9,159,128</u>
<b>NET POSITION, APRIL 30</b>	<u><u>\$ 10,169,911</u></u>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended April 30, 2022

	<b>Business-Type Activities Water Operations</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 7,898,116
Payments to suppliers	(5,783,465)
Payments to employees	(923,480)
	1,191,171
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
None	-
	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal payments	(555,000)
Interest and fiscal charges	(137,607)
	(692,607)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	6,683
	6,683
NET INCREASE IN CASH AND CASH EQUIVALENTS	505,247
CASH AND CASH EQUIVALENTS, MAY 1	6,698,330
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 7,203,577</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 1,027,204
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	361,365
Miscellaneous income	111,876
Changes in assets and liabilities	
Accounts receivable	(103,432)
Accounts payable	51,399
Accrued payroll	(460)
Compensated absences payable	11,214
Net pension liability - IMRF	(256,319)
Net pension liability - OPEB	(11,676)
	1,191,171
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,191,171</b>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

April 30, 2022

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	<b><u>Pension Trust Fund</u></b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 121,373
Investments	
U.S. Treasury obligations	1,113,430
U.S. agency obligations	5,801,750
Municipal bonds	2,084,858
Corporate bonds	2,124,941
Equity mutual funds	20,714,842
Negotiable certificates of deposit	734,642
Receivables	
Accrued interest	68,900
Prepaid items	<u>530</u>
 Total assets	 <u>32,765,266</u>
<b>LIABILITIES</b>	
Benefits payable	<u>9,077</u>
 Total liabilities	 <u>9,077</u>
 <b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	  <u><u>\$ 32,756,189</u></u>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
POLICE PENSION FUND**

For the Year Ended April 30, 2022

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**ADDITIONS**

Contributions	
Employer	\$ 2,114,384
Employee	339,857
	<hr/>
Total contributions	2,454,241
	<hr/>
Investment income	
Net (depreciation) in fair value of investments	(4,548,398)
Interest	1,685,778
	<hr/>
Total investment income	(2,862,620)
	<hr/>
Less investment expense	(93,134)
	<hr/>
Net investment income	(2,955,754)
	<hr/>
Total additions	(501,513)

**DEDUCTIONS**

Pension benefits	2,799,556
Contractual services	59,651
Administrative expenses	17,614
	<hr/>
Total deductions	2,876,821

NET DECREASE (3,378,334)

**NET POSITION RESTRICTED  
FOR PENSION BENEFITS**

May 1	<hr/>
	36,134,523
	<hr/>
April 30	\$ 32,756,189
	<hr/>

See accompanying notes to financial statements.

# CITY OF DARIEN, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2022

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Darien, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### a. Reporting Entity

The City is a municipal corporation governed by a seven-member council consisting of seven aldermen and the mayor. As required by GAAP, these financial statements present the City and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government.

The City's financial statements include one fiduciary component unit.

#### Police Pension Employees Retirement System

The City's 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 City and PPERS participants are obligated to fund all 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. Accordingly, the PPERS is fiscally dependent on the City. Separate financial statements are not available for the PPERS. PPERS is reported as a pension trust fund.

#### b. Fund Accounting

The City uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain city functions or activities.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Fund Accounting (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of the City's general activities. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The City utilizes pension trust funds which are generally used to account for assets that the City holds in fiduciary capacity or on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Government-Wide and Fund Financial Statements (Continued)

directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The Capital Improvements Fund is used to account for all restricted, committed, or assigned resources used for the acquisition of general capital assets including infrastructure capital assets.

Motor Fuel Tax Fund - The Motor Fuel Tax Fund is used to account for state-shared motor fuel tax revenues that are legally restricted to maintenance and construction of streets, sidewalks, alleys, and signals.

The City reports the following major proprietary fund:

The Water Operations Fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, financing and related debt service, and billing and collections.

The City reports the following fiduciary funds:

The Police Pension Fund accounts for the activities of the accumulation of resources to pay pension costs. Resources are contributed by members at rates fixed by state statutes and by the City which uses the annual property tax levy to fund the employer contribution.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and pension trust fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes, and telecommunications taxes which use a 90-day period. The City recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end; franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the City are also recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The City reports unearned and unavailable/deferred revenue on its financial statements. Unavailable/deferred revenues arise when potential revenue does not meet both the measurable and available or period intended to finance criteria for recognition in the current period. Unearned revenues arise when resources are received by the government before it has legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue and the deferred inflows of resources for unavailable/deferred revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

City investments with a maturity of one year or less when purchased are stated at cost or amortized cost. City investments with a maturity greater than one year when purchased and all pension fund investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

g. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories, if any, are recorded as expenditures when purchased.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report, if any, are recorded as prepaid items/expenses and are recognized on the consumption method.

i. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and storm sewers), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$50,000 for machinery, equipment, and vehicles, \$100,000 for building improvements, \$100,000 for buildings, \$200,000 for infrastructure and an estimated useful life in excess of one year, and any amount for land. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25-50
Building improvements	8-25
Land improvements	15-35
Machinery, vehicles, and equipment	5-20
Infrastructure - streets	25-50
Waterworks and sewage system	25

j. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacations must be taken in the year following the one in which it was earned. Unused vacation time is not allowed to be carried over to the subsequent year without approval. Sick leave may be accumulated for future use.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. Compensated Absences (Continued)

City employees may accrue up to 120 or 150 hours depending on the employment classification. The City's policy allows for a bonus to be paid for those employees who have not used sick days in the given year. Accumulated amounts are paid out at retirement at a rate of 50% of the employee's current hourly salary rate.

Vested or accumulated vacation leave are reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities are recorded as an expense and liability of those funds as the benefits accrue to employees.

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as expense during the current period.

In the fund financial statements, governmental funds 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 expenditures.

l. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Administrator. Any residual fund balance of the General Fund or any deficit fund balance in other governmental funds are reported as unassigned.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

l. Fund Balances/Net Position (Continued)

The City has not adopted a flow of funds policy and, therefore, applies the flow of funds from GASB Statement No. 54, which prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned and then unassigned funds. For net position, restricted funds are spent first then unrestricted funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

None of the restricted net position or restricted fund balance results from enabling legislation adopted by the City.

m. Interfund Transactions

Interfund services are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

n. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

o. Deferred Outflows/Inflows of Resources

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

p. Adoption of Accounting Standards

The City has elected to implement GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was issued to provide temporary relief to governments and other stakeholders due to the COVID-19 pandemic. This provides for the postponement of the implementation of GASB Statement No. 87, *Leases*.

**2. DEPOSITS AND INVESTMENTS**

The City and pension fund categorize the fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs. The City did not have any investments subject to fair value measurement at April 30, 2022.

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

a. City Deposits and Investments

The City's investment policy authorizes the City to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, The Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value), and the Illinois Metropolitan Investment Fund (IMET).

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The Illinois Metropolitan Investment Fund (IMET) is a local government investment pool. Created in 1996 as a not-for-profit trust formed under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed to provide Illinois government agencies with safe, liquid, attractive alternatives for investing and is managed by a Board of Trustees elected from the participating members. IMET offers participants two separate vehicles to meet their investment needs. The IMET Convenience Fund (CVF) is designed to accommodate funds requiring high liquidity, including short term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and FHLB LoC backed bank deposits, FDIC insured certificates of deposit and US government securities. Member withdrawals are generally on the same day as requested. . Investments in IMET are valued at IMET's share price, which is the price the investment could be sold.

**2. DEPOSITS AND INVESTMENTS (Continued)**

a. City Deposits and Investments (Continued)

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity, and yield.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance. The investment policy does not address how collateral is held. The City’s deposits are insured through a letter of credit in the City’s name.

Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. Unless matched to a specific cash flow, the City does not directly invest in securities maturing more than five years from the date of purchase.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The City limits its exposure to credit risk by limiting investments to the types of securities listed above; pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with the City’s investment policy; diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The Illinois Funds and IMET are rated Aaa.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the City’s investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts.



**2. DEPOSITS AND INVESTMENTS (Continued)**

a. City Deposits and Investments (Continued)

Investments (Continued)

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

The investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- Limiting investment in securities that have higher credit risks;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

**3. RECEIVABLES**

a. Property Taxes

Property taxes for 2021 attached as an enforceable lien on January 1, 2021, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2022, and are payable in two installments, on or about June 1, 2022 and September 1, 2022. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience. As the 2021 tax levy is intended to fund expenditures for the 2022-2023 fiscal year, these taxes are unavailable/deferred as of April 30, 2022.

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

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. RECEIVABLES (Continued)**

b. Due from Other Governments and Other Receivables

	General	Motor Fuel Tax Fund	Capital Improvements	Total
<b>GOVERNMENTAL ACTIVITIES</b>				
Intergovernmental				
Sales tax	\$ 1,615,781	\$ -	\$ -	\$ 1,615,781
Local use tax	212,405	-	-	212,405
Motor fuel tax	-	74,112	-	74,112
Telecommunications tax	78,742	-	-	78,742
Video gaming tax	28,138	-	-	28,137
Total intergovernmental	1,935,066	74,112	-	2,009,178
Other receivables				
Franchise fees	3,965	-	-	3,965
Hotel/motel tax	8,540	-	-	8,540
Amusement tax	9,127	-	-	9,127
Utility tax	100,848	-	-	100,848
Food/beverage tax	59,465	-	-	59,465
Local gas tax	35,245	-	-	32,245
IRMA	927,492	-	-	927,492
IPBC	913,495	-	-	913,495
Economic incentives	-	-	329,690	329,690
Accounts	58,896	-	-	58,896
Other	23,234	-	-	23,234
Total other receivables	2,140,307	-	329,690	2,469,997
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 4,075,373</b>	<b>\$ 74,112</b>	<b>\$ 329,690</b>	<b>\$ 4,479,175</b>

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2022 was as follows:

	Balances May 1	Increases	Decreases/ Transfers	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 819,529	\$ -	\$ -	\$ 819,529
Total capital assets not being depreciated	819,529	-	-	819,529
Capital assets being depreciated				
Buildings and improvements	5,700,539	-	-	5,700,539
Machinery, vehicles, and equipment	3,877,176	61,994	-	3,939,170
Infrastructure	12,790,040	71,200	-	12,861,240
Total capital assets being depreciated	22,367,755	133,194	-	22,500,949
Less accumulated depreciation for				
Buildings and improvements	3,486,336	130,347	-	3,616,683
Machinery, vehicles, and equipment	1,884,073	285,647	-	2,169,720
Infrastructure	11,339,663	210,431	-	11,550,094
Total accumulated depreciation	16,710,072	626,425	-	17,336,497
Total capital assets being depreciated, net	5,657,683	(493,231)	-	5,164,452
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 6,477,212</b>	<b>\$ (493,231)</b>	<b>\$ -</b>	<b>\$ 5,983,981</b>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 55,653
Public safety	162,436
Highways and streets	408,336
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 626,425</b>

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

	Balances May 1	Increases/ Transfers	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Total capital assets not being depreciated	100,000	-	-	100,000
Capital assets being depreciated				
Buildings and improvements	6,989,234	-	-	6,989,234
Machinery and equipment	275,736	-	-	275,736
Infrastructure	9,585,790	-	-	9,585,790
Total capital assets being depreciated	16,850,760	-	-	16,850,760
Less accumulated depreciation for				
Buildings and improvements	4,437,435	159,937	-	4,597,372
Machinery and equipment	117,978	33,723	-	151,701
Infrastructure	6,495,575	167,705	-	6,663,280
Total accumulated depreciation	11,050,988	361,365	-	11,412,353
Total capital assets being depreciated, net	5,799,772	(361,365)	-	5,438,407
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 5,899,772</b>	<b>\$ (361,365)</b>	<b>\$ -</b>	<b>\$ 5,538,407</b>

**5. 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; employee health; natural disasters; illnesses of employees; and injuries to the City's employees.

**Intergovernmental Risk Management Agency**

The City participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperations Statute to pool their risk management needs. IRMA administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extension risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

**5. RISK MANAGEMENT (Continued)**

Intergovernmental Risk Management Agency (Continued)

The City's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The City does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The City is aware of no additional contributions due to IRMA as of April 30, 2022.

Intergovernmental Personnel Benefit Cooperative

The City participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain governmental, quasi governmental, and nonprofit public service entities.

The IPBC receives, processes, and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers; a Benefit Administrator and a Treasurer. The City does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

**6. LONG-TERM DEBT**

a. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities. In addition, general obligation bonds have been issued to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

a. General Obligation Bonds (Continued)

A summary of changes in long-term debt reported in the governmental activities of the City for the year ended April 30, 2022 is as follows:

Governmental Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
\$1,360,000 General Obligation Refunding Bonds, Series 2015 are due in annual installments (beginning January 1, 2017) ranging from \$110,000 to \$185,000 with interest from 1.25% to 2.20%. The last payment due is January 1, 2024.	Capital Improvement	\$ 480,000	\$ -	\$ 185,000	\$ 295,000	\$ 185,000
<b>TOTAL GOVERNMENTAL BONDED DEBT</b>		<b>\$ 480,000</b>	<b>\$ -</b>	<b>\$ 185,000</b>	<b>\$ 295,000</b>	<b>\$ 185,000</b>

Business-Type Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
\$2,810,000 General Obligation Refunding Bonds, Series 2012 are due in annual installments (beginning December 15, 2012) ranging from \$20,000 to \$290,000 with interest from 2.00% to 3.50%. The last payment is due on December 15, 2025.	Water	\$ 1,375,000	\$ -	\$ 260,000	\$ 1,115,000	\$ 265,000
\$3,500,000 General Obligation Bonds, Series 2018 are due in annual installments (beginning January 1, 2020) ranging from \$210,000 to \$375,000 with interest of 3%. The last payment is due on January 1, 2030.	Water	3,005,000	-	295,000	2,710,000	305,000
<b>TOTAL BUSINESS-TYPE BONDED DEBT</b>		<b>\$ 4,380,000</b>	<b>\$ -</b>	<b>\$ 555,000</b>	<b>\$ 3,825,000</b>	<b>\$ 570,000</b>

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities General Obligation Bonds			Business-Type Activities General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 185,000	\$ 6,490	\$ 191,490	\$ 570,000	\$ 120,325	\$ 690,325
2024	110,000	2,420	112,420	590,000	101,900	691,900
2025	-	-	-	610,000	82,825	692,825
2026	-	-	-	620,000	63,100	683,100
2027	-	-	-	340,000	43,050	383,050
2028	-	-	-	355,000	32,850	387,850
2029	-	-	-	365,000	22,200	387,200
2030	-	-	-	375,000	11,250	386,250
<b>TOTAL</b>	<b>\$ 295,000</b>	<b>\$ 8,910</b>	<b>\$ 303,910</b>	<b>\$ 3,825,000</b>	<b>\$ 477,500</b>	<b>\$ 4,302,500</b>

c. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities during fiscal year 2022:

	Balances May 1	Additions	Reductions	Balances April 30	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds	\$ 480,000	\$ -	\$ 185,000	\$ 295,000	\$ 185,000
Compensated absences payable*	632,401	253,701	94,860	791,242	118,686
Total OPEB liability*	1,822,874	-	331,446	1,491,428	167,396
Net pension liability*	19,126,824	6,601,061	-	25,727,885	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 22,062,099</b>	<b>\$ 6,854,762</b>	<b>\$ 611,306</b>	<b>\$ 28,305,555</b>	<b>\$ 471,082</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
General obligation bonds	\$ 4,380,000	\$ -	\$ 555,000	\$ 3,825,000	\$ 570,000
Unamortized bond premium	100,286	-	17,097	83,189	-
Compensated absences payable	58,474	19,985	8,771	69,688	10,453
Total OPEB liability	274,795	-	49,965	224,830	25,235
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 4,813,555</b>	<b>\$ 19,985</b>	<b>\$ 630,833</b>	<b>\$ 4,202,707</b>	<b>\$ 605,688</b>

\*The General Fund has typically been used to liquidate the compensated absences payable, the net pension liability, and the total OPEB liability.

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. INDIVIDUAL FUND DISCLOSURES**

Transfers between funds at April 30, 2022 consist of the following:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 3,900,000
Capital Improvements	3,900,000	-
<b>TOTAL</b>	<b>\$ 3,900,000</b>	<b>\$ 3,900,000</b>

The purpose of significant transfers in/out is as follows:

- \$3,900,000 transferred from the General Fund to the Capital Improvements Fund for capital projects. This transfer will not be repaid.

**8. CONTINGENT LIABILITIES**

- a. Litigation

The City is not aware of any pending or threatening litigation.

- b. DuPage Water Commission

The City's water supply agreement with the DuPage Water Commission (the Commission) provides that each customer is liable for its proportionate share of any costs arising from defaults in payment obligations by other customers.

**9. DEFINED BENEFIT PENSION PLANS**

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; and the Police Pension Plan, which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for both plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at IMRF.org. The Police Pension Plan does not issue a separate report.



**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions

Illinois Municipal Retirement Fund

*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.

*Plan Membership*

At December 31, 2021, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	62
Inactive employees entitled to but not yet receiving benefits	62
Active employees	<u>37</u>
 TOTAL	 <u><u>161</u></u>

*Benefits Provided*

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. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Benefits Provided (Continued)*

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions are established by state statute.

*Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended April 30, 2022 was 12.14% of covered payroll.

*Actuarial Assumptions*

The City's net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Investment rate of return	7.25%
Asset valuation method	Fair value

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

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.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.25% at December 31, 2021. 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 the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability (Asset)*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2021	\$ 23,753,099	\$ 24,242,004	\$ (488,905)
Changes for the period			
Service cost	260,861	-	260,861
Interest	1,694,105	-	1,694,105
Difference between expected and actual experience	94,324	-	94,324
Changes in assumptions	-	-	-
Employer contributions	-	366,906	(366,906)
Employee contributions	-	126,036	(126,036)
Net investment income	-	4,038,485	(4,038,485)
Benefit payments and refunds	(1,033,133)	(1,033,133)	-
Other (net transfer)	-	10,553	(10,553)
Net changes	1,016,157	3,508,847	(2,492,690)
BALANCES AT DECEMBER 31, 2021	\$ 24,769,256	\$ 27,750,851	\$ (2,981,595)

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended April 30, 2022, the City recognized pension expense (income) of \$(880,680).

At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 71,046	\$ -
Changes in assumption	-	34,879
Contributions made after measurement date	86,695	-
Net difference between projected and actual earnings on pension plan investments	-	3,124,246
<b>TOTAL</b>	<b>\$ 157,741</b>	<b>\$ 3,159,125</b>

\$86,695 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending April 30,	
2023	\$ (685,316)
2024	(1,177,697)
2025	(765,038)
2026	(460,028)
2027	-
Thereafter	-
<b>TOTAL</b>	<b>\$ (3,088,079)</b>

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ (136,326)	\$ (2,981,595)	\$ (5,204,246)

Police Pension Plan

*Plan Administration*

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and 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 plan as a pension trust fund.

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

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.

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Plan Membership*

At April 30, 2022, membership consisted of:

Inactive plan members currently receiving benefits	32
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	<u>32</u>
 TOTAL	 <u><u>78</u></u>

*Benefits Provided*

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 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 officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

*Contributions*

Employees are required by ILCS 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, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has decided to fund 100% of the past service cost by 2040. For the year ended April 30, 2022, the City's contribution was 61.65% of covered payroll.

*Investment Policy*

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund can invest in the same securities as the City, plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions (rated Aa or better), Illinois insurance company general and separate accounts, equity mutual funds, equity securities and corporate bonds managed through an investment advisor (rated Aa or better). There were no changes to the investment policy during the year ended April 30, 2022.



**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy (Continued)*

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	42.00%	5.90%
Small Cap Domestic Equity	12.00%	7.70%
International Equity	6.00%	6.80%
Fixed Income	40.00%	1.10%

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 arithmetic 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 by the target asset allocation percentage and by adding expected inflation.

*Fair Value Measurement*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Additionally, the Fund categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure 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;

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Fair Value Measurement (Continued)*

and Level 3 inputs are significant unobservable inputs. The Fund has the following recurring fair value measurements as of April 30, 2022: the U.S. Treasury obligations and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, Municipal bonds, corporate bonds and negotiable certificates of deposits are valued using quoted matrix pricing models (Level 2 inputs).

*Investment Rate of Return*

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (8.10%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the police pension funds deposits with financial institutions.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 1,113,430	\$ -	\$ 1,113,430	\$ -	\$ -
U.S. agency obligations	5,801,750	183,220	1,328,005	4,277,358	13,167
Municipal bonds	2,084,858	50,378	480,725	1,553,755	-
Corporate bonds	2,124,941	70,319	1,610,431	444,191	-
Negotiable CDs	734,642	-	330,682	403,960	-
<b>TOTAL</b>	<b>\$ 11,859,621</b>	<b>\$ 303,917</b>	<b>\$ 4,863,273</b>	<b>\$ 6,679,264</b>	<b>\$ 13,167</b>

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk* (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in state and local obligations and obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The corporate bonds are required to be investment grade rated at or above BBB- by Standard and Poor's or Baa3 by Moody's. The municipal bonds are required to be rated A or better by Moody's. The U.S. agency obligations are rated AA+ or not rated. The municipal bonds are rated from AA to AAA. The corporate bonds are rated from BBB+ to AAA. The negotiable certificate deposits are not rated.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The mutual funds and money market mutual funds are not subject to custodial credit risk.

*Concentration of Credit Risk*

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

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Concentration of Credit Risk (Continued)*

There are no significant investments (other than United States Government guaranteed obligations and mutual funds) in any one organization that represent 5% or more of the Fund's investments.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2021	\$ 55,261,347	\$ 36,134,523	\$ 19,126,824
Changes for the period			
Service cost	736,904	-	736,904
Interest	3,821,893	-	3,821,893
Difference between expected and actual experience	1,622,868	-	1,622,868
Changes in assumptions	(159,382)	-	(159,382)
Changes in benefit terms	-	-	-
Employer contributions	-	2,114,384	(2,114,384)
Employee contributions	-	339,857	(339,857)
Net investment income	-	(2,955,754)	2,955,754
Benefit payments and refunds	(2,799,556)	(2,799,556)	-
Administrative expense	-	(77,265)	77,265
Net changes	3,222,727	(3,378,334)	6,601,061
BALANCES AT APRIL 30, 2022	\$ 58,484,074	\$ 32,756,189	\$ 25,727,885

Changes in assumptions related to mortality, retirement, termination, and disability rate tables, and salary increase rates were made in 2022.

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Service-based
Interest rate	7.00%
Asset valuation method	Fair value

Mortality rates were based on PubS-2010 Employee mortality, projected five years past the valuation date with Scale MP-2019. 10% of active deaths are assumed to be in the line of duty for active lives. PubS-2010 Healthy Retiree mortality, projected five years past the valuation date with Scale MP-2019 for inactive lives. PubS-2010 Survivor mortality, projected five years past the valuation date with Scale MP-2019 for beneficiaries. PubS-2010 Disabled mortality, projected five years past the valuation date with Scale MP-2019 for disabled lives.

*Discount Rate*

The discount rate used to measure the total pension liability was 7%. 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 the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (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 of 7% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 33,943,475	\$ 25,727,885	\$ 19,019,941

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended April 30, 2022, the City recognized police pension expense of \$2,776,278. At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,082,515	\$ 157,856
Changes in assumption	583,310	228,903
Net difference between projected and actual earnings on pension plan investments	1,900,246	-
<b>TOTAL</b>	<b>\$ 4,566,071</b>	<b>\$ 386,759</b>

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

Fiscal Year Ending April 30,	
2023	\$ 990,390
2024	1,004,986
2025	461,581
2026	1,478,441
2027	243,914
Thereafter	<u>-</u>
<b>TOTAL</b>	<b><u>\$ 4,179,312</u></b>

**10. TAX ABATEMENTS**

The City rebates sales taxes to recruit, retain, or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned. These agreements are authorized through formal approval by the City Council. There are no recapture provisions in the agreements.

The City entered into an agreement in April 2012 with a local business wherein the City will rebate up to a net present value of \$4,000,000 of incremental sales tax revenue, discounted at 8.15%. As of and for the year ended April 30, 2022, a liability of \$262,874 has been accrued and cumulative payments of \$1,613,240 have been made under this agreement.

The City entered into an agreement in February 2013 with a local business wherein the City will rebate up to \$750,000 of sales tax revenue over 11 years. As of and for the year ended April 30, 2022, a liability of \$68,000 has been accrued and cumulative payments of \$476,000 have been made under this agreement.

**10. TAX ABATEMENTS (Continued)**

The City entered into an agreement in September 2019 with a local business wherein the City has agreed to support capital improvements up to \$366,000. Upon completion of the projects of the local business, the City will record a lien against the subject property in the amount of \$366,000. The loan is to be repaid through annual installments based on increased project revenues with any remaining balance, if any, to be paid in full at the end of ten years. Enhanced project revenues are defined as 50% of the gross revenue generated by the virtual golf facility being installed as part of the project improvements, sales tax, amusement tax, food and beverage tax and video gaming tax generated by the local business. As of the year ended April 30, 2021, the projects of the local business have been completed, the City has paid \$365,997 related to the agreement and recorded a receivable and deferred inflow for this amount. As of the year ended April 30, 2022, the related receivable and deferred inflow was \$329,670.

**11. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue a separate report. The activity of the Plan is reported in the City's governmental and business-type activities.

b. Benefits Provided

The City provides the opportunity for retirees, their spouses and dependents (enrolled at time of employee's retirement) to participate in the City's health insurance plan for pre and post-Medicare postretirement health insurance. To be eligible for benefits, the employee must qualify for retirement under one of the City's three retirement plans. An implicit benefit is provided due to the retirees paying 100% of the actuarially determined premium to the plan. Pursuant to the Illinois Public Safety Employee Benefits Act, the City provides health insurance to any sworn police employee (their spouses and dependents) who suffers a catastrophic injury or is killed in the line of duty. The City is responsible for paying the entire actuarially determined contribution to the plan. Upon a retiree becoming eligible for Medicare, the amount payable under the City's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.



**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

c. Membership

At April 30, 2021 (most recent data available), membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	15
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>66</u>
<b>TOTAL</b>	<b><u>81</u></b>

d. Total OPEB Liability

The City's total OPEB liability of \$1,716,258 was measured as of April 30, 2022 and was determined by an actuarial valuation as of that date.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2022, as determined by an actuarial valuation as of May 1, 2021 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to April 30, 2022, including updating the discount rate at April 30, 2022, as noted in the table below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Inflation	3.00%
Salary Increases	4.00%
Discount rate	3.98%
Healthcare cost trend rates	5.50% Initial to 4.50% Ultimate

The discount rate was based the S&P Municipal Bond 20-Year High-Grade Rate Index as of April 30, 2022.

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2021	<u>\$ 2,097,669</u>
Changes for the period	
Service cost	45,786
Interest	36,625
Difference between expected and actual experience	-
Changes of assumption	(271,190)
Benefit payments	(192,632)
Other changes	<u>-</u>
Net changes	<u>(381,411)</u>
BALANCES AT APRIL 30, 2022	<u>\$ 1,716,258</u>

Changes in assumptions related to the discount rate were made in 2022.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 3.98% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.98%) or 1 percentage point higher (4.98%) than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Total OPEB liability	\$ 1,834,835	\$ 1,716,258	\$ 1,609,338

**CITY OF DARIEN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 5.50% to 4.50% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (4.50% to 3.50%) or 1 percentage point higher (6.50% to 5.50%) than the current rate:

	1% Decrease (4.50% to 3.50%)	Current Healthcare Rate (5.50% to 4.50%)	1% Increase (6.50% to 5.50%)
Total OPEB liability	\$ 1,592,869	\$ 1,716,258	\$ 1,856,626

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2022, the City recognized OPEB expense (income) of \$(89,128). At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 85,876	\$ -
Changes in assumptions	239,170	238,716
<b>TOTAL</b>	<b>\$ 325,046</b>	<b>\$ 238,716</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending April 30,	
2023	\$ 21,094
2024	21,094
2025	21,094
2026	21,094
2027	17,548
Thereafter	(15,594)
<b>TOTAL</b>	<b>\$ 86,330</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended April 30, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 5,028,123	\$ 5,524,398	\$ 496,275
Licenses, permits, and fees	919,472	1,173,299	253,827
Intergovernmental	7,845,279	11,203,847	3,358,568
Charges for services	603,800	568,056	(35,744)
Investment income	4,000	5,083	1,083
Miscellaneous	25,000	18,050	(6,950)
	<hr/>	<hr/>	<hr/>
Total revenues	14,425,674	18,492,733	4,067,059
<b>EXPENDITURES</b>			
Current			
General government	2,205,254	1,950,106	(255,148)
Highways and streets	3,043,745	2,563,783	(479,962)
Public safety	8,617,121	8,141,370	(475,751)
	<hr/>	<hr/>	<hr/>
Total expenditures	13,866,120	12,655,259	(1,210,861)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<hr/>	<hr/>	<hr/>
	559,554	5,837,474	5,277,920
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<hr/>	<hr/>	<hr/>
	-	(3,900,000)	(3,900,000)
Total other financing sources (uses)	<hr/>	<hr/>	<hr/>
	-	(3,900,000)	(3,900,000)
<b>NET CHANGE IN FUND BALANCE</b>	<hr/>	<hr/>	<hr/>
	\$ 559,554	1,937,474	\$ 1,377,920
<b>FUND BALANCE, MAY 1</b>		<hr/>	
		6,461,461	
<b>FUND BALANCE, APRIL 30</b>		<hr/>	
		\$ 8,398,935	

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND**

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>REVENUES</b>				
Intergovernmental				
Motor fuel tax allotment	\$ 795,096	\$ 880,452	\$ 85,356	\$ 790,769
Rebuild Illinois	250,000	485,185	235,185	727,777
Investment income	1,000	854	(146)	3,114
Total revenues	<u>1,046,096</u>	<u>1,366,491</u>	<u>320,395</u>	<u>1,521,660</u>
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Commodities	317,290	241,726	(75,564)	279,172
Wages	295,838	350,294	54,456	403,728
Contractual services	5,000	22,800	17,800	-
Capital outlay	<u>1,439,852</u>	<u>1,179,959</u>	<u>(259,893)</u>	<u>31,407</u>
Total expenditures	<u>2,057,980</u>	<u>1,794,779</u>	<u>(263,201)</u>	<u>714,307</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,011,884)</u>	<u>(428,288)</u>	<u>\$ 583,596</u>	807,353
FUND BALANCE, MAY 1		<u>1,366,323</u>		<u>558,970</u>
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 938,035</u>		<u>\$ 1,366,323</u>

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Seven Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Actuarially determined contribution	\$ 339,888	\$ 349,021	\$ 263,481	\$ 278,630	\$ 403,827	\$ 329,704	\$ 335,289
Contributions in relation to the actuarially determined contribution	339,888	349,021	263,481	278,630	403,827	329,704	335,289
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 2,799,722	\$ 2,698,612	\$ 2,553,725	\$ 2,411,693	\$ 2,594,734	\$ 2,517,936	\$ 2,525,245
Contributions as a percentage of covered payroll	12.14%	12.93%	10.32%	11.55%	15.56%	13.09%	13.28%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 22 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually, and inflation of 2.50%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

Last Eight Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 2,097,211	\$ 1,905,149	\$ 1,714,350	\$ 1,618,878	\$ 1,456,052	\$ 1,412,529	\$ 1,200,005	\$ 1,196,027
Contributions in relation to the actuarially determined contribution	2,114,384	1,920,922	1,728,465	1,634,019	1,468,691	1,421,243	1,209,939	1,205,560
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (17,173)</b>	<b>\$ (15,773)</b>	<b>\$ (14,115)</b>	<b>\$ (15,141)</b>	<b>\$ (12,639)</b>	<b>\$ (8,714)</b>	<b>\$ (9,934)</b>	<b>\$ (9,533)</b>
Covered payroll	\$ 3,429,435	\$ 3,472,348	\$ 3,407,217	\$ 3,319,478	\$ 3,163,883	\$ 3,159,697	\$ 3,054,195	\$ 2,916,963
Contributions as a percentage of covered payroll	61.65%	55.32%	50.73%	49.23%	46.42%	44.98%	39.62%	41.33%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information from the actuarial valuation used to determine the current year contributions is as follows: the actuarial cost method was entry age normal; the amortization method was level percent of pay, 100% closed basis and the amortization period was 20 years; the asset valuation method was five-year smoothed market value; and the significant actuarial assumptions were an investment rate of return at 7% annually, projected salary increases assumption of 3.50% compounded annually, and postretirement benefit increases of 3% compounded annually (Tier 1) and an annual increase equal to the lesser of 3% per year or 1/2 the annual unadjusted percentage increase in the CPI-U.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)



**CITY OF DARIEN, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET  
PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Seven Calendar Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>TOTAL PENSION LIABILITY</b>							
Service cost	\$ 260,861	\$ 259,033	\$ 252,736	\$ 245,279	\$ 263,857	\$ 278,904	\$ 286,420
Interest	1,694,105	1,638,949	1,542,957	1,425,656	1,428,582	1,382,894	1,327,546
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	94,324	95,759	522,376	931,248	(372,485)	(320,532)	(169,723)
Changes of assumptions	-	(209,317)	-	597,080	(543,970)	(48,542)	24,074
Benefit payments, including refunds of member contributions	(1,033,133)	(1,016,000)	(978,377)	(880,787)	(730,617)	(720,046)	(681,770)
Net change in total pension liability	1,016,157	768,424	1,339,692	2,318,476	45,367	572,678	786,547
Total pension liability - beginning	23,753,099	22,984,675	21,644,983	19,326,507	19,281,140	18,708,462	17,921,915
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 24,769,256</b>	<b>\$ 23,753,099</b>	<b>\$ 22,984,675</b>	<b>\$ 21,644,983</b>	<b>\$ 19,326,507</b>	<b>\$ 19,281,140</b>	<b>\$ 18,708,462</b>
<b>PLAN FIDUCIARY NET POSITION</b>							
Contributions - employer	\$ 366,906	\$ 346,481	\$ 229,398	\$ 397,939	\$ 314,655	\$ 353,272	\$ 335,354
Contributions - member	126,036	136,129	114,445	112,439	111,740	115,595	114,576
Net investment income	4,038,485	3,079,354	3,478,060	(978,275)	2,968,029	1,126,831	80,704
Benefit payments, including refunds of member contributions	(1,033,133)	(1,016,000)	(978,377)	(880,787)	(730,617)	(720,046)	(681,770)
Other	10,553	(18,876)	267,292	566,121	(360,471)	84,073	18,009
Net change in plan fiduciary net position	3,508,847	2,527,088	3,110,818	(782,563)	2,303,336	959,725	(133,127)
Plan fiduciary net position - beginning	24,242,004	21,714,916	18,604,098	19,386,661	17,083,325	16,123,600	16,256,727
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 27,750,851</b>	<b>\$ 24,242,004</b>	<b>\$ 21,714,916</b>	<b>\$ 18,604,098</b>	<b>\$ 19,386,661</b>	<b>\$ 17,083,325</b>	<b>\$ 16,123,600</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ (2,981,595)</b>	<b>\$ (488,905)</b>	<b>\$ 1,269,759</b>	<b>\$ 3,040,885</b>	<b>\$ (60,154)</b>	<b>\$ 2,197,815</b>	<b>\$ 2,584,862</b>

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Plan fiduciary net position as a percentage of the total pension liability (asset)	112.04%	102.06%	94.48%	85.95%	100.31%	88.60%	86.18%
Covered payroll	\$ 2,800,808	\$ 2,696,354	\$ 2,543,208	\$ 2,498,644	\$ 2,483,111	\$ 2,568,770	\$ 2,525,245
Employer's net pension liability (asset) as a percentage of covered payroll	(106.45%)	(18.13%)	49.93%	121.70%	(2.42%)	85.56%	102.36%

Notes to Required Supplementary Information

Changes in assumptions for the discount rate were made in 2015 and 2016.

Changes in assumptions related to price inflation, salary increases, retirement age, and mortality rates were made in 2017.

Changes in assumptions related to the discount rate were made in 2018.

Changes in assumptions related to salary rates, price inflation, retirement age, and mortality rates were made in 2020.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND

Last Eight Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>TOTAL PENSION LIABILITY</b>								
Service cost	\$ 736,904	\$ 789,351	\$ 730,885	\$ 685,980	\$ 730,502	\$ 797,055	\$ 754,785	\$ 688,515
Interest	3,821,893	3,642,965	3,486,465	3,270,691	3,168,022	2,970,623	2,938,342	2,599,067
Changes of benefit terms	-	-	114,024	-	-	-	-	-
Differences between expected and actual experience	1,622,868	842,706	245,106	(473,570)	274,605	202,447	(1,424,513)	(388,710)
Changes of assumptions	(159,382)	-	-	1,749,927	(576,498)	798,335	-	2,888,856
Contributions - buy back	-	-	-	-	-	106,677	-	-
Benefit payments, including refunds of member contributions	(2,799,556)	(2,533,355)	(2,265,113)	(2,125,790)	(2,045,013)	(1,932,191)	(1,767,269)	(1,624,179)
Net change in total pension liability	3,222,727	2,741,667	2,311,367	3,107,238	1,551,618	2,942,946	501,345	4,163,549
Total pension liability - beginning	55,261,347	52,519,680	50,208,313	47,101,075	45,549,457	42,606,511	42,105,166	37,941,617
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 58,484,074</b>	<b>\$ 55,261,347</b>	<b>\$ 52,519,680</b>	<b>\$ 50,208,313</b>	<b>\$ 47,101,075</b>	<b>\$ 45,549,457</b>	<b>\$ 42,606,511</b>	<b>\$ 42,105,166</b>
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions - employer	\$ 2,114,384	\$ 1,920,922	\$ 1,728,465	\$ 1,634,019	\$ 1,468,691	\$ 1,421,243	\$ 1,209,939	\$ 1,205,560
Contributions - member	339,857	327,973	329,449	319,775	295,483	313,126	308,852	302,058
Contributions - buy back	-	-	-	-	-	106,677	-	-
Net investment income	(2,955,754)	7,317,078	369,394	1,738,762	1,789,255	1,982,144	(21,989)	1,604,934
Benefit payments, including refunds of member contributions	(2,799,556)	(2,533,355)	(2,265,113)	(2,125,790)	(2,045,013)	(1,932,191)	(1,767,269)	(1,624,179)
Administrative expense	(77,265)	(38,457)	(44,663)	(41,538)	(39,377)	(41,720)	(34,650)	(39,881)
Net change in plan fiduciary net position	(3,378,334)	6,994,161	117,532	1,525,228	1,469,039	1,849,279	(305,117)	1,448,492
Plan fiduciary net position - beginning	36,134,523	29,140,362	29,022,830	27,497,602	26,028,563	24,179,284	24,484,401	23,035,909
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 32,756,189</b>	<b>\$ 36,134,523</b>	<b>\$ 29,140,362</b>	<b>\$ 29,022,830</b>	<b>\$ 27,497,602</b>	<b>\$ 26,028,563</b>	<b>\$ 24,179,284</b>	<b>\$ 24,484,401</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 25,727,885</b>	<b>\$ 19,126,824</b>	<b>\$ 23,379,318</b>	<b>\$ 21,185,483</b>	<b>\$ 19,603,473</b>	<b>\$ 19,520,894</b>	<b>\$ 18,427,227</b>	<b>\$ 17,620,765</b>

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Plan fiduciary net position as a percentage of the total pension liability	56.01%	65.39%	55.48%	57.80%	58.38%	57.14%	56.75%	58.15%
Covered payroll	\$ 3,429,435	\$ 3,472,348	\$ 3,407,217	\$ 3,319,478	\$ 3,163,883	\$ 3,159,697	\$ 3,054,195	\$ 2,916,963
Employer's net pension liability as a percentage of covered payroll	750.21%	550.83%	686.17%	638.22%	619.60%	617.81%	603.34%	604.08%

Notes to Required Supplementary Information

There was a change to actuarial assumptions in 2015 to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates.

There was a change to actuarial assumptions in 2017 to reflect updated mortality assumptions to include a projection to the valuation date using Scale BB and the salary scale assumption was updated from a flat 5.50% to a service-graded schedule.

There were changes in assumptions in 2018 for retirement, termination, and disability rate tables, salary increase rates, percentage of disabilities and deaths assumed to be in the line of duty.

There were changes in assumptions in 2019 to update the mortality rates to reflect the PubS-2010 tables.

There were changes in benefits in 2020 as required by PA-101-0610 (SB 1300).

There were changes in assumptions in 2022 for mortality, retirement, termination, and disability rate tables, and salary increase rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Four Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>TOTAL OPEB LIABILITY</b>				
Service cost	\$ 45,786	\$ 35,796	\$ 34,033	\$ 31,356
Interest	36,625	51,183	57,927	64,349
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	112,718	-	-
Changes of assumptions	(271,190)	192,854	64,557	91,892
Benefit payments	(192,632)	(181,532)	(149,437)	(162,002)
Other changes	-	-	284	-
Net change in total OPEB liability	(381,411)	211,019	7,364	25,595
Total OPEB liability - beginning	2,097,669	1,886,650	1,879,286	1,853,691
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 1,716,258</b>	<b>\$ 2,097,669</b>	<b>\$ 1,886,650</b>	<b>\$ 1,879,286</b>
Covered payroll	\$ 6,060,233	\$ 5,827,503	\$ 4,910,475	\$ 5,460,822
Employer's total OPEB liability as a percentage of covered payroll	28.32%	36.00%	38.42%	34.41%

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

Changes in assumptions related to the discount rate and mortality rates were made in 2021.

Changes in assumptions related to the discount rate were made in 2019, 2020, and 2022.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Eight Fiscal Years

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<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Annual money-weighted rate of return, net of investment expense	(8.10%)	24.83%	1.26%	6.41%	6.99%	8.30%	(0.09%)	6.90%

Notes to Required Supplementary Information

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

## CITY OF DARIEN, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2022

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#### **BUDGETS**

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds except as noted below. Budget amounts are as originally adopted by the City Council. All annual appropriations lapse at fiscal year end. As the City does not budget for its Storm Sewer or Federal Equitable Sharing Funds (it is not legally required to do so), budget to actual schedules are not presented.

Prior to April 30, the City Administrator 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. Public hearings are conducted to obtain taxpayer comments. Formal budgetary integration is employed as a management control device during the year of the General Fund and budgeted Special Revenue Funds, and Capital Project Funds.

The City is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the City Council. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

The appropriated budget is prepared by fund, function, and department. The City Administrator is authorized to transfer budget amounts between departments within any fund; however, the City Council must approve revisions that alter the total expenditures of any fund.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**



## **MAJOR GOVERNMENTAL FUNDS**

General Fund - The General Fund was established to account for all revenues and expenditures which are not accounted for in other funds. This is the largest fund of the City, providing for the majority of the City's revenues, expenditures, and services. The General Fund is supported predominately with taxes, licenses, and fees. It funds the operations of the City's Police Department, Community Development Department, Mayor/City Council, Street Department, and Administration.

Motor Fuel Tax Fund - The Motor Fuel Tax Fund is used to account for state-shared motor fuel tax revenues that are legally restricted to maintenance and construction of streets, sidewalks, alleys, and signals.

Capital Improvements Fund - The Capital Improvement Fund was established to account for the proceeds of the Taxable General Obligation Bonds, Series 2007A and the expenditures for the related capital projects.

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>TAXES</b>				
Property taxes - current	\$ 2,276,099	\$ 2,294,982	\$ 18,883	\$ 2,271,209
Road and bridge tax	210,000	235,166	25,166	226,981
Municipal utility tax	946,793	1,195,844	249,051	1,017,993
Telecommunication tax	380,000	321,804	(58,196)	378,073
Amusement tax	80,250	117,300	37,050	88,100
Hotel/motel tax	62,909	85,005	22,096	57,844
Local gas tax	308,269	233,338	(74,931)	236,816
Food and beverage tax	539,303	700,397	161,094	531,396
Replacement tax	7,500	18,563	11,063	7,985
Auto rental tax	2,000	-	(2,000)	-
Cannabis use tax	15,000	34,569	19,569	18,052
Video gaming tax	200,000	287,430	87,430	136,559
<b>Total taxes</b>	<b>5,028,123</b>	<b>5,524,398</b>	<b>496,275</b>	<b>4,971,008</b>
<b>LICENSES, PERMITS, AND FEES</b>				
Business licenses	30,000	40,465	10,465	45,363
Liquor licenses	69,575	71,725	2,150	70,475
Contractors licenses	18,000	20,600	2,600	20,220
Court fines	100,000	168,001	68,001	158,531
Ordinance fines	30,000	41,462	11,462	31,058
Building permits and fees	35,000	188,979	153,979	122,917
Cable TV franchise fees	432,800	424,360	(8,440)	417,443
PEG fees AT&T	-	7,757	7,757	8,792
NICOR franchise fees	25,000	34,121	9,121	28,720
Public hearing fees	2,000	4,705	2,705	3,885
Elevator inspections	3,500	5,705	2,205	6,025
NSF check fee	-	-	-	70
Engineering fee reimbursements	74,000	63,831	(10,169)	50,710
DUI technology fines	-	6,867	6,867	11,469
Police special service	99,597	93,060	(6,537)	46,988
Stormwater management fees	-	1,661	1,661	-
<b>Total licenses, permits, and fees</b>	<b>919,472</b>	<b>1,173,299</b>	<b>253,827</b>	<b>1,022,666</b>
<b>INTERGOVERNMENTAL</b>				
State income taxes	2,136,514	3,174,556	1,038,042	2,531,880
Local use tax	789,268	833,736	44,468	1,087,297
Sales tax	4,919,497	7,124,267	2,204,770	5,395,514
Drug forfeiture receipts	-	-	-	1,104
Grants	-	71,288	71,288	1,137,700
<b>Total intergovernmental</b>	<b>7,845,279</b>	<b>11,203,847</b>	<b>3,358,568</b>	<b>10,153,495</b>

(This schedule is continued on the following page.)

**CITY OF DARIEN, ILLINOIS**

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>CHARGES FOR SERVICES</b>				
Towing fees	\$ 52,000	\$ 78,300	\$ 26,300	\$ 70,500
E-Citation fees	-	4,790	4,790	2,737
Police report/prints	5,000	4,956	(44)	4,996
Rents	313,000	321,220	8,220	346,414
Other reimbursements	45,000	108,043	63,043	71,823
Residential concrete reimbursement	-	28,895	28,895	-
Reimbursement - rear yard drain	182,400	14,652	(167,748)	15,494
Mail box reimbursement	3,400	3,620	220	2,315
Sales of wood chips	3,000	3,580	580	2,940
Total charges for services	603,800	568,056	(35,744)	517,219
<b>INVESTMENT INCOME</b>				
Investment income	4,000	5,083	1,083	8,332
Total investment income	4,000	5,083	1,083	8,332
<b>MISCELLANEOUS</b>				
Impact fees	-	125	125	125
Miscellaneous	25,000	17,925	(7,075)	81,602
Total miscellaneous	25,000	18,050	(6,950)	81,727
<b>TOTAL REVENUES</b>	<b>\$ 14,425,674</b>	<b>\$ 18,492,733</b>	<b>\$ 4,067,059</b>	<b>\$ 16,754,447</b>

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>GENERAL GOVERNMENT</b>				
Administration				
Personnel services				
Salaries	\$ 354,574	\$ 363,601	\$ 9,027	\$ 340,603
Overtime	-	925	925	890
Social Security	23,440	21,317	(2,123)	19,815
Medicare	5,141	4,985	(156)	4,634
IMRF	46,449	44,101	(2,348)	43,877
Medical/life insurance	71,400	67,995	(3,405)	62,306
Supplemental pensions	4,800	4,800	-	4,615
Total personnel services	505,804	507,724	1,920	476,740
Materials and supplies				
Dues and subscriptions	1,615	1,214	(401)	1,131
Liability insurance	263,806	177,520	(86,286)	6,963
Legal notices	2,000	1,548	(452)	2,123
Maintenance - equipment	8,650	9,082	432	8,144
Maintenance - equipment	-	-	-	-
Postage/mailings	3,350	1,283	(2,067)	2,067
Printing and forms	4,500	3,026	(1,474)	3,223
Public relations	71,700	52,289	(19,411)	50,498
Rent - equipment	2,500	1,500	(1,000)	1,500
Supplies - office	8,000	6,727	(1,273)	4,527
Supplies - other	500	-	(500)	854
Training and education	1,500	-	(1,500)	-
Travel/meetings	550	152	(398)	193
Telephone	48,400	29,701	(18,699)	35,422
Utilities	2,500	4,312	1,812	2,511
Gas and oil	1,150	1,189	39	804
Other	-	300	300	(224)
Total materials and supplies	420,721	289,843	(130,878)	119,736
Contractual services				
Audit	14,000	14,762	762	18,437
Consulting/professional	333,020	304,093	(28,927)	367,964
Contingency	10,000	4,772	(5,228)	5,024
Janitorial services	22,088	19,390	(2,698)	19,890
Total contractual services	379,108	343,017	(36,091)	411,315
Capital outlay				
Equipment	97,755	92,096	(5,659)	1,843
Total capital outlay	97,755	92,096	(5,659)	1,843
Total administration	1,403,388	1,232,680	(170,708)	1,009,634

(This schedule is continued on the following pages.)

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND**

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>GENERAL GOVERNMENT (Continued)</b>				
City Council				
Personnel services				
Salaries	\$ 42,750	\$ 42,750	\$ -	\$ 42,750
Social Security	2,651	2,651	-	2,651
Medicare	620	620	-	620
Total personnel services	46,021	46,021	-	46,021
Materials and supplies				
Board and commissions	2,000	626	(1,374)	141
Cable operations	6,000	2,925	(3,075)	2,375
Dues and subscriptions	26,440	23,854	(2,586)	12,556
Public relations	1,300	390	(910)	150
Training and education	1,000	175	(825)	-
Travel/meetings	50	-	(50)	-
Total materials and supplies	36,790	27,970	(8,820)	15,222
Contractual services				
Consulting/professional	3,000	1,086	(1,914)	1,848
Tolley contracts	600	-	(600)	-
Total contractual services	3,600	1,086	(2,514)	1,848
Total city council	86,411	75,077	(11,334)	63,091
Community development				
Personnel services				
Salaries	312,570	312,713	143	310,465
Overtime	1,000	431	(569)	1,447
Social Security	18,633	18,019	(614)	17,562
Medicare	4,532	4,420	(112)	4,390
IMRF	40,947	33,576	(7,371)	39,589
Medical/life insurance	24,658	23,366	(1,292)	23,320
Supplemental pensions	3,600	2,400	(1,200)	1,892
Total personnel services	405,940	394,925	(11,015)	398,665
Materials and supplies				
Boards and commissions	1,200	1,050	(150)	1,370
Dues and subscriptions	500	-	(500)	-
Liabilities insurance	23,000	15,669	(7,331)	27,598
Maintenance - vehicles	500	-	(500)	-
Printing and forms	1,215	233	(982)	806
Supplies - office	700	475	(225)	313
Training and educational	500	-	(500)	127
Travel/meetings	200	-	(200)	-
Gas and oil	1,000	1,478	478	902
Total materials and supplies	28,815	18,905	(9,910)	31,116

(This schedule is continued on the following pages.)

**CITY OF DARIEN, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>GENERAL GOVERNMENT (Continued)</b>				
Community development (Continued)				
Contractual services				
Economic development	\$ 378,000	\$ 330,983	\$ (47,017)	\$ 531,721
Bad debt expense	-	70	70	-
Consulting/professional	84,700	76,368	(8,332)	56,355
Consulting/professional reimbursable	68,000	71,098	3,098	69,717
Total contractual services	530,700	478,519	(52,181)	657,793
Total community development	965,455	892,349	(73,106)	1,087,574
Subtotal general government	2,455,254	2,200,106	(255,148)	2,160,299
Less reimbursements from Water Fund	(250,000)	(250,000)	-	(250,000)
Total general government	2,205,254	1,950,106	(255,148)	1,910,299
<b>HIGHWAYS AND STREETS</b>				
Public works				
Personnel services				
Salaries	741,730	710,138	(31,592)	692,986
Overtime	78,000	73,808	(4,192)	39,034
Social Security	45,987	45,314	(673)	40,252
Medicare	10,755	10,879	124	9,502
IMRF	90,617	77,352	(13,265)	76,418
Unemployment insurance	-	-	-	720
Medical/life insurance	149,749	125,719	(24,030)	36,647
Supplemental pensions	2,400	2,400	-	2,308
Total personnel services	1,119,238	1,045,610	(73,628)	897,867
Materials and supplies				
Liability insurance	30,529	16,860	(13,669)	25,354
Maintenance - building	151,936	136,105	(15,831)	101,975
Maintenance - equipment	43,000	45,604	2,604	21,321
Maintenance - vehicles	55,000	145,759	90,759	74,658
Postage/mailings	750	491	(259)	517
Rent - equipment	20,700	5,506	(15,194)	10,470
Supplies - office	13,903	15,739	1,836	935
Supplies - other	142,765	84,327	(58,438)	68,542
Small tools and equipment	67,850	61,294	(6,556)	1,815
Training and education	7,800	1,470	(6,330)	2,189
Uniforms	6,446	4,313	(2,133)	4,222
Utilities	6,400	6,036	(364)	7,753
Gas and oil	57,210	63,633	6,423	46,520
Total materials and supplies	604,289	587,137	(17,152)	366,271

(This schedule is continued on the following pages.)

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND**

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>HIGHWAYS AND STREETS (Continued)</b>				
Public works (Continued)				
Contractual services				
Consulting/professional	\$ 10,750	\$ 15,110	\$ 4,360	\$ 32,053
Forestry	222,309	223,627	1,318	92,359
Street light operation and maintenance	44,000	45,157	1,157	38,784
Tree trim - removal	157,875	145,301	(12,574)	140,786
Residential concrete program	-	28,895	28,895	-
Street sweeping	40,734	29,973	(10,761)	21,508
Mosquito abatement	41,700	41,700	-	41,700
Drainage projects	430,700	241,488	(189,212)	16,876
Total contractual services	948,068	771,251	(176,817)	384,066
Capital outlay				
Equipment	372,150	159,785	(212,365)	5,323
Total capital outlay	372,150	159,785	(212,365)	5,323
Total public works	3,043,745	2,563,783	(479,962)	1,653,527
Total highways and streets	3,043,745	2,563,783	(479,962)	1,653,527
<b>PUBLIC SAFETY</b>				
Police department				
Personnel services				
Salaries	473,764	457,144	(16,620)	446,000
Salaries - officers	3,849,207	3,737,588	(111,619)	3,688,817
Overtime	478,460	341,646	(136,814)	317,744
State unemployment insurance	-	3,436	3,436	-
Social Security	29,420	27,145	(2,275)	26,234
Medicare	65,004	63,119	(1,885)	59,559
IMRF	62,161	52,140	(10,021)	51,864
Medical/life insurance	585,575	412,828	(172,747)	461,812
Police pension	2,097,211	2,114,384	17,173	1,920,922
Supplemental pensions	48,000	43,939	(4,061)	42,046
Total personnel services	7,688,802	7,253,369	(435,433)	7,014,998
Materials and supplies				
Animal control	1,500	705	(795)	-
Auxiliary police	2,000	-	(2,000)	-
Boards and commissions	12,300	14,551	2,251	24,508
Dues and subscriptions	3,150	2,254	(896)	2,316
Investigation and equipment	47,674	34,815	(12,859)	20,963
Liability insurance	67,770	35,978	(31,792)	32,861
Maintenance - equipment	21,100	16,063	(5,037)	33,197
Maintenance - vehicles	31,600	45,731	14,131	32,035
Postage/mailings	4,300	1,264	(3,036)	1,229
Printing and forms	1,500	710	(790)	643
Public relations	3,500	2,410	(1,090)	1,232
Rent - equipment	5,800	950	(4,850)	1,300

(This schedule is continued on the following page.)

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND**

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>PUBLIC SAFETY (Continued)</b>				
Police department (Continued)				
Materials and supplies (Continued)				
Supplies - office	\$ 7,000	\$ 6,100	\$ (900)	\$ 4,547
Training and education	39,475	26,539	(12,936)	27,160
Travel/meetings	14,400	1,933	(12,467)	2,022
Telephone	15,500	12,974	(2,526)	12,308
Uniforms	49,200	35,573	(13,627)	48,743
Utilities	8,000	13,346	5,346	7,606
Gas and oil	75,000	87,355	12,355	69,133
Total materials and supplies	410,769	339,251	(71,518)	321,803
Contractual services				
Bad debt expense	-	2,435	2,435	-
Consulting/professional	492,350	521,135	28,785	324,632
Dumeg/flat/child center	25,200	25,180	(20)	7,500
Total contractual services	517,550	548,750	31,200	332,132
Capital outlay				
Equipment	-	-	-	20,962
Total capital outlay	-	-	-	20,962
Total police department	8,617,121	8,141,370	(475,751)	7,689,895
Total public safety	8,617,121	8,141,370	(475,751)	7,689,895
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,866,120</b>	<b>\$ 12,655,259</b>	<b>\$ (1,210,861)</b>	<b>\$ 11,253,721</b>

(See independent auditor's report.)



**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL IMPROVEMENT FUND**

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>REVENUES</b>				
Taxes	\$ 195,560	\$ 197,812	\$ 2,252	\$ 195,749
Charges for services	50,000	-	(50,000)	-
Intergovernmental	50,000	1,697,647	1,647,647	45,837
Investment income	3,000	12,278	9,278	20,760
Total revenues	298,560	1,907,737	1,609,177	262,346
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Contractual services	61,500	51,527	(9,973)	6,425
Capital outlay	1,869,525	1,500,856	(368,669)	589,872
Debt service				
Principal payments	185,000	185,000	-	180,000
Interest and fiscal charges	10,460	11,310	850	14,190
Total expenditures	2,126,485	1,748,693	(377,792)	790,487
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,827,925)	159,044	1,986,969	(528,141)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,100,000	3,900,000	1,800,000	3,600,000
Total other financing sources (uses)	2,100,000	3,900,000	1,800,000	3,600,000
NET CHANGE IN FUND BALANCE	\$ 272,075	4,059,044	\$ 3,786,969	3,071,859
FUND BALANCE, MAY 1		6,114,386		3,042,527
<b>FUND BALANCE, APRIL 30</b>		\$ 10,173,430		\$ 6,114,386

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special Service Area Fund - A Special Service Area (SSA) is created to fund improvements which benefit an identifiable segment of the City, with a special property tax levied on and restricted to the benefited properties. SSA #1 was created to handle maintenance of the wetlands in the Tara Hill development.

Storm Sewer Fund - The Storm Sewer Fund is used to account for storm water management fees that are restricted for storm sewer improvements.

Federal Equitable Sharing Fund - The Federal Equitable Sharing Fund is used to account for the revenues and expenditures of restricted forfeited money provided through the Federal Equitable Sharing program.

**CITY OF DARIEN, ILLINOIS**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

April 30, 2022

	Special Revenue			Total
	Special Service Area	Storm Sewer	Federal Equitable Sharing	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 25,587	\$ 69,988	\$ 201,751	\$ 297,326
<b>TOTAL ASSETS</b>	<b>\$ 25,587</b>	<b>\$ 69,988</b>	<b>\$ 201,751</b>	<b>\$ 297,326</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 499	\$ -	\$ 1,130	\$ 1,629
Total liabilities	499	-	1,130	1,629
<b>FUND BALANCES</b>				
Restricted				
Special service area	25,088	-	-	25,088
Storm sewer	-	69,988	-	69,988
Public safety	-	-	200,621	200,621
Total fund balances	25,088	69,988	200,621	295,697
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 25,587</b>	<b>\$ 69,988</b>	<b>\$ 201,751</b>	<b>\$ 297,326</b>

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2022

	Special Revenue			Total
	Special Service Area	Storm Sewer	Federal Equitable Sharing	
<b>REVENUES</b>				
Taxes	\$ 5,072	\$ -	\$ -	\$ 5,072
Intergovernmental	-	-	1,755	1,755
Investment income	25	74	203	302
Total revenues	5,097	74	1,958	7,129
<b>EXPENDITURES</b>				
Current				
Highways and streets	1,194	10,955	-	12,149
Public safety	-	-	10,243	10,243
Total expenditures	1,194	10,955	10,243	22,392
NET CHANGE IN FUND BALANCES	3,903	(10,881)	(8,285)	(15,263)
FUND BALANCES, MAY 1	21,185	80,869	208,906	310,960
<b>FUND BALANCES, APRIL 30</b>	\$ 25,088	\$ 69,988	\$ 200,621	\$ 295,697

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL SERVICE AREA FUND**

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>REVENUES</b>				
Taxes	\$ 5,000	\$ 5,072	\$ 72	\$ 5,075
Investment income	100	25	(75)	77
Total revenues	5,100	5,097	(3)	5,152
<b>EXPENDITURES</b>				
Current				
Contractual services	16,500	1,194	(15,306)	3,764
Total expenditures	16,500	1,194	(15,306)	3,764
NET CHANGE IN FUND BALANCE	<u>\$ (11,400)</u>	3,903	<u>\$ 15,303</u>	1,388
FUND BALANCE, MAY 1		<u>21,185</u>		<u>19,797</u>
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 25,088</u>		<u>\$ 21,185</u>

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUND**

Water Operations Fund - to account for the financing of self-supporting municipal activities which render services generally on a user charge basis to the general public. The significant characteristic of an enterprise fund is that the accounting system makes it possible to determine whether that particular service area is operated at a profit or a loss in accordance with the GAAPs followed by private business concerns.

**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
WATER OPERATIONS FUND**

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>OPERATING REVENUES</b>				
Charges for services				
Water sales	\$ 7,804,453	\$ 7,862,004	\$ 57,551	\$ 8,116,705
Inspections/tap on/permits	5,000	16,756	11,756	16,769
Sale of meters	1,000	1,305	305	4,060
Other water sales	1,000	9,607	8,607	1,084
Total operating revenues	7,811,453	7,889,672	78,219	8,138,618
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>				
Personnel services				
Salaries	599,104	575,727	(23,377)	524,446
Overtime	90,000	120,772	30,772	87,620
Social Security	43,344	38,925	(4,419)	36,460
Medicare	10,137	9,226	(911)	8,591
IMRF	91,637	94,716	3,079	93,848
Medical/life insurance	130,312	92,468	(37,844)	80,071
Supplemental pensions	2,400	2,400	-	2,308
Total personnel services	966,934	934,234	(32,700)	833,344
Materials and supplies				
Liability insurance	226,470	119,875	(106,595)	157,930
Maintenance - building	31,590	17,924	(13,666)	42,846
Maintenance - equipment	30,150	19,642	(10,508)	13,999
Maintenance - water system	274,975	225,181	(49,794)	166,385
Postage/mailings	1,600	273	(1,327)	1,400
Quality controls	10,850	7,306	(3,544)	8,641
Service charge	250,000	250,000	-	250,000
Supplies - operation	5,600	3,289	(2,311)	3,933
Training and education	5,150	1,931	(3,219)	1,409
Telephone	9,950	5,445	(4,505)	5,859
Uniforms	3,825	3,514	(311)	2,611
Utilities	42,000	49,161	7,161	36,402
Vehicle (gas and oil)	15,215	22,000	6,785	14,278
Total materials and supplies	907,375	725,541	(181,834)	705,693
Contractual				
Audit	11,513	11,513	-	11,513
Consulting/professional	14,950	6,548	(8,402)	5,186
Leak detection	37,700	12,020	(25,680)	11,661
Data processing	152,500	184,810	32,310	151,444
DuPage Water Commission	4,901,111	4,568,528	(332,583)	4,825,827
Total contractual	5,117,774	4,783,419	(334,355)	5,005,631

(This schedule is continued on the following page.)

**CITY OF DARIEN, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (Continued)  
WATER OPERATIONS FUND

For the Year Ended April 30, 2022  
(With Prior Year Actual)

	2022		Variance Over (Under)	2021 Actual
	Original and Final Budget	Actual		
<b>OPERATING EXPENSES</b>				
<b>EXCLUDING DEPRECIATION (Continued)</b>				
Capital outlay				
Equipment	\$ 339,550	\$ 65,778	\$ (273,772)	\$ -
Water meters	27,000	16,009	(10,991)	14,079
Infrastructure	3,195,000	244,117	(2,950,883)	15,604
Total capital outlay	<u>3,561,550</u>	<u>325,904</u>	<u>(3,235,646)</u>	<u>29,683</u>
Total operating expenses excluding depreciation	<u>10,553,633</u>	<u>6,769,098</u>	<u>(3,784,535)</u>	<u>6,574,351</u>
OPERATING INCOME (LOSS)	<u>(2,742,180)</u>	<u>1,120,574</u>	<u>3,862,754</u>	<u>1,564,267</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	6,500	6,683	183	20,918
Miscellaneous income	-	111,876	111,876	57,497
Debt service				
Principal repayment	(555,000)	(555,000)	-	(530,000)
Interest expense	(138,975)	(132,031)	6,944	(148,309)
Total non-operating revenues (expenses)	<u>(687,475)</u>	<u>(568,472)</u>	<u>119,003</u>	<u>(599,894)</u>
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS	<u>(3,429,655)</u>	<u>552,102</u>	<u>3,981,757</u>	<u>964,373</u>
<b>TRANSFERS</b>				
Transfers in	1,200,000	1,200,000	-	800,000
Transfers (out)	-	(1,200,000)	(1,200,000)	(800,000)
Total transfers	<u>1,200,000</u>	<u>-</u>	<u>(1,200,000)</u>	<u>-</u>
CAPITAL GRANTS AND CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,539</u>
NET INCOME (LOSS) BUDGETARY BASIS	<u>\$ (2,229,655)</u>	<u>552,102</u>	<u>\$ 2,781,757</u>	<u>1,035,912</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Capital outlay capitalized		-		84,256
Principal repayment		555,000		530,000
Bond amortization		(2,949)		(3,227)
Pension/OPEB expense		267,995		68,985
Depreciation		(361,365)		(385,651)
Total adjustments to GAAP basis		<u>458,681</u>		<u>294,363</u>
CHANGE IN NET POSITION		<u>1,010,783</u>		<u>1,330,275</u>
NET POSITION, MAY 1		<u>9,159,128</u>		<u>7,828,853</u>
NET POSITION, APRIL 30		<u>\$ 10,169,911</u>		<u>\$ 9,159,128</u>

(See independent auditor's report.)



## **SUPPLEMENTAL DATA**

**CITY OF DARIEN, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012

April 30, 2022

Date of Issue	July 12, 2012
Date of Maturity	December 15, 2025
Authorized Issue	\$2,810,000
Interest Rates	2.00% to 3.50%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Mellon

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2023	\$ 265,000	\$ 39,025	\$ 304,025	2022	\$ 19,513	2022	\$ 19,512
2024	275,000	29,750	304,750	2023	14,875	2023	14,875
2025	285,000	20,125	305,125	2024	10,063	2024	10,062
2026	290,000	10,150	300,150	2025	5,075	2025	5,075
	<u>\$ 1,115,000</u>	<u>\$ 99,050</u>	<u>\$ 1,214,050</u>		<u>\$ 49,526</u>		<u>\$ 49,524</u>

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015**

April 30, 2022

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Date of Issue	December 21, 2015
Date of Maturity	January 1, 2024
Authorized Issue	\$1,360,000
Interest Rates	1.25% to 2.20%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Bank of New York Mellon

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>July 1</b>	<b>Amount</b>	<b>January 1</b>	<b>Amount</b>
2023	\$ 185,000	\$ 6,490	\$ 191,490	2022	\$ 3,245	2023	\$ 3,245
2024	110,000	2,420	112,420	2023	1,210	2024	1,210
	<u>\$ 295,000</u>	<u>\$ 8,910</u>	<u>\$ 303,910</u>		<u>\$ 4,455</u>		<u>\$ 4,455</u>

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS, SERIES 2018**

April 30, 2022

Date of Issue	April 16, 2018
Date of Maturity	January 1, 2030
Authorized Issue	\$3,500,000
Interest Rates	3%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>July 1</b>	<b>Amount</b>	<b>January 1</b>	<b>Amount</b>
2023	\$ 305,000	\$ 81,300	\$ 386,300	2022	\$ 40,650	2023	\$ 40,650
2024	315,000	72,150	387,150	2023	36,075	2024	36,075
2025	325,000	62,700	387,700	2024	31,350	2025	31,350
2026	330,000	52,950	382,950	2025	26,475	2026	26,475
2027	340,000	43,050	383,050	2026	21,525	2027	21,525
2028	355,000	32,850	387,850	2027	16,425	2028	16,425
2029	365,000	22,200	387,200	2028	11,100	2029	11,100
2030	375,000	11,250	386,250	2029	5,625	2030	5,625
	<u>\$ 2,710,000</u>	<u>\$ 378,450</u>	<u>\$ 3,088,450</u>		<u>\$ 189,225</u>		<u>\$ 189,225</u>

(See independent auditor's report.)