

**AGENDA**  
**Administrative-Finance Committee**  
**September 6, 2022**  
**6:00 p.m. – City Hall Conference Room**

- 1. Call to Order**
- 2. Public Comment**
- 3. New Business**
  - a. Presentation – Draft FYE 22 Annual Financial Report**
  - b. FYE 22 Audit to Budget Comparison**
  - c. Pension Fund Report – Overview by Treasurer Coren**
  - d. Approval of an ordinance authorizing the disposal of surplus property**
  - e. Approval of a resolution accepting a proposal from AIS for the purchase and install of a multi factor authentication (MFA) at the desktop level in a total amount not to exceed \$35,005 (\$23,905 for software/labor and Microsoft licensing \$11,100).**
  - f. Approval of Minutes – August 1, 2022**
- 4. Other Business**
- 5. Next Meeting – October 3, 2022**
- 6. Adjournment**

# **CITY OF DARIEN**

## **M E M O**

**TO: Administrative/Finance Committee Members**  
**FROM: Bryon D. Vana, City Administrator**  
**DATE: August 31, 2022**  
**SUBJECT: Draft Audit review-FYE 4-30-2022**

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Attached are the draft audit documents for the fiscal year ending 4-30-2022. The City's independent auditing firm, SIKICH, will present the draft audit and answer any questions.

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**CITY OF DARIEN, ILLINOIS**

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**AUDITOR'S COMMUNICATION TO THE  
HONORABLE MAYOR AND  
MEMBERS OF THE CITY COUNCIL**

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

We are submitting to you the following draft of the board communication to expedite your review. This draft, or elements within should not be shared with any external parties, nor should any inference be made to any parties that no modifications are expected before this board communication is submitted as final.

**CITY OF DARIEN, ILLINOIS**  
**AUDITOR’S COMMUNICATION TO THE HONORABLE MAYOR**  
**AND MEMBERS OF THE CITY COUNCIL**  
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August 13, 2022

The Honorable Mayor  
Members of the City Council  
City of Darien  
1702 Plainfield Road  
Darien, Illinois 60561

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by auditing standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you April 26, 2022.

In addition, auditing standards require the communication of internal control related matters to those charged with governance. Our communication of these matters is enclosed within this document.

This information is intended solely for the use of the Mayor, City Council and management of the City of Darien and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich LLP  
By: James R. Savio, CPA, MAS  
Partner

August 13, 2022

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Darien, Illinois (the City) for the fiscal year ended April 30, 2022 and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 13, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 28, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended April 30, 2022. We noted no transactions entered into by the City during the year for which there is lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no particularly sensitive estimates made by management during our audit of the financial statements except for the actuarial valuation and assumptions for the pension and OPEB plans.

Management's estimate of the City's total pension liabilities, and total other postemployment benefit liability are based on various actuarially determined amounts, including estimated investment returns, dates of employee retirement, discount rates, healthcare trend rates, and mortality rates. We evaluated key factors and assumptions used to develop the management's estimates of the City's total pension liabilities and total other postemployment benefit liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected any such misstatements. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated August 13, 2022.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those financial statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Other Matters**

We applied certain limited procedures to the required supplementary information as listed in the table of contents, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules as listed in the table of contents, which accompany the basic financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the introductory section and supplemental data as listed in the table of contents, which accompany the basic financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Restriction in Use**

This information is intended solely for the use of the Mayor, City Council and management of the City of Darien, and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the courtesies extended to us by the City. If you have any questions regarding the purpose of this letter or the requirement mentioned, please contact us.

Sincerely,

Sikich LLP  
By: James R. Savio, CPA, MAS  
Partner

**City of Darien**

**Year End: April 30, 2022**

**Adjusting Journal Entries**

**Date: 5/1/2021 To 4/30/2022**

**Account No: AJE#01 To AJE#02**

**Preliminary and Tentative  
for Discussion Purposes Only**

<b>Number</b>	<b>Date</b>	<b>Name</b>	<b>Account No</b>	<b>Amount</b>
AJE#01	4/30/2022	Deferred Outflow - IMRF	02-1178 02-WF	15,690.00
AJE#01	4/30/2022	Net Pension Liability	02-2003 02-WF	(146,790.00)
AJE#01	4/30/2022	Deferred inflow - IMRF	02-2005 02-WF	59,223.00
AJE#01	4/30/2022	Deferred Outflow - IMRF	98-1178 98-G	19,189.00
AJE#01	4/30/2022	Net Pension Liabilities - IMRF	98-2004 98-G	146,790.00
AJE#01	4/30/2022	Deferred inflow - IMRF	98-2005 98-G	(94,103.00)
AJE#01	4/30/2022	Pension Expense -Chnge in IMRF	02-50-4116 02-WF	71,877.00
AJE#01	4/30/2022	Pension Expense - GG	98-50-6506 98-G	(74,280.00)
AJE#01	4/30/2022	Pension Expense - HS	98-50-6507 98-G	4,114.00
AJE#01	4/30/2022	Pension Expense - PS	98-50-6508 98-G	(1,710.00)
		To correct IMRF entry		
AJE#02	4/30/2022	Now Acct -Republic Bank	02-1005 02-WF	5,000.00
AJE#02	4/30/2022	Now Acct -Republic Bank	12-1005 12-WDF	(5,000.00)
AJE#02	4/30/2022	2018 GO BONDS PAYABLE	12-2199 12-WDF	5,000.00
AJE#02	4/30/2022	Debt Retire-Water Refunding	02-50-4950 02-WF	(5,000.00)
		To correct 2018 GO Bond principal payment		

**CITY OF DARIEN, ILLINOIS**  
**COMMUNICATION OF DEFICIENCIES**  
**IN INTERNAL CONTROL AND**  
**OTHER COMMENTS TO MANAGEMENT**

April 30, 2022

The Honorable Mayor  
Members of Management  
City of Darien, Illinois

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

During our audit, we also identify certain matters which we communicate only to management. While many of these matters are operational in nature, they may include internal control deficiencies that do not meet the definition of a significant deficiency or material weakness. We have chosen to communicate these matters in this communication. As discussed on the following pages, we identified certain deficiencies in internal control. In addition, we reviewed the status of the deficiencies from April 30, 2021. The status of these is included in Appendix A.

This memorandum is intended solely for the information and use of management and the City Council and is not intended and should not be used by anyone other than these specified parties.

I encourage you to contact me at (630) 566-8516 should you have any questions.

Naperville, Illinois  
August 13, 2022

## DEFICIENCY

### Police Cash Receipts

During our audit, we performed a walkthrough of cash receipts key internal controls at the police department. Sikich noted that a page was missing from the tow receipts deposit log and we were unable to verify the receipt matched the deposit log. Additionally, we noted the police department does not regularly reconcile cash receipts. Sikich recommends that the police department retain all cash receipt deposit logs and the department reconcile cash receipts on a daily basis prior to when the cash is taken to City Hall. Further, Sikich recommends the department implement a two person review process where the reconciliation is reviewed by a separate individual than the person who prepared the reconciliation.

## OTHER INFORMATION

### Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued a number of pronouncements that may impact the City in the future.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset and aims to enhance comparability of financial statements among governments. This statement also requires additional notes to the financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement are effective for the fiscal year ending April 30, 2023.

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improved required note disclosures. This statement is effective for fiscal year ending April 30, 2023.

GASB Statement No. 92, *Omnibus 2020*, addresses a variety of topics including: The effective date of Statement No. 87 for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73 to Certain Provisions of GASB Statement Nos. 67 and 68, as amended, and No. 74, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. The requirements of this Statement are effective for the fiscal years ending April 30, 2023 and thereafter, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.



## OTHER INFORMATION (Continued)

### Future Accounting Pronouncements (Continued)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* was issued to address tissues related to accounting and reporting for public-private and public-public partnership arrangements (PPPs). A PPP a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is defined in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for fiscal year ending April 30, 2024.

GASB Statement No. 96, *Solution-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. This Statement establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement is effective for fiscal year ending April 30, 2024. Earlier application is encouraged.

GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics including: Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as

## OTHER INFORMATION (Continued)

### Future Accounting Pronouncements (Continued)

a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirements related to leases, PPPs, and SBITAs is April 30, 2024. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is April 30, 2025.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ended April 30, 2025.

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated

**OTHER INFORMATION (Continued)**

**Future Accounting Pronouncements (Continued)**

absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ended April 30, 2025.

We will advise the City of any progress made by GASB in developing this and other future pronouncements that may have an impact on the financial position and results of operation of the City.

**APPENDIX A**  
**STATUS OF COMMENTS FROM APRIL 30, 2021**

**DEFICIENCIES**

We consider the following to be deficiencies in the City's internal controls.

**1. Proposed Audit Adjustments**

During our audit, we proposed several audit adjustments. Such audit adjustments were reviewed, approved, and recorded by management and included material adjustments to accounts receivable in the Water Operations Fund and capital assets of the City's governmental activities. Other proposed adjustments were immaterial individually but material in the aggregate which included adjustments to unearned revenues, prepaid expenses, and contribution revenues. We believe that year-end closing could be improved by performing a final review of adjusted trial balances to determine that all transactions have been recorded and posted. Management could review the transactions for completeness by scanning the ending balances and the transactions posted to each general ledger account to detect unusual entries or unexpected ending balances.

**Status** - Comment considered implemented as of April 30, 2022.

**2. Segregation of Duties**

During our review of internal controls, we noted that journal entries can be entered into the general ledger without being approved by a separate individual. We recommend that all general journal entries be reviewed and approved by someone other than the person entering and/or creating the journal entry to maintain an audit trail that documents both the preparer and reviewer of the original entry.

If a secondary review of the general journal entries is not practical, the City Council serves as a compensating control for the lack of segregation of duties in this area. Accordingly, it is important for the City Council to continue to review and approve monthly budget versus actual statements by fund. Additionally, the Council should continue to review and approve all significant financial transactions including purchases, payments to vendors/employees, and investments and to document the dollar amount of those approvals in the minutes.

**Status** - Comment still applicable as of April 30, 2022.

**3. Rear yard drainage projects**

During our testing of revenue we noted the City had recorded several entries as result of rear yard drainage projects throughout the course of the year. Per discussion with Julie, the City has invoiced the residents before the work is completed or any cash is received. The residents can choose not to participate in the project. Therefore the City had recorded revenue and a receivable before the work was performed in several instances. We recommend the City only invoice customers for these projects when the customer chooses to participate after the work is performed, as this is the point in time the revenue should be recognized. Any cash received in advance of the work being performed should be recorded as deferred revenue.

**Status** - Comment considered implemented as of April 30, 2022.

## Sikich LLP is a global company specializing in technology-enabled professional services.

Now with more than 1,400 employees, Sikich draws on a diverse portfolio of technology solutions to deliver transformative digital strategies and ranks as one of the largest CPA firms in the United States. From corporations and not-for-profits to state and local governments and federal agencies, Sikich clients utilize a broad spectrum of services and products to help them improve performance and achieve long-term, strategic goals.

## INDUSTRIES

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

AGRICULTURE	AUTOMOTIVE	CONSTRUCTION & REAL ESTATE
DISTRIBUTION & SUPPLY CHAIN	GOVERNMENT	HIGH-TECH
LIFE SCIENCES	MANUFACTURING	NOT-FOR-PROFIT
PRIVATE EQUITY	PROFESSIONAL SERVICES	

## SPECIALIZED SERVICES

### ACCOUNTING, AUDIT, TAX & CONSULTING SERVICES

- Accounting
- Audit & Assurance
- Consulting Services
- Employee Benefit Plan Audits
- International Tax
- Tax

### TECHNOLOGY

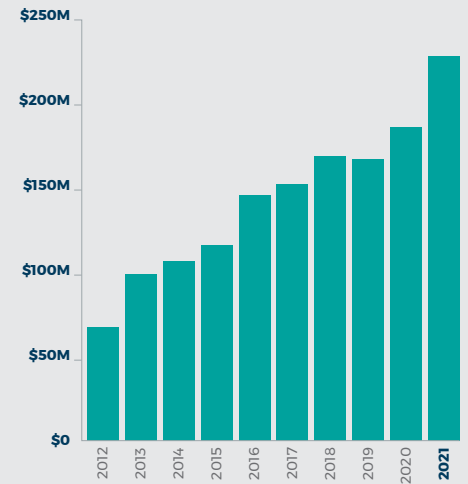
- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Cybersecurity & Compliance
- Digital Transformation Consulting

### ADVISORY

- Site Selection & Business Incentives
- Forensic & Valuation Services
- Human Capital Management & Payroll Consulting
- Insurance Services
- Investment Banking\*
- Marketing & Communications
- Retirement Plan Services
- Regulatory, Quality & Compliance
- Succession Planning
- Supply Chain
- Transaction Advisory Services
- Wealth Management\*\*
- Workforce Risk Management

## WHO WE ARE

TOTAL PARTNERS .....100+  
 TOTAL PERSONNEL .....1,400+  
 2021 REVENUE .....\$229M



## LOCATIONS

### Sikich Is A Remote First Organization

- |   |  |
|---|--|
| <b>Akron, OH</b><br>(330) 864-6661        | <b>Milwaukee, WI</b><br>(262) 754-9400   |
| <b>Alexandria, VA</b><br>(703) 836-1350   | <b>Minneapolis, MN</b><br>(331) 229-5235 |
| <b>Boston, MA</b><br>(508) 485-5588       | <b>Naperville, IL</b><br>(630) 566-8400  |
| <b>Chattanooga, TN</b><br>(423) 954-3007  | <b>Peoria, IL</b><br>(309) 694-4251      |
| <b>Chicago, IL</b><br>(312) 648-6666      | <b>Princeton, NJ</b><br>(609) 285-5000   |
| <b>Crofton, MD</b><br>(410) 451-5150      | <b>Springfield, IL</b><br>(217) 793-3363 |
| <b>Decatur, IL</b><br>(217) 423-6000      | <b>St. Louis, MO</b><br>(314) 275-7277   |
| <b>Indianapolis, IN</b><br>(317) 842-4466 | <b>Washington, MO</b><br>(636) 239-4785  |
| <b>Los Angeles, CA</b><br>(877) 279-1900  |  |

\* Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC.  
 \*\* Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.

**CULTURE**

Our dynamic work culture fosters learning, growth and innovation, attracting top-notch team members who see the big picture. Sikich’s culture is built on a flexible, trusting work environment and the key pillars of Absolute Integrity, Accountability, Continuous Innovation and Stewardship. We believe our people are our greatest asset and work hard to ensure that all team members feel empowered, comfortable and valued.



**CERTIFICATIONS & AWARDS**

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the **American Institute of Certified Public Accountants’ Governmental Audit Quality Center** and the **Employee Benefit Plan Audit Quality Center**.

We adhere to the strict requirements of membership, which assure we meet the highest standards of audit quality. **In 2020, Sikich received its 11th consecutive unmodified (“pass”) peer review report**, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

Sikich ranks among the **top 30 firms nationally** on the *Accounting Today* **Top 100 Firms list**.



Sikich has achieved the prestigious **Inner Circle for Microsoft Dynamics** recognition. Membership in this elite group is based on sales achievements that rank Sikich in the top echelon of the Microsoft global network of partners.



We also maintain the **Oracle NetSuite 5 Star Award** and are among the **top three U.S. partners of Oracle NetSuite**.



Sikich is a recipient of **The Channel Co. CRN MSP 500 Top Managed Service Partner Award**, **Channel Futures MSP 501 Top Managed Service Partner Award** and ranks within the **top 350 Microsoft partners in the U.S.**, according to Redmond Channel Partner Magazine.



**NET PROMOTER SCORE**

**The firm’s overall Net Promoter Score (NPS) is 87%.**

This is a measure of our clients’ willingness to recommend Sikich’s services and products. An NPS of 50% is considered excellent, and 70% NPS is considered world-class.





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**CITY OF DARIEN, ILLINOIS**

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**SINGLE AUDIT**

For the Year Ended April 30, 2022



**We are submitting to you the following draft of your financial statements to expedite your review. As stated in our engagement letter with you, the fair presentation of the financial statements is your responsibility. This draft, or elements within should not be shared with any external parties, nor should any inference be made to any parties that no material adjustments or material disclosure modifications are expected before these statements are submitted as final.**

**CITY OF DARIEN, ILLINOIS**  
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FOR DISCUSSION PURPOSES ONLY**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of 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 and have issued our report thereon dated August 13, 2022.

**Report On Internal Control over Financial Reporting**

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

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

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

## Report On Compliance and Other Matters

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

### Purpose of this Report

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

Naperville, Illinois  
August 13, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the City of Darien, Illinois' (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended April 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Darien, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2022.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.



In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform  
Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated August 13, 2022 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Naperville, Illinois  
August 13, 2022

**PRELIMINARY AND TENTATIVE  
FOR DISCUSSION PURPOSES ONLY**

**CITY OF DARIEN, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended April 30, 2022

Federal Grantor	Pass-Through Grantor	Program Title	Federal ALN Number	Program/Grant Number	Expenditures	
Department of Justice	N/A	Bulletproof Vest Partnership Program	16.607	N/A	<u>\$ 3,795</u>	
		Bulletproof Vest Partnership Program				
		Total Bulletproof Vest Partnership Program			<u>3,795</u>	
	N/A	Equitable Sharing Program	16.922	Federal Seizure - N/A	<u>9,113</u>	
		Equitable Sharing Program				
		Total Equitable Sharing Program			<u>9,113</u>	
		Total Department of Justice			<u>12,908</u>	
Department of the Treasury	Illinois Department of Commerce	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027*	N/A	<u>1,374,162</u>	
		COVID-19 Coronavirus State and Local Fiscal Recovery Funds				
		Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			<u>1,374,162</u>	
		Total Department of the Treasury			<u>1,374,162</u>	
Department of Homeland Security	IEMA	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	97.036	163865	<u>65,300</u>	
		COVID-19 Coronavirus State and Local Fiscal Recovery Funds				
		Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			<u>65,300</u>	
		Total Department of Homeland Security			<u>65,300</u>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					<u><u>\$ 1,452,370</u></u>	

\* denotes major program

CITY OF DARIEN, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES

For the Year Ended April 30, 2022

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**Note A - Basis of Accounting**

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs presented on the modified accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, revenues are recognized when the qualifying expenditure has been incurred and expenditures have been recognized when the fund liability has been incurred.

**Note B - Subrecipients**

There were no subrecipients for the fiscal year ending April 30, 2022.

**Note C - Other Information**

The City did not receive any federal insurance, free rent, or noncash assistance and had no federal loans or loan guarantees outstanding with continuing compliance requirements during the year ended April 30, 2022.

**Note D - 10% De Minimis Indirect Cost Rate**

The City has elected to use the 10% de minimis indirect cost rate as permitted by 2 CFR Section 200.414.



CITY OF DARIEN, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended April 30, 2022

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**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:

*Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes     X  no

Significant deficiency(ies) identified?

\_\_\_\_\_ yes     X  none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes     X  no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

\_\_\_\_\_ yes     X  no

Significant deficiency(ies) identified?

\_\_\_\_\_ yes     X  none reported

Type of auditor's report issued on compliance for major federal programs:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ yes     X  no

Identification of major federal programs:

ALN Number(s)

Name of Federal Program or Cluster

21.027

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between

Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes     X  no



**CITY OF DARIEN, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended April 30, 2022

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**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**Section IV - Prior Year Award Findings and Questioned Costs**

None

**CITY OF DARIEN  
DARIEN, ILLINOIS**

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**ILLINOIS GRANT ACCOUNTABILITY AND  
TRANSPARENCY ACT - CONSOLIDATED YEAR END  
FINANCIAL REPORT**

For the Year Ended April 30, 2022

“We are submitting to you the following draft of your financial statements to expedite your review. As stated in our engagement letter with you, the fair presentation of the financial statements is your responsibility. This draft, or elements within should not be shared with any external parties, nor should any inference be made to any parties that no material adjustments or material disclosure modifications are expected before these statements are submitted as final.”

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**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY INFORMATION**

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

We have audited the financial statements of the governmental activities, 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 the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated August 13, 2022, which expressed unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Consolidated Year-End Financial Report is presented for purposes of additional analysis, as required by the Illinois Grant Accountability and Transparency Act, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Naperville, Illinois  
August 13, 2022

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative  
For Discussion Purposes Only

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT  
CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended April 30, 2022

CSFA Number	Program Name	State	Federal	Other	Total
494-00-2356	Rebuild Illinois Local Bond Program	\$ 1,154,673	\$ -	\$ -	\$ 1,154,673
494-00-1488	Motor Fuel Tax Program	99,024	-	-	99,024
478-00-2719	Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	-	1,374,162	-	1,374,162
420-00-1758	Site Improvements	275,000	-	-	275,000
588-40-0448	COVID-19 Disaster Assistance Public Assistance	-	65,300	-	65,300
	Other grant programs and activities	-	12,908	50,004	62,912
	All Other Costs not Allocated	-	-	20,273,417	20,273,417
<b>TOTALS</b>		<u>\$ 1,528,697</u>	<u>\$ 1,452,370</u>	<u>\$ 20,323,421</u>	<u>\$ 23,304,488</u>

(See independent auditor's report on supplementary information.)

## CITY OF DARIEN, ILLINOIS

### ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2022

“We are submitting to you the following draft of your financial statements to expedite your review. As stated in our engagement letter with you, the fair presentation of the financial statements is your responsibility. This draft, or elements within should not be shared with any external parties, nor should any inference be made to any parties that no material adjustments or material disclosure modifications are expected before these statements are submitted as final.”

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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**

## 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 **REPORT DATE**, 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.

Naperville, Illinois  
**REPORT DATE**, 2022

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

## 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.

## **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.

- 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.

## 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>

### **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.



<b>Condensed Statement of Activities</b>									
<b>As of April 30, 2022 and 2021</b>									
<i>(In millions of dollars)</i>									
	<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>

## **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.

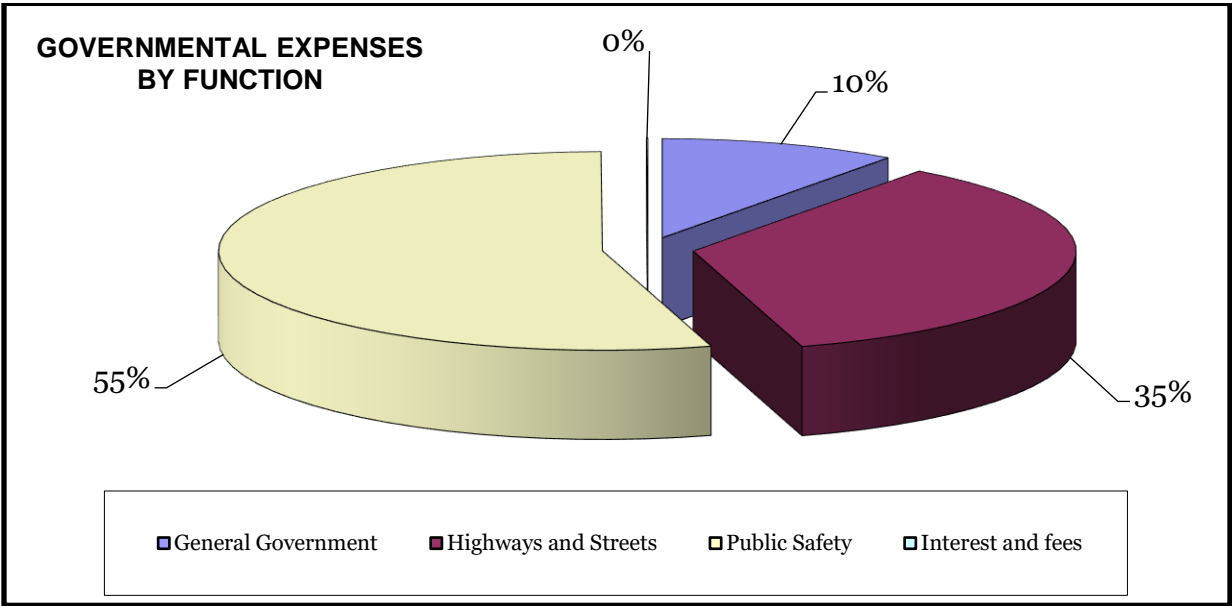
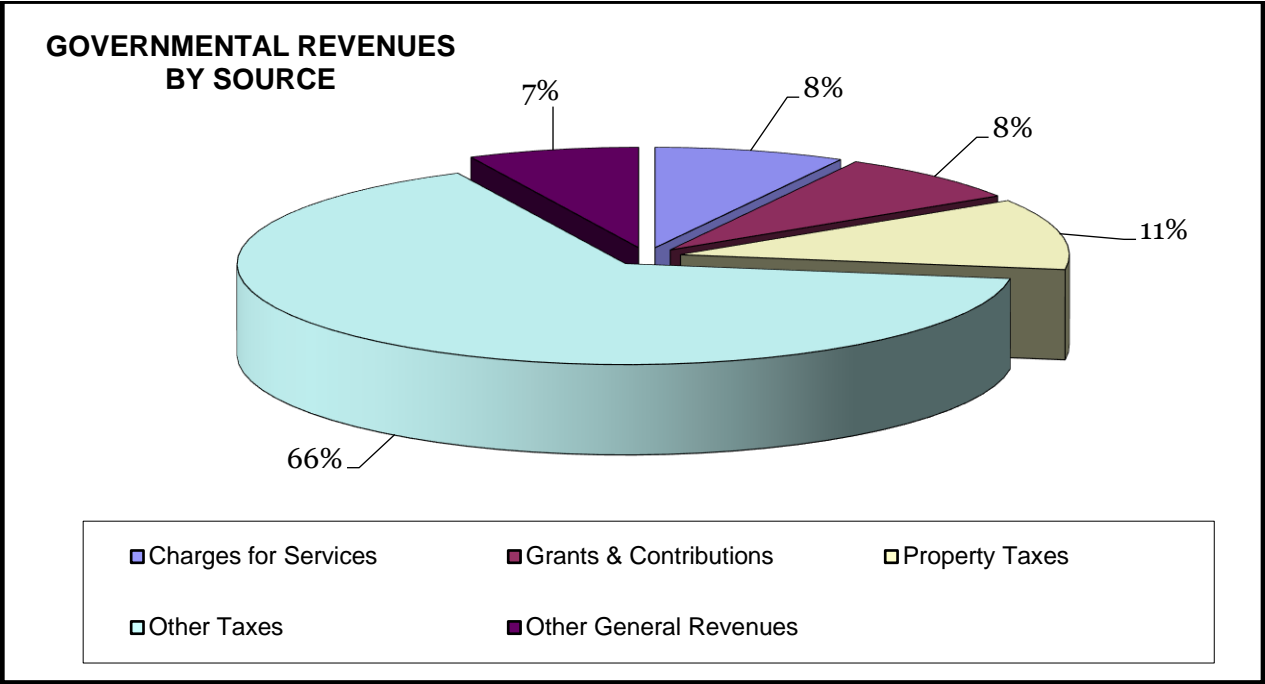
Change in authorized personnel – changes in service demand may cause the City Council to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the City.

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.

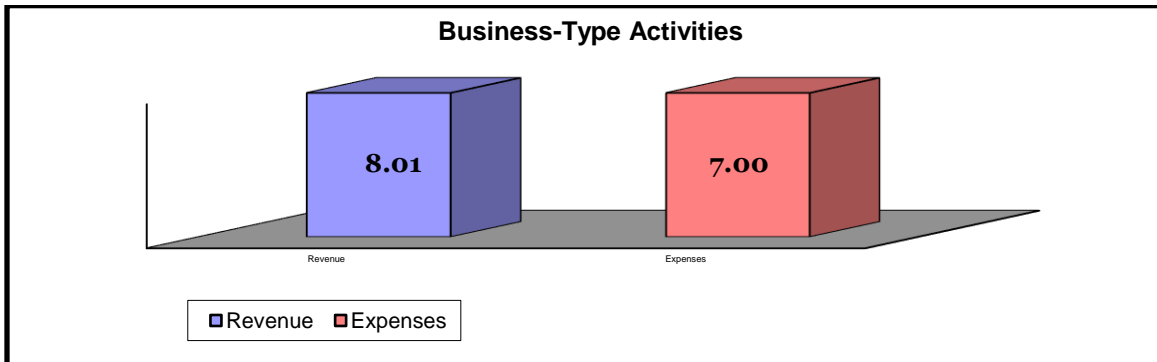
**GOVERNMENTAL ACTIVITIES**

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



### **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.

## ***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.

## ***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

Preliminary and Tentative  
For Discussion Purposes Only

STATEMENT OF NET POSITION

April 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<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

Preliminary and Tentative  
For Discussion Purposes Only

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>	18,418,945	118,559	18,537,504
<b>CHANGE IN NET POSITION</b>	5,611,804	1,010,783	6,622,587
<b>NET POSITION (DEFICIT), MAY 1</b>	(2,637,379)	9,159,128	6,521,749
<b>NET POSITION, APRIL 30</b>	\$ 2,974,425	\$ 10,169,911	\$ 13,144,336

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative  
For Discussion Purposes Only

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2022

	General	Motor Fuel Tax	Capital Improvements	Nonmajor	Total
<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**

**Preliminary and Tentative  
For Discussion Purposes Only**

**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>	<b>\$ 19,806,097</b>
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>	<b>\$ 2,974,425</b>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative  
For Discussion Purposes Only

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

For the Year Ended April 30, 2022

	General	Motor Fuel Tax	Capital Improvements	Nonmajor	Total
<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
Total revenues	18,492,733	1,366,491	1,907,737	7,129	21,774,090
<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
Total expenditures	12,655,259	1,794,779	1,748,693	22,392	16,221,123
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,837,474	(428,288)	159,044	(15,263)	5,552,967
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	3,900,000	-	3,900,000
Transfers (out)	(3,900,000)	-	-	-	(3,900,000)
Total other financing sources (uses)	(3,900,000)	-	3,900,000	-	-
NET CHANGE IN FUND BALANCES	1,937,474	(428,288)	4,059,044	(15,263)	5,552,967
FUND BALANCES, MAY 1	6,461,461	1,366,323	6,114,386	310,960	14,253,130
<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**

**Preliminary and Tentative  
For Discussion Purposes Only**

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>	<b>\$ 5,552,967</b>
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>	<b>\$ 5,611,804</b>

See accompanying notes to financial statements.



**CITY OF DARIEN, ILLINOIS**

Preliminary and Tentative  
For Discussion Purposes Only

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

April 30, 2022

	<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/>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

Preliminary and Tentative  
For Discussion Purposes Only

STATEMENT OF NET POSITION (Continued)  
PROPRIETARY FUNDS

April 30, 2022

	<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	 <u>4,693,499</u>
<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>

**CITY OF DARIEN, ILLINOIS**

Preliminary and Tentative  
For Discussion Purposes Only

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

For the Year Ended April 30, 2022

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

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended April 30, 2022

Preliminary and Tentative  
 For Discussion Purposes Only

	<u>Business-Type Activities Water Operations</u>
<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)
	<u>1,191,171</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal payments	(555,000)
Interest and fiscal charges	(137,607)
	<u>(692,607)</u>
Net cash from capital and related financing activities	<u>(692,607)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>6,683</u>
Net cash from investing activities	<u>6,683</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	505,247
CASH AND CASH EQUIVALENTS, MAY 1	<u>6,698,330</u>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<u><u>\$ 7,203,577</u></u>
<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)
	<u>(11,676)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ 1,191,171</u></u>

See accompanying notes to financial statements.

**CITY OF DARIEN, ILLINOIS**

Preliminary and Tentative  
For Discussion Purposes Only

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

April 30, 2022

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	<b>Pension Trust Fund</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	530
	<hr/>
Total assets	32,765,266
	<hr/>
<b>LIABILITIES</b>	
Benefits payable	9,077
	<hr/>
Total liabilities	9,077
	<hr/>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<u><u>\$ 32,756,189</u></u>

**CITY OF DARIEN, ILLINOIS**

Preliminary and Tentative  
For Discussion Purposes Only

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

For the Year Ended April 30, 2022

**ADDITIONS**

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

**DEDUCTIONS**

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

NET DECREASE (3,378,334)

**NET POSITION RESTRICTED  
FOR PENSION BENEFITS**

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

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), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members.

IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The City's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

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.

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.

## 2. DEPOSITS AND INVESTMENTS (Continued)

### a. City Deposits and Investments (Continued)

#### 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.

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.

## 2. DEPOSITS AND INVESTMENTS (Continued)

### a. City Deposits and Investments (Continued)

#### Investments (Continued)

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.

**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
<b>Total intergovernmental</b>	<b>1,935,066</b>	<b>74,112</b>	<b>-</b>	<b>2,009,178</b>
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
<b>Total other receivables</b>	<b>2,140,307</b>	<b>-</b>	<b>329,690</b>	<b>2,469,997</b>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 4,075,373</b>	<b>\$ 74,112</b>	<b>\$ 329,690</b>	<b>\$ 4,479,175</b>

#### 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>

**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.

**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>



**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.

**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.

**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)

**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
	\$ 157,741	\$ 3,159,125
<b>TOTAL</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	-
	\$ (3,088,079)
<b>TOTAL</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	32
 TOTAL	 78

*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;

**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.

**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.

**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>



**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		-
TOTAL		\$ 4,179,312

**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.

**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.

**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

**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**

Preliminary and Tentative  
For Discussion Purposes Only

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)	-	(3,900,000)	(3,900,000)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	(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**

**Preliminary and Tentative  
For Discussion Purposes Only**

**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	1,046,096	1,366,491	320,395	1,521,660
<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	1,439,852	1,179,959	(259,893)	31,407
Total expenditures	2,057,980	1,794,779	(263,201)	714,307
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>
FUND BALANCE, APRIL 30		<u>\$ 938,035</u>		<u>\$ 1,366,323</u>

(See independent auditor's report.)



**CITY OF DARIEN, ILLINOIS**

Preliminary and Tentative  
For Discussion Purposes Only

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

Preliminary and Tentative  
For Discussion Purposes Only

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**

Preliminary and Tentative  
For Discussion Purposes Only

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>

MEASUREMENT DATE DECEMBER 31,	2021	2020	2019	2018	2017	Preliminary and Tentative For Discussion Purposes Only	
						2016	2015
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.

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative  
For Discussion Purposes Only

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

Last Eight Fiscal Years

MEASUREMENT DATE APRIL 30,	2022	2021	2020	2019	2018	2017	2016	2015
<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>

MEASUREMENT DATE	APRIL 30,	2022	2021	2020	2019	2018	2017	2016	2015
Preliminary and Tentative For Discussion Purposes Only									
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.

**CITY OF DARIEN, ILLINOIS**

**Preliminary and Tentative  
For Discussion Purposes Only**

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.

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative  
For Discussion Purposes Only

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.

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

Preliminary and Tentative  
For Discussion Purposes Only

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
Total taxes	5,028,123	5,524,398	496,275	4,971,008
<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	-
Total licenses, permits, and fees	919,472	1,173,299	253,827	1,022,666
<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
Total intergovernmental	7,845,279	11,203,847	3,358,568	10,153,495

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative  
For Discussion Purposes Only

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>

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative  
For Discussion Purposes Only

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

Preliminary and Tentative  
For Discussion Purposes Only

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

Preliminary and Tentative  
For Discussion Purposes Only

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

Preliminary and Tentative  
For Discussion Purposes Only

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

Preliminary and Tentative  
For Discussion Purposes Only

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**

Preliminary and Tentative  
For Discussion Purposes Only

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**

Preliminary and Tentative  
For Discussion Purposes Only

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

April 30, 2022

	<u>Special Revenue</u>			<u>Total</u>
	<u>Special Service Area</u>	<u>Storm Sewer</u>	<u>Federal Equitable Sharing</u>	
<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**

Preliminary and Tentative  
For Discussion Purposes Only

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

For the Year Ended April 30, 2022

	<b>Special Revenue</b>			<b>Total</b>
	<b>Special Service Area</b>	<b>Storm Sewer</b>	<b>Federal Equitable Sharing</b>	
<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>	<b>\$ 25,088</b>	<b>\$ 69,988</b>	<b>\$ 200,621</b>	<b>\$ 295,697</b>

(See independent auditor's report.)

**CITY OF DARIEN, ILLINOIS**

Preliminary and Tentative  
For Discussion Purposes Only

**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

Preliminary and Tentative  
For Discussion Purposes Only

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

Preliminary and Tentative  
For Discussion Purposes OnlySCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (Continued)  
WATER OPERATIONS FUNDFor 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	3,561,550	325,904	(3,235,646)	29,683
Total operating expenses excluding depreciation	10,553,633	6,769,098	(3,784,535)	6,574,351
OPERATING INCOME (LOSS)	(2,742,180)	1,120,574	3,862,754	1,564,267
<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)	(687,475)	(568,472)	119,003	(599,894)
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS	(3,429,655)	552,102	3,981,757	964,373
<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	1,200,000	-	(1,200,000)	-
CAPITAL GRANTS AND CONTRIBUTIONS	-	-	-	71,539
NET INCOME (LOSS) BUDGETARY BASIS	\$ (2,229,655)	552,102	\$ 2,781,757	1,035,912
<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		458,681		294,363
CHANGE IN NET POSITION		1,010,783		1,330,275
NET POSITION, MAY 1		9,159,128		7,828,853
NET POSITION, APRIL 30	\$	10,169,911	\$	9,159,128

(See independent auditor's report.)

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**SUPPLEMENTAL DATA**

**CITY OF DARIEN, ILLINOIS**

**Preliminary and Tentative  
For Discussion Purposes Only**

**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**

**Preliminary and Tentative  
For Discussion Purposes Only**

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

April 30, 2022

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**

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	July 1	Amount	January 1	Amount
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>

**CITY OF DARIEN, ILLINOIS**

**Preliminary and Tentative  
For Discussion Purposes Only**

**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**

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	July 1	Amount	January 1	Amount
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.)

# CITY OF DARIEN

## MEMO

**TO: Administrative/Finance Committee Members**  
**FROM: Bryon D. Vana, City Administrator**  
**DATE: August 31, 2022**  
**SUBJECT: FYE 22 Audit to Budget Comparison**

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Upon completion of the yearly financial audit, the Administrative/Finance Committee reviews a comparison between the FYE 4-30-22 audited numbers and the FYE 4-30-22 estimated numbers included in the FYE 4-30-23 budget. This year's review includes the attached document containing a detailed sheet on the General and Capital Projects Funds. The details sheets include the following columns:

- 1 budget line item title
- 2 the 4-30-22 original budget
- 3 the 4-30-22 audited revenues and expenditure line items
- 4 the 4-30-22 estimated actual numbers used for the FYE 4-30-23 budget
- 5 the difference between numbers 3 and 4 above

The General Fund audited fund balance exceeded the estimated balance used in the 4-30-23 budget by \$1,746,945. The City Council previously approved the *Capital Improvements Plan Guidelines*. Section 3 of the guidelines includes the following:

- Surplus from the general fund, in excess of 3 months operating reserve, will be transferred to the capital projects fund annually

Based on these guidelines I am recommending that the Administrative/Finance Committee recommend that the City Council approve a transfer of \$1,700,000 to the Capital Projects Fund from the General Fund. This item will be scheduled for the October 3, 2022, City Council meeting.

**City of Darien  
 Comparison of Estimated Actual  
 Fund Balance to Audited Fund Balance  
 as of 4/30/22**

**Working Session Report**

**General Fund  
 Fund Balance**

<u>Original Budget</u>	<u>Audited</u>	<u>Estimated Actual</u>	<u>Difference between Estimated Actual and Audited</u>
\$ 3,037,466	\$ 8,398,935	\$ 6,651,990	\$ 1,746,945.00

**Water Fund  
 Cash Balance**

<u>Original Budget</u>	<u>Audited</u>	<u>Estimated Actual</u>	<u>Difference between Estimated Actual and Audited</u>
\$ 2,544,484	\$ 4,355,273	\$ 4,363,240	\$ (7,967.14)

**Motor Fuel Tax Fund  
 Fund Balance**

<u>Original Budget</u>	<u>Audited</u>	<u>Estimated Actual</u>	<u>Difference between Estimated Actual and Audited</u>
\$ 185,281	\$ 938,035	\$ 579,824	\$ 358,211.00

**Water Depreciation Fund  
 Cash Balance**

<u>Original Budget</u>	<u>Audited</u>	<u>Estimated Actual</u>	<u>Difference between Estimated Actual and Audited</u>
\$ 45,693	\$ 2,789,805	\$ 3,401,588	\$ (611,783.45)

**Capital Improvement Fund  
 Fund Balance**

<u>Original Budget</u>	<u>Audited</u>	<u>Estimated Actual</u>	<u>Difference between Estimated Actual and Audited</u>
\$ 6,106,559	\$ 10,173,430	\$ 10,397,443	\$ (224,013.00)



1		2	3	4	5	
City of Darien Fund Reconciliation FYE 4/30/22		General For the	FYE 4/30/22 Original Budget	FYE 4/30/22 Audited	FYE 4/30/22 Estimated Actual	Difference
Beginning Fund Balance			4,577,913.00	6,461,461.00	6,461,461.00	0.00
Prior Period Adjustment			0.00	0.00	0.00	0.00
Total Revenue			14,675,674.00	18,492,733.00	17,330,136.00	1,162,597.00
Total Expenses			14,116,121.00	12,655,259.00	13,239,607.00	(584,348.00)
Transfer In from Debt Fund/Sale of Equipment			0.00	0.00	0.00	0.00
Transfer out			2,100,000.00	3,900,000.00	3,900,000.00	0.00
<b>Ending Fund Balance</b>			<b>3,037,466.00</b>	<b>8,398,935.00</b>	<b>6,651,990.00</b>	<b>1,746,945.00</b>
			<b>FYE 4/30/22 Original Budget</b>	<b>FYE 4/30/22 Audited Revenue</b>	<b>FYE 4/30/22 Estimated Revenue</b>	<b>Difference</b>
<b>Taxes</b>						
Real Estate Taxes - Current	3110	2,276,099.00	2,294,982.00	2,302,307.00	(7,325.00)	
Real Estate Taxes - Prior	3111	0.00	0.00	0.00	0.00	
Road and Bridge Tax	3120	210,000.00	235,166.00	235,166.00	0.00	
Municipal Utility Tax	3130	946,793.00	1,195,844.00	1,056,807.00	139,037.00	
Amusement Tax	3140	80,250.00	117,300.00	111,110.00	6,190.00	
Hotel/Motel Tax	3150	62,909.00	85,005.00	73,079.00	11,926.00	
Auto Rental Tax	3421	2,000.00	0.00	0.00	0.00	
Personal Property Tax	3425	7,500.00	18,563.00	9,525.00	9,038.00	
Local Gas Tax	3151	308,269.00	233,338.00	228,401.00	4,937.00	
Food & Beverage Tax	3152	539,303.00	700,397.00	612,471.00	87,926.00	
Cannabis Use Tax	3435	15,000.00	34,569.00	30,182.00	4,387.00	
<b>Total Taxes</b>		<b>4,448,123.00</b>	<b>4,915,164.00</b>	<b>4,659,048.00</b>	<b>256,116.00</b>	
<b>License, Permits, Fees</b>						
Business Licenses	3210	30,000.00	40,465.00	30,000.00	10,465.00	
Liquor License	3212	69,575.00	71,725.00	71,725.00	0.00	
Contractor Licenses	3214	18,000.00	20,600.00	18,000.00	2,600.00	
Court Fines	3216	100,000.00	168,001.00	156,531.00	11,470.00	
Towing Fees	3217	52,000.00	78,300.00	68,800.00	9,500.00	
Ordinance Fines	3230	30,000.00	41,462.00	34,284.00	7,178.00	
Building Permits and Fees	3240	35,000.00	188,979.00	175,000.00	13,979.00	
Telecommunication Taxes	3242	380,000.00	321,804.00	316,206.00	5,598.00	
Cable T.V. Franchise Fee	3244	432,800.00	424,360.00	440,800.00	(16,440.00)	
PEG - Fees - AT&T	3245	0.00	7,757.00	0.00	7,757.00	
NICOR Franchise Fee	3246	25,000.00	34,121.00	25,000.00	9,121.00	
Public Hearing Fees	3250	2,000.00	4,705.00	4,250.00	455.00	
Elevator Inspections	3255	3,500.00	5,705.00	3,500.00	2,205.00	
Public Improvement Permit	3260	0.00	0.00	0.00	0.00	
NSF Check Fee	3261	0.00	0.00	0.00	0.00	
Engineering/Prof Fee Reimb	3265	74,000.00	63,831.00	65,000.00	(1,169.00)	
Legal Fee Reimb.	3266	0.00	0.00	0.00	0.00	
Police Special Service	3268	99,597.00	93,060.00	75,885.00	17,175.00	
D.U.I. Technology Fines	3267	0.00	6,867.00	4,000.00	2,867.00	
Stormwater Management Fees	3270	0.00	1,661.00	0.00	1,661.00	
Dev. Contib./Impact	3275	0.00	0.00	0.00	0.00	
<b>Total License, Permits, Fees</b>		<b>1,351,472.00</b>	<b>1,573,403.00</b>	<b>1,488,981.00</b>	<b>84,422.00</b>	
<b>Charges for Services</b>						
Inspections/Tap on/Permits	3320	0.00	0.00	0.00	0.00	
<b>Total Charges for Services</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Intergovernmental</b>						
State Income Tax	3410	2,136,514.00	3,174,556.00	2,681,031.00	493,525.00	
Local Use Tax	3420	789,268.00	833,736.00	798,481.00	35,255.00	
Sales Taxes	3430	4,919,497.00	7,124,267.00	6,674,453.00	449,814.00	
Video Gaming Revenue	3432	200,000.00	287,430.00	269,013.00	18,417.00	
<b>Total Intergovernmental</b>		<b>8,045,279.00</b>	<b>11,419,989.00</b>	<b>10,422,978.00</b>	<b>997,011.00</b>	

City of Darien Fund Reconciliation FYE 4/30/22		General For the	FYE 4/30/22 Original Budget	FYE 4/30/22 Audited	FYE 4/30/22 Estimated Actual	Difference
<b>Other Revenue</b>						
Interest Income	3510	4,000.00	5,083.00	4,000.00	1,083.00	
Gain/Loss on Investment	3515	0.00	0.00	0.00	0.00	
Water Share Expense	3520	250,000.00	0.00	250,000.00	(250,000.00)	
NSF Check Fee	3261	0.00	0.00	0.00	0.00	
Police Report/Prints	3534	5,000.00	4,956.00	5,000.00	(44.00)	
Impact Fee Revenue	3570	0.00	125.00	500.00	(375.00)	
Grants	3560	0.00	71,288.00	5,675.00	65,613.00	
Rents	3561	313,000.00	321,220.00	321,377.00	(157.00)	
Reimbursement - Work Comp	3577	0.00	0.00	0.00	0.00	
Other Reimbursements	3562	45,000.00	108,043.00	93,481.00	14,562.00	
Reimbursement - Rear Yard	3541	182,400.00	14,652.00	30,451.00	(15,799.00)	
Residential Concrete Reimb	3563	0.00	28,895.00	28,895.00	0.00	
Maintenance - Reimbursement	3567	0.00	0.00	0.00	0.00	
Mail Box Reimbursement	3569	3,400.00	3,620.00	0.00	3,620.00	
Drug Seizures	3537	0.00	0.00	0.00	0.00	
Drug Forfeiture Receipts	3538	0.00	0.00	0.00	0.00	
E-Citation Fees	3219	0.00	4,790.00	0.00	4,790.00	
Sales of Wood Chips	3572	3,000.00	3,580.00	3,250.00	330.00	
Miscellaneous Revenue	3580	20,000.00	0.00	0.00	0.00	
Transfer from Other Funds	3612	0.00	0.00	0.00	0.00	
Sale of Equipment	3575	5,000.00	0.00	1,500.00	(1,500.00)	
Miscellaneous Revenue	3700	0.00	17,925.00	15,000.00	2,925.00	
<b>Total Other Income</b>		<b>830,800.00</b>	<b>584,177.00</b>	<b>759,129.00</b>	<b>(174,952.00)</b>	
<b>Total General Fund Revenue</b>		<b>14,675,674.00</b>	<b>18,492,733.00</b>	<b>17,330,136.00</b>	<b>1,162,597.00</b>	
<b>Total Revenue per Audit</b>		<b>14,675,674.00</b>	<b>18,492,733.00</b>	<b>17,330,136.00</b>	<b>1,162,597.00</b>	

1	2	3	4	5	
City of Darien General Fund Expenditures For the FYE 4/30/22	FYE 4/30/22 Original Budget	FYE 4/30/22 Audited Expenditures	FYE 4/30/22 Estimated Expenditures	Difference	
<b>Administrative Department</b>					
<b>Salaries</b>					
Salaries	4010	354,574.00	363,601.00	354,424.00	(9,177.00)
Overtime	4030	0.00	925.00	801.00	(124.00)
<b>Total Salaries</b>		<b>354,574.00</b>	<b>364,526.00</b>	<b>355,225.00</b>	<b>(9,301.00)</b>
<b>Benefits</b>					
Social Security	4110	23,440.00	21,317.00	21,984.00	667.00
Medicare	4111	5,141.00	4,985.00	5,141.00	156.00
I.M.R.F.	4115	46,449.00	44,101.00	46,449.00	2,348.00
Medical/Life Insurance	4120	71,400.00	67,995.00	79,752.00	11,757.00
State Unemployment Benefits	4050	0.00	0.00	0.00	0.00
Supplemental Pensions	4135	4,800.00	4,800.00	4,800.00	0.00
<b>Total Benefits</b>		<b>151,230.00</b>	<b>143,198.00</b>	<b>158,126.00</b>	<b>14,928.00</b>
<b>Materials and Supplies</b>					
Dues and Subscriptions	4213	1,615.00	1,214.00	1,190.00	(24.00)
Liability Insurance	4219	263,806.00	177,520.00	200,476.00	22,956.00
Legal Notices	4221	2,000.00	1,548.00	2,000.00	452.00
Maintenance - Building	4223	0.00	0.00	0.00	0.00
Maintenance - Equipment	4225	8,650.00	9,082.00	9,300.00	218.00
Maintenance - Vehicles	4229	0.00	0.00	0.00	0.00
Misc. Expenditures	4232	0.00	300.00	0.00	(300.00)
Postage/Mailings	4233	3,350.00	1,283.00	1,800.00	517.00
Printing and Forms	4235	4,500.00	3,026.00	3,400.00	374.00
Public Relations	4239	71,700.00	52,289.00	53,050.00	761.00
Rent - Equipment	4243	2,500.00	1,500.00	2,125.00	625.00
Supplies - Office	4253	8,000.00	6,727.00	6,000.00	(727.00)
Supplies - Other	4257	500.00	0.00	250.00	250.00
Training and Education	4263	1,500.00	0.00	0.00	0.00
Travel/Meetings	4265	550.00	152.00	100.00	(52.00)
Telephone	4267	48,400.00	29,701.00	39,000.00	9,299.00
Utilities (Elec,Gas,Wtr,Sewer)	4271	2,500.00	4,312.00	2,200.00	(2,112.00)
Vehicle (Gas and Oil)	4273	1,150.00	1,189.00	900.00	(289.00)
Vehicle		0.00	0.00	0.00	0.00

City of Darien General Fund Expenditures For the FYE 4/30/22		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited Expenditures	FYE 4/30/22 Estimated Expenditures	Difference
ESDA	4279	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Materials and Supplies</b>		<b>420,721.00</b>	<b>289,843.00</b>	<b>321,791.00</b>	<b>31,948.00</b>
<b>Contractual</b>					
Audit	4320	14,000.00	14,762.00	18,500.00	3,738.00
Consulting/Professional	4325	333,020.00	304,093.00	320,000.00	15,907.00
Conslt/Prof Reimbursable	4328	0.00	0.00	0.00	0.00
Contingency	4330	10,000.00	4,772.00	10,000.00	5,228.00
Janitorial Service	4345	<u>22,088.00</u>	<u>19,390.00</u>	<u>19,500.00</u>	<u>110.00</u>
<b>Total Contractual</b>		<b>379,108.00</b>	<b>343,017.00</b>	<b>368,000.00</b>	<b>24,983.00</b>
<b>Other Charges</b>					
Equipment	4815	97,755.00	92,096.00	90,000.00	(2,096.00)
<b>Total Other Charges</b>		<b><u>97,755.00</u></b>	<b><u>92,096.00</u></b>	<b><u>90,000.00</u></b>	<b><u>(2,096.00)</u></b>
<b>Total Expenditures - Administrative</b>		<b><u>1,403,388.00</u></b>	<b><u>1,232,680.00</u></b>	<b><u>1,293,142.00</u></b>	<b><u>60,462.00</u></b>
<b>City Council Department</b>					
<b>Salaries</b>					
Salaries	4010	<u>42,750.00</u>	<u>42,750.00</u>	<u>42,750.00</u>	<u>0.00</u>
<b>Total Salaries</b>		<b>42,750.00</b>	<b>42,750.00</b>	<b>42,750.00</b>	<b>0.00</b>
<b>Benefits</b>					
Social Security	4110	2,651.00	2,651.00	2,651.00	0.00
Medicare	4111	<u>620.00</u>	<u>620.00</u>	<u>620.00</u>	<u>0.00</u>
<b>Total Benefits</b>		<b>3,271.00</b>	<b>3,271.00</b>	<b>3,271.00</b>	<b>0.00</b>
<b>Materials and Supplies</b>					
Boards and Commissions	4205	2,000.00	626.00	800.00	174.00
Cable Operations	4206	6,000.00	2,925.00	4,000.00	1,075.00
Dues and Subscriptions	4213	26,440.00	23,854.00	25,739.00	1,885.00
Liability Insurance	4219	0.00	0.00	0.00	0.00
Printing and Forms	4235	0.00	0.00	0.00	0.00
Public Relations	4239	1,300.00	390.00	500.00	110.00
Supplies - Other	4257	0.00	0.00	0.00	0.00

City of Darien General Fund Expenditures For the FYE 4/30/22		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited Expenditures	FYE 4/30/22 Estimated Expenditures	Difference
Training and Education	4263	1,000.00	175.00	150.00	(25.00)
Travel/Meetings	4265	50.00	0.00	50.00	50.00
<b>Total Materials and Supplies</b>		<b>36,790.00</b>	<b>27,970.00</b>	<b>31,239.00</b>	<b>3,269.00</b>
<b>Contractual</b>					
Consulting/Professional	4325	3,000.00	1,086.00	2,200.00	1,114.00
Trolley Contracts	4366	600.00	0.00	0.00	0.00
Rear Yard Drainage Proj Reimburse		0.00	0.00	0.00	0.00
<b>Total Contractual</b>		<b>3,600.00</b>	<b>1,086.00</b>	<b>2,200.00</b>	<b>1,114.00</b>
<b>Capital Outlay</b>					
Equipment	4815	0.00	0.00	0.00	0.00
<b>Total Capital Outlay</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Expenditures - City Council</b>		<b>86,411.00</b>	<b>75,077.00</b>	<b>79,460.00</b>	<b>4,383.00</b>
<b>Community Development Department</b>					
<b>Salaries</b>					
Salaries	4010	312,570.00	312,713.00	312,121.00	(592.00)
Overtime		1,000.00	431.00	1,000.00	569.00
<b>Total Salaries</b>		<b>313,570.00</b>	<b>313,144.00</b>	<b>313,121.00</b>	<b>(23.00)</b>
<b>Benefits</b>					
Social Security	4110	18,633.00	18,019.00	16,054.00	(1,965.00)
Medicare	4111	4,532.00	4,420.00	4,645.00	225.00
I.M.R.F.	4115	40,947.00	33,576.00	35,497.00	1,921.00
Medical/Life Insurance	4120	24,658.00	23,366.00	28,516.00	5,150.00
Supplemental Pensions	4135	3,600.00	2,400.00	2,400.00	0.00
<b>Total Benefits</b>		<b>92,370.00</b>	<b>81,781.00</b>	<b>87,112.00</b>	<b>5,331.00</b>
<b>Materials and Supplies</b>					
Boards and Commissions	4205	1,200.00	1,050.00	1,200.00	150.00
Dues and Subscriptions	4213	500.00	0.00	500.00	500.00
Liability Insurance	4219	23,000.00	15,669.00	23,000.00	7,331.00

City of Darien General Fund Expenditures For the FYE 4/30/22		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited Expenditures	FYE 4/30/22 Estimated Expenditures	Difference
Maintenance - Vehicles	4229	500.00	0.00	500.00	500.00
Miscellaneous Expenditures	4232	0.00	0.00	0.00	0.00
Printing and Forms	4235	1,215.00	233.00	1,000.00	767.00
Economic Incentive	4240	378,000.00	330,983.00	359,363.00	28,380.00
Supplies - Office	4253	700.00	475.00	500.00	25.00
Training and Education	4263	500.00	0.00	500.00	500.00
Travel/Meetings	4265	200.00	0.00	200.00	200.00
Vehicle (Gas and Oil)	4273	1,000.00	1,478.00	1,000.00	(478.00)
<b>Total Materials and Supplies</b>		<b>406,815.00</b>	<b>349,888.00</b>	<b>387,763.00</b>	<b>37,875.00</b>
<b>Contractual</b>					
Bad Debt Expense	4300	0.00	70.00	0.00	(70.00)
Consulting/Professional	4325	84,700.00	76,368.00	65,000.00	(11,368.00)
Conslt/Prof Reimbursable	4328	68,000.00	71,098.00	60,000.00	(11,098.00)
<b>Total Contractual</b>		<b>152,700.00</b>	<b>147,536.00</b>	<b>125,000.00</b>	<b>(22,536.00)</b>
<b>Capital Outlay</b>					
Equipment	4815	0.00	0.00	0.00	0.00
<b>Total Capital Outlay</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Expenditures - Community Development</b>		<b>965,455.00</b>	<b>892,349.00</b>	<b>912,996.00</b>	<b>20,647.00</b>

City of Darien General Fund Expenditures For the FYE 4/30/22		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited Expenditures	FYE 4/30/22 Estimated Expenditures	Difference
<b>Streets Department</b>					
<b>Salaries</b>					
Salaries	4010	741,730.00	710,138.00	674,183.00	(35,955.00)
Overtime	4030	78,000.00	73,808.00	78,000.00	4,192.00
<b>Total Salaries</b>		<b>819,730.00</b>	<b>783,946.00</b>	<b>752,183.00</b>	<b>(31,763.00)</b>
<b>Benefits</b>					
Social Security	4110	45,987.00	45,314.00	46,635.00	1,321.00
Medicare	4111	10,755.00	10,879.00	10,907.00	28.00
I.M.R.F.	4115	90,617.00	77,352.00	98,536.00	21,184.00
Unemployment	4050	0.00	0.00	0.00	0.00
Medical/Life Insurance	4120	149,749.00	125,719.00	148,048.00	22,329.00
Supplemental Pensions	4135	2,400.00	2,400.00	2,400.00	0.00
<b>Total Benefits</b>		<b>299,508.00</b>	<b>261,664.00</b>	<b>306,526.00</b>	<b>44,862.00</b>
<b>Materials and Supplies</b>					
Liability Insurance	4219	30,529.00	16,860.00	23,000.00	6,140.00
Maintenance - Building	4223	151,936.00	136,105.00	150,000.00	13,895.00
Maintenance - Equipment	4225	43,000.00	45,604.00	38,000.00	(7,604.00)
Maintenance - Vehicles	4229	55,000.00	145,759.00	99,000.00	(46,759.00)
Maintenance - Landromat Exp	4230	0.00	0.00	0.00	0.00
Postage/Mailings	4233	750.00	491.00	750.00	259.00
Rent - Equipment	4243	20,700.00	5,506.00	15,000.00	9,494.00
Supplies - Office	4253	13,903.00	15,739.00	13,000.00	(2,739.00)
Supplies - Operations	4255	0.00	0.00	0.00	0.00
Supplies - Other	4257	142,765.00	84,327.00	130,000.00	45,673.00
Small Tools & Equipment	4259	67,850.00	61,294.00	68,000.00	6,706.00
Training and Education	4263	7,800.00	1,470.00	2,000.00	530.00
Travel	4265	0.00	0.00	0.00	0.00
Telephone	4267	0.00	0.00	0.00	0.00
Uniforms	4269	6,446.00	4,313.00	5,900.00	1,587.00
Utilities (Elec,Gas,Wtr,Sewer)	4271	6,400.00	6,036.00	6,200.00	164.00
Vehicle (Gas and Oil)	4273	57,210.00	63,633.00	55,000.00	(8,633.00)
<b>Total Materials and Supplies</b>		<b>604,289.00</b>	<b>587,137.00</b>	<b>605,850.00</b>	<b>18,713.00</b>

City of Darien General Fund Expenditures For the FYE 4/30/22		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited Expenditures	FYE 4/30/22 Estimated Expenditures	Difference
<b>Contractual</b>					
Consulting/Professional	4325	10,750.00	15,110.00	16,000.00	890.00
Consulting/Professional Reimb	4328	0.00	0.00	0.00	0.00
Janitorial Service	4345	0.00	0.00	0.00	0.00
Forestry	4350	222,309.00	223,627.00	200,000.00	(23,627.00)
Street Light Oper & Maint.	4359	44,000.00	45,157.00	35,000.00	(10,157.00)
Residential Concrete Program	4381	0.00	0.00	29,000.00	29,000.00
Mosquito Abatement	4365	41,700.00	41,700.00	41,700.00	0.00
Street Sweeping	4373	40,734.00	29,973.00	44,000.00	14,027.00
Drainage Projects	4374	430,701.00	241,488.00	241,500.00	12.00
Tree Trim/Removal	4375	157,875.00	145,301.00	165,000.00	19,699.00
<b>Total Contractual</b>		<b>948,069.00</b>	<b>742,356.00</b>	<b>772,200.00</b>	<b>29,844.00</b>
<b>Capital Outlay</b>					
Rear Yard Drain Proj-Reimb	4378	0.00	0.00	0.00	0.00
Residential Concrete Program	4381	0.00	28,895.00	0.00	(28,895.00)
Capital Improvements	4810	0.00	0.00	0.00	0.00
Equipment	4815	372,150.00	159,785.00	147,150.00	(12,635.00)
Debt Retire	4905	0.00	0.00	0.00	0.00
<b>Total Capital Outlay</b>		<b>372,150.00</b>	<b>188,680.00</b>	<b>147,150.00</b>	<b>(41,530.00)</b>
<b>Total Expenditures - Streets</b>		<b>3,043,746.00</b>	<b>2,563,783.00</b>	<b>2,583,909.00</b>	<b>20,126.00</b>



City of Darien General Fund Expenditures For the FYE 4/30/22		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited Expenditures	FYE 4/30/22 Estimated Expenditures	Difference
<b>Police Department</b>					
<b>Salaries</b>					
Salaries	4010	473,764.00	457,144.00	465,244.00	8,100.00
Salaries - Officers	4020	3,849,207.00	3,737,588.00	3,746,595.00	9,007.00
Overtime	4030	478,460.00	341,646.00	411,349.00	69,703.00
<b>Total Salaries</b>		<b>4,801,431.00</b>	<b>4,536,378.00</b>	<b>4,623,188.00</b>	<b>86,810.00</b>
<b>Benefits</b>					
Social Security	4110	29,420.00	27,145.00	29,101.00	1,956.00
Medicare	4111	65,004.00	63,119.00	66,616.00	3,497.00
I.M.R.F.	4115	62,161.00	52,140.00	53,569.00	1,429.00
State Unemployment Insurance	4050	0.00	3,436.00	0.00	(3,436.00)
Medical/Life Insurance	4120	585,575.00	412,828.00	480,299.00	67,471.00
Police Pension	4130	2,097,211.00	2,114,384.00	2,114,384.00	0.00
Supplemental Pensions	4135	48,000.00	43,939.00	37,429.00	(6,510.00)
<b>Total Benefits</b>		<b>2,887,371.00</b>	<b>2,716,991.00</b>	<b>2,781,398.00</b>	<b>64,407.00</b>
<b>Materials and Supplies</b>					
Animal Control	4201	1,500.00	705.00	1,290.00	585.00
Auxiliary Police	4203	2,000.00	0.00	1,000.00	1,000.00
Boards and Commissions	4205	12,300.00	14,551.00	15,986.00	1,435.00
Dues and Subscriptions	4213	3,150.00	2,254.00	2,964.00	710.00
Investigation and Equipment	4217	47,674.00	34,815.00	45,546.00	10,731.00
Liability Insurance	4219	67,770.00	35,978.00	80,835.00	44,857.00
Maintenance - Building	4223	0.00	0.00	0.00	0.00
Maintenance - Equipment	4225	21,100.00	16,063.00	20,734.00	4,671.00
Maintenance - Vehicles	4229	31,600.00	45,731.00	42,949.00	(2,782.00)
Postage/Mailings	4233	4,300.00	1,264.00	1,553.00	289.00
Printing and Forms	4235	1,500.00	710.00	1,210.00	500.00
Public Relations	4239	3,500.00	2,410.00	3,160.00	750.00
Rent - Equipment	4243	5,800.00	950.00	1,550.00	600.00
Supplies - Office	4253	7,000.00	6,100.00	4,500.00	(1,600.00)
Supplies - Other	4257	0.00	0.00	0.00	0.00
Training and Education	4263	39,475.00	26,539.00	33,970.00	7,431.00

City of Darien General Fund Expenditures For the FYE 4/30/22		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited Expenditures	FYE 4/30/22 Estimated Expenditures	Difference
Travel/Meetings	4265	14,400.00	1,933.00	4,419.00	2,486.00
Telephone	4267	15,500.00	12,974.00	13,035.00	61.00
Uniforms	4269	49,200.00	35,573.00	44,787.00	9,214.00
Utilities (Elec,Gas,Wtr,Sewer)	4271	8,000.00	13,346.00	9,040.00	(4,306.00)
Vehicle (Gas and Oil)	4273	<u>75,000.00</u>	<u>87,355.00</u>	<u>84,375.00</u>	<u>(2,980.00)</u>
<b>Total Materials and Supplies</b>		<b>410,769.00</b>	<b>339,251.00</b>	<b>412,903.00</b>	<b>73,652.00</b>
<b>Contractual</b>					
Bad Debt Expense	4400	0.00	2,435.00	0.00	(2,435.00)
Consulting/Professional	4325	492,350.00	521,135.00	505,466.00	(15,669.00)
Contractual Services	4335	0.00	0.00	0.00	0.00
Dumeg/Fiat/Child Center	4337	<u>25,200.00</u>	<u>25,180.00</u>	<u>25,180.00</u>	<u>0.00</u>
<b>Total Contractual</b>		<b><u>517,550.00</u></b>	<b><u>548,750.00</u></b>	<b><u>530,646.00</u></b>	<b><u>(18,104.00)</u></b>
<b>Capital Outlay</b>					
Equipment	4815	<u>0.00</u>	<u>0.00</u>	<u>21,965.00</u>	<u>21,965.00</u>
<b>Total Capital Outlay</b>		<b>0.00</b>	<b>0.00</b>	<b>21,965.00</b>	<b>363.06</b>
<b>Interest</b>					
Interest	4244	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Interest</b>		<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>
<b>Total Expenditures - Police</b>		<b><u>8,617,121.00</u></b>	<b><u>8,141,370.00</u></b>	<b><u>8,370,100.00</u></b>	<b><u>228,730.00</u></b>

City of Darien General Fund Expenditures For the FYE 4/30/22		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited Expenditures	FYE 4/30/22 Estimated Expenditures	Difference
<b>Debt Service</b>					
Principal	4906	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Debt Service</b>		<u><b>0.00</b></u>	<u><b>0.00</b></u>	<u><b>0.00</b></u>	<u><b>0.00</b></u>
<b>Reduction in expenditures for Water Share</b>		<u><b>0.00</b></u>	<u><b>(250,000.00)</b></u>	<u><b>0.00</b></u>	<u><b>250,000.00</b></u>
<b>Total General Fund Expenditures</b>		<u><b>14,116,121.00</b></u>	<u><b>12,655,259.00</b></u>	<u><b>13,239,607.00</b></u>	<u><b>584,348.00</b></u>

1		2		3		4		5	
City of Darien Water Fund Reconciliation For the FYE 4/30/22		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited	FYE 4/30/22 Estimated Actual	Difference				
Beginning Cash Balance		3,661,139.00	4,793,925.86	5,023,791.00	(229,865.14)				
Total Revenue		7,814,953.00	8,005,607.00	7,888,340.00	117,267.00				
Total Expenses		8,931,608.00	8,444,260.00	8,548,891.00	(104,631.00)				
<b>Ending Cash Balance</b>		<b>2,544,484.00</b>	<b>4,355,272.86</b>	<b>4,363,240.00</b>	<b>(7,967.14)</b>				
		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited Revenue	FYE 4/30/22 Estimated Revenue	Difference				
<b>Charges for Services</b>									
Water Sales	3310	7,804,453.00	7,862,004.00	7,860,035.00	1,969.00				
Inspections/Tap on/Permits	3320	5,000.00	16,756.00	15,600.00	1,156.00				
Front Footage Fees	3322	0.00	0.00	0.00	0.00				
Sale of Meters	3325	1,000.00	1,305.00	1,305.00	0.00				
Other Water Sales	3390	1,000.00	9,607.00	9,000.00	607.00				
<b>Total Charges for Services</b>		<b>7,811,453.00</b>	<b>7,889,672.00</b>	<b>7,885,940.00</b>	<b>3,732.00</b>				
<b>Other Revenue</b>									
Interest Income	3510	3,500.00	4,059.00	2,400.00	1,659.00				
Other Reimbursements	3562	0.00	0.00	0.00	0.00				
Misc Revenue	3580	0.00	111,876.00	0.00	111,876.00				
<b>Total Other Revenue</b>		<b>3,500.00</b>	<b>115,935.00</b>	<b>2,400.00</b>	<b>113,535.00</b>				
<b>Total Water Fund Revenue</b>		<b>7,814,953.00</b>	<b>8,005,607.00</b>	<b>7,888,340.00</b>	<b>117,267.00</b>				
		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited Expenditures	FYE 4/30/22 Estimated Expenditures	Difference				
<b>Water Department</b>									
<b>Salaries</b>									
Salaries	4010	599,104.00	575,727.00	589,600.00	13,873.00				
Overtime	4030	90,000.00	120,772.00	90,000.00	(30,772.00)				
<b>Total Salaries</b>		<b>689,104.00</b>	<b>696,499.00</b>	<b>679,600.00</b>	<b>(16,899.00)</b>				
<b>Benefits</b>									
Social Security	4110	43,344.00	38,925.00	43,437.00	4,512.00				
Medicare	4111	10,137.00	9,226.00	10,158.00	932.00				
I.M.R.F.	4115	91,637.00	94,716.00	70,059.00	(24,657.00)				
Chang in I.M.R.F. Pension	4116 & 4117	0.00	(267,995.00)	0.00	267,995.00				
Medical/Life Insurance	4120	130,312.00	92,468.00	108,430.00	15,962.00				
Supplemental Pensions	4135	2,400.00	2,400.00	2,400.00	0.00				
<b>Total Benefits</b>		<b>277,830.00</b>	<b>(30,260.00)</b>	<b>234,484.00</b>	<b>264,744.00</b>				
<b>Materials and Supplies</b>									
Liability Insurance	4219	226,470.00	119,875.00	204,000.00	84,125.00				
Maintenance - Building	4223	31,590.00	17,924.00	32,000.00	14,076.00				
Maintenance - Equipment	4225	30,150.00	19,642.00	30,000.00	10,358.00				
Maintenance - Water System	4231	274,975.00	225,181.00	275,000.00	49,819.00				
Postage/Mailings	4233	1,600.00	273.00	1,600.00	1,327.00				
Printing and Forms	4235	0.00	0.00	0.00	0.00				
Quality Control	4241	10,850.00	7,306.00	10,850.00	3,544.00				
Rent - Equipment	4243	0.00	0.00	0.00	0.00				
Water Charge	4251	250,000.00	250,000.00	250,000.00	0.00				
Supplies - Office	4253	5,600.00	3,289.00	5,500.00	2,211.00				
Supplies - Operation	4255	-	0.00	0.00	0.00				

City of Darien Water Fund Reconciliation For the FYE 4/30/22		FYE 4/30/22 Original Budget	FYE 4/30/22 Audited	FYE 4/30/22 Estimated Actual	Difference
Training and Education	4263	5,150.00	1,931.00	2,400.00	469.00
Telephone	4267	9,950.00	5,445.00	10,450.00	5,005.00
Uniforms	4269	3,825.00	3,514.00	3,800.00	286.00
Utilities (Elec,Gas,Wtr,Sewer)	4271	42,000.00	49,161.00	42,000.00	(7,161.00)
Vehicle (Gas and Oil)	4273	15,215.00	22,000.00	14,500.00	(7,500.00)
<b>Total Materials and Supplies</b>		<b>907,376.00</b>	<b>725,541.00</b>	<b>882,100.00</b>	<b>156,559.00</b>
<b>Contractual</b>					
Audit	4320	11,513.00	11,513.00	13,450.00	1,937.00
Consulting/Professional	4325	14,950.00	6,548.00	14,950.00	8,402.00
Leak Detection	4326	37,700.00	12,020.00	17,000.00	4,980.00
Data Processing	4336	152,500.00	184,810.00	152,500.00	(32,310.00)
DuPage Water Commission	4340	4,901,111.00	4,568,528.00	4,620,932.00	52,404.00
<b>Total Contractual</b>		<b>5,117,774.00</b>	<b>4,783,419.00</b>	<b>4,818,832.00</b>	<b>35,413.00</b>
<b>Other Charges</b>					
Transfer to Other Funds	4605	1,200,000.00	1,200,000.00	1,200,000.00	0.00
Depreciation	4620	0.00	361,365.00	0.00	(361,365.00)
<b>Total Other Charges</b>		<b>1,200,000.00</b>	<b>1,561,365.00</b>	<b>1,200,000.00</b>	<b>(361,365.00)</b>
<b>Capital Outlay</b>					
Equipment	4815	18,550.00	4,656.00	18,500.00	13,844.00
Street Reconstruction	4855	0.00	0.00	0.00	0.00
Water Meter Purchases	4880	27,000.00	16,009.00	27,000.00	10,991.00
Pumping Station	4940	-	0.00	0.00	0.00
<b>Total Capital Outlay</b>		<b>45,550.00</b>	<b>20,665.00</b>	<b>45,500.00</b>	<b>24,835.00</b>
<b>Debt Service</b>					
Debt Retire	4905	693,975.00	555,000.00	688,375.00	133,375.00
Debt Retire-Water Refunding	4950	0.00	132,031.00	0.00	(132,031.00)
Purchases	5600	0.00	0.00	0.00	0.00
<b>Total Debt Service</b>		<b>693,975.00</b>	<b>687,031.00</b>	<b>688,375.00</b>	<b>1,344.00</b>
<b>Total Expenditures - Water</b>		<b>8,931,609.00</b>	<b>8,444,260.00</b>	<b>8,548,891.00</b>	<b>104,631.00</b>

1	2	3	4	5	
<b>City of Darien Water Depr Fund Reconciliation For the FYE 4/30/22</b>		<b>FYE 4/30/22 Original Budget</b>	<b>FYE 4/30/22 Audited</b>	<b>FYE 4/30/22 Estimated Actual</b>	<b>Difference</b>
<b>Beginning Cash Balance</b>	<b>2,358,693.00</b>	<b>1,895,368.55</b>	<b>2,430,838.00</b>	<b>(535,469.45)</b>	
<b>Total Revenue</b>	<b>1,203,000.00</b>	<b>1,202,624.00</b>	<b>1,201,500.00</b>	<b>1,124.00</b>	
<b>Total Expenses</b>	<b>3,516,000.00</b>	<b>308,188.00</b>	<b>230,750.00</b>	<b>77,438.00</b>	
<b>Ending Cash Balance</b>	<b>45,693.00</b>	<b>2,789,804.55</b>	<b>3,401,588.00</b>	<b>(611,783.45)</b>	
	<b>FYE 4/30/22 Original Budget</b>	<b>FYE 4/30/22 Audited Revenue</b>	<b>FYE 4/30/22 Estimated Revenue</b>	<b>Difference</b>	
<b>Other Revenue</b>					
Interest Income	3510	3,000.00	2,624.00	1,500.00	1,124.00
Gain/Loss on Investment	3515	0.00	0.00	0.00	0.00
Bond Issuance	3559	0.00	0.00	0.00	0.00
Capital Grant & Contributions	3560	0.00	0.00	0.00	0.00
Transfer from Other Fund	3610	1,200,000.00	1,200,000.00	1,200,000.00	0.00
<b>Total Other Revenue</b>		<b>1,203,000.00</b>	<b>1,202,624.00</b>	<b>1,201,500.00</b>	<b>1,124.00</b>
<b>Total Water Depr Fund Revenue</b>		<b>1,203,000.00</b>	<b>1,202,624.00</b>	<b>1,201,500.00</b>	<b>1,124.00</b>
		<b>FYE 4/30/22 Original Budget</b>	<b>FYE 4/30/22 Audited Expenditures</b>	<b>FYE 4/30/22 Estimated Expenditures</b>	<b>Difference</b>
<b>Water Depreciation Expenditures</b>					
<b>Materials and Supplies</b>					
Maintenance and Water System	4231	0.00	0.00	0.00	0.00
<b>Total Materials and Supplies</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Capital Outlay</b>					
Capital Impro-Infra	4390	3,195,000.00	0.00	167,750.00	167,750.00
Hydrant Painting	4391	0.00	0.00	0.00	0.00
Transfer out	4605	0.00	0.00	0.00	0.00
Capital Improvements	4810	0.00	244,117.00	0.00	(244,117.00)
Equipment	4815	321,000.00	61,122.00	63,000.00	1,878.00
<b>Total Capital Outlay</b>		<b>3,516,000.00</b>	<b>305,239.00</b>	<b>230,750.00</b>	<b>(74,489.00)</b>
<b>Debt Service</b>					
Debt Issuance Costs	4900	0.00	0.00	0.00	0.00
Amortization Expense	4947	0.00	2,949.00	0.00	(2,949.00)
Bond Interest Expense	4946	0.00	0.00	0.00	0.00
<b>Total Debt Service</b>		<b>0.00</b>	<b>2,949.00</b>	<b>0.00</b>	<b>(2,949.00)</b>
<b>Total Expenditures - Water Depr.</b>		<b>3,516,000.00</b>	<b>308,188.00</b>	<b>230,750.00</b>	<b>(77,438.00)</b>

# CITY OF DARIEN

## MEMO

**TO:** Administrative/Finance Committee Members  
**FROM:** Bryon D. Vana, City Administrator  
**DATE:** August 31, 2022  
**SUBJECT:** Police Pension

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Attached is the CITY OF DARIEN POLICE PENSION FUND ACTUARIAL VALUATION AS OF MAY 1, 2022, conducted by the pension board. Treasurer Coren will provide an overview of the valuation report.

CITY OF DARIEN  
POLICE PENSION FUND  
ACTUARIAL VALUATION  
AS OF MAY 1, 2022  
CONTRIBUTIONS APPLICABLE TO THE  
PLAN/FISCAL YEAR ENDING APRIL 30, 2024  
GASB 67/68 DISCLOSURE INFORMATION  
AS OF APRIL 30, 2022



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS





July 13, 2022

Board of Trustees  
City of Darien Police Pension Fund

Re: Actuarial Valuation Report (including GASB Statements No. 67 and No. 68) – City of Darien Police Pension Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Darien Police Pension Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and could produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Article 3, Illinois Pension Code, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuations, we did not perform an analysis of the potential range of such future measurements.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the Board, financial reports prepared by the custodian bank and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in the GASB results are based on an actuarial valuation performed as of the valuation date.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

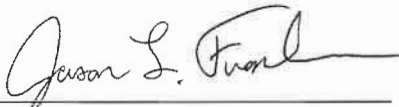
The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

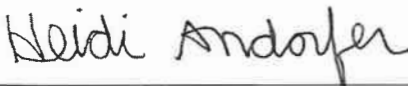
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Darien, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Darien Police Pension Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-620-0200.

Respectfully submitted,

Foster & Foster, Inc.

By:   
Jason L. Franken, FSA, EA, MAAA

By:   
Heidi E. Andorfer, FSA, EA, MAAA

JLF/lke  
Enclosures

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## SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Darien Police Pension Fund, performed as of May 1, 2022, has been completed and the results are presented in this report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended April 30, 2024.

The contribution requirements, compared with those set forth in the May 1, 2021 actuarial report, are as follows:

Valuation Date	5/1/2022	5/1/2021
Applicable to Fiscal Year Ending	<u>4/30/2024</u>	<u>4/30/2023</u>
Total Recommended Contribution	\$2,743,261	\$2,458,465
% of Projected Annual Payroll	80.6%	70.8%
Member Contributions (Est.)	(337,097)	(344,110)
% of Projected Annual Payroll	(9.9%)	(9.9%)
City Recommended Contribution	2,406,164	2,114,355
% of Projected Annual Payroll	70.7%	60.9%

As you can see, the Total Recommended Contribution shows an increase when compared to the results determined in the May 1, 2021 actuarial valuation report. The increase is attributable to unfavorable plan experience, along with increased administrative expenses and adjustments to the assumptions.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of unfavorable experience included the disablement of 1 active employee, more retirements than expected, and lower than expected inactive mortality. There were no significant sources of favorable experience.

## CHANGES SINCE PRIOR VALUATION

### Plan Changes Since Prior Valuation

There were no plan changes since the prior valuation.

### Actuarial Assumption/Method Changes Since Prior Valuation

Based on the results of the 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund, the following assumption changes were made:

- Updated mortality, retirement, disability, and termination rate tables.
- Updated assumed salary increase rates.
- Reduced assumed payroll growth rate from 3.50% to 3.25%.

There were no method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>5/1/2022</u>	Old Assump <u>5/1/2022</u>	<u>5/1/2021</u>
A. Participant Data			
Number Included			
Actives	32	32	34
Service Retirees	24	24	23
Beneficiaries	4	4	4
Disability Retirees	4	4	3
Terminated Vested	<u>14</u>	<u>14</u>	<u>13</u>
Total	78	78	77
Total Annual Payroll	\$3,401,589	\$3,401,589	\$3,472,348
Payroll Under Assumed Ret. Age	3,401,589	3,401,589	3,472,348
Annual Rate of Payments to:			
Service Retirees	2,408,370	2,408,370	2,244,227
Beneficiaries	271,837	271,837	271,837
Disability Retirees	204,666	204,666	154,940
Terminated Vested	114,630	114,630	114,630
B. Assets			
Actuarial Value	34,656,435	34,656,435	32,971,457
Market Value	32,756,189	32,756,189	36,134,523
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	20,053,291	19,329,796	18,985,138
Disability Benefits	1,737,979	1,848,197	1,885,078
Death Benefits	225,160	241,173	257,375
Vested Benefits	1,238,601	1,410,587	1,588,560
Service Retirees	35,882,913	36,325,831	34,092,356
Beneficiaries	2,618,385	2,679,408	2,727,698
Disability Retirees	2,895,003	2,896,105	2,198,891
Terminated Vested	<u>1,488,436</u>	<u>1,472,510</u>	<u>1,370,184</u>
Total	66,139,768	66,203,607	63,105,280

C. Liabilities - (Continued)	New Assump <u>5/1/2022</u>	Old Assump <u>5/1/2022</u>	<u>5/1/2021</u>
Present Value of Future Salaries	35,064,189	35,741,218	37,909,756
Present Value of Future Member Contributions	3,474,861	3,541,955	3,756,857
Normal Cost (Retirement)	581,629	536,928	533,767
Normal Cost (Disability)	98,801	100,925	101,276
Normal Cost (Death)	11,984	12,781	13,862
Normal Cost (Vesting)	<u>71,084</u>	<u>74,269</u>	<u>81,695</u>
Total Normal Cost	763,498	724,903	730,600
Present Value of Future Normal Costs	7,280,673	7,083,252	7,432,022
Accrued Liability (Retirement)	14,370,865	13,936,737	13,378,508
Accrued Liability (Disability)	731,627	790,228	777,728
Accrued Liability (Death)	95,039	98,771	104,539
Accrued Liability (Vesting)	776,827	920,765	1,023,354
Accrued Liability (Inactives)	<u>42,884,737</u>	<u>43,373,854</u>	<u>40,389,129</u>
Total Actuarial Accrued Liability	58,859,095	59,120,355	55,673,258
Unfunded Actuarial Accrued Liability (UAAL)	24,202,660	24,463,920	22,701,801
Funded Ratio (AVA / AL)	58.9%	58.6%	59.2%

	New Assump <u>5/1/2022</u>	Old Assump <u>5/1/2022</u>	<u>5/1/2021</u>
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	42,884,737	43,373,854	40,389,129
Actives	4,296,938	4,045,848	3,242,156
Member Contributions	<u>3,100,393</u>	<u>3,100,393</u>	<u>3,028,464</u>
Total	50,282,068	50,520,095	46,659,749
Non-vested Accrued Benefits	<u>447,427</u>	<u>408,468</u>	<u>1,123,984</u>
Total Present Value Accrued Benefits	50,729,495	50,928,563	47,783,733
Funded Ratio (MVA / PVAB)	64.6%	64.3%	75.6%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	(199,068)	0	
Plan Experience	0	2,697,509	
Benefits Paid	0	(2,799,556)	
Interest	0	3,246,877	
Other	<u>0</u>	<u>0</u>	
Total	(199,068)	3,144,830	



	New Assump	Old Assump	
Valuation Date	5/1/2022	5/1/2022	5/1/2021
Applicable to Fiscal Year Ending	<u>4/30/2024</u>	<u>4/30/2024</u>	<u>4/30/2023</u>

E. Pension Cost

Normal Cost <sup>1</sup>	\$816,943	\$775,646	\$781,742
% of Total Annual Payroll <sup>1</sup>	24.0	22.8	22.5
Administrative Expenses <sup>1</sup>	82,674	82,674	41,149
% of Total Annual Payroll <sup>1</sup>	2.4	2.4	1.2
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 19 years (as of 5/1/2022) <sup>1</sup>	1,843,644	1,827,956	1,635,574
% of Total Annual Payroll <sup>1</sup>	54.2	53.8	47.1
Total Recommended Contribution	2,743,261	2,686,276	2,458,465
% of Total Annual Payroll <sup>1</sup>	80.6	79.0	70.8
Expected Member Contributions <sup>1</sup>	(337,097)	(337,097)	(344,110)
% of Total Annual Payroll <sup>1</sup>	(9.9)	(9.9)	(9.9)
Expected City Contribution	2,406,164	2,349,179	2,114,355
% of Total Annual Payroll <sup>1</sup>	70.7	69.1	60.9

F. Past Contributions

Plan Years Ending:	<u>4/30/2022</u>
Total Recommended Contribution	2,437,068
City	2,097,211
Actual Contributions Made:	
Members (excluding buyback)	339,857
City	<u>2,114,384</u>
Total	2,454,241

G. Net Actuarial (Gain)/Loss 1,908,033

<sup>1</sup> Contributions developed as of 5/1/2022 displayed above have been adjusted to account for assumed interest.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2022	24,202,660
2023	24,053,202
2024	23,833,363
2028	22,104,306
2033	17,353,834
2037	10,563,494
2041	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	4/30/2022	5.25%	5.62%
Year Ended	4/30/2021	4.98%	5.39%
Year Ended	4/30/2020	4.81%	5.03%
Year Ended	4/30/2019	4.05%	5.15%
Year Ended	4/30/2018	4.27%	5.51%

(ii) 5 Year Comparison of Investment Return on Actuarial Value

		<u>Actual MVA</u>	<u>Actual AVA</u>	<u>Assumed</u>
Year Ended	4/30/2022	-8.23%	6.43%	7.00%
Year Ended	4/30/2021	25.25%	9.14%	7.00%
Year Ended	4/30/2020	1.28%	4.66%	7.00%
Year Ended	4/30/2019	6.35%	5.70%	7.00%
Year Ended	4/30/2018	6.91%	5.69%	7.00%

DEVELOPMENT OF MAY 1, 2022 AMORTIZATION PAYMENT

(1)	Unfunded Actuarial Accrued Liability as of May 1, 2021	\$22,701,801
(2)	Sponsor Normal Cost developed as of May 1, 2021	386,490
(3)	Expected administrative expenses for the year ended April 30, 2022	38,457
(4)	Expected interest on (1), (2) and (3)	1,617,526
(5)	Sponsor contributions to the System during the year ended April 30, 2022	2,114,384
(6)	Expected interest on (5)	74,003
(7)	Expected Unfunded Actuarial Accrued Liability as of April 30, 2022, (1)+(2)+(3)+(4)-(5)-(6)	22,555,887
(8)	Change to UAAL due to Assumption Change	(261,260)
(9)	Change to UAAL due to Actuarial (Gain)/Loss	1,908,033
(10)	Unfunded Accrued Liability as of May 1, 2022	24,202,660
(11)	UAAL Subject to Amortization (100% AAL less Actuarial Assets)	24,202,660

<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>5/1/2022</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
5/1/2022	19	24,202,660	1,723,032

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of May 1, 2021	\$22,701,801
 (2) Expected UAAL as of May 1, 2022	 22,555,887
 (3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	185,654
Salary Increases	94,554
Active Decrements	928,757
Inactive Mortality	234,342
Other	<u>464,726</u>
Change in UAAL due to (Gain)/Loss	1,908,033
Change to UAAL due to Assumption Change	<u>(261,260)</u>
 (4) Actual UAAL as of May 1, 2022	 \$24,202,660

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1) Contribution Determined as of May 1, 2021	\$ 2,114,355
(2) Summary of Contribution Impact by component:	
Change in Normal Cost	(6,096)
Change in Assumed Administrative Expense	41,525
Investment Return (Actuarial Asset Basis)	13,872
Salary Increases	7,065
Active Decrements	69,397
Inactive Mortality	17,510
Contributions (More) or Less than Recommended	(1,328)
Increase in Amortization Payment Due to Payroll Growth Assumption	57,245
Change in Expected Member Contributions	7,013
Assumption Change	56,985
Other	<u>28,621</u>
Total Change in Contribution	291,809
(3) Contribution Determined as of May 1, 2022	\$2,406,164

STATUTORY MINIMUM REQUIRED CONTRIBUTION

Contribution requirements shown on this page are calculated according to statutory minimum funding requirements of the Illinois Pension Code. We do not believe this method is sufficient to fund future benefits; as such, we recommend funding according to the contributions developed in Section E of this report.

	New Assump	Old Assump	
Valuation Date	5/1/2022	5/1/2022	5/1/2021
Applicable to Fiscal Year Ending	<u>4/30/2024</u>	<u>4/30/2024</u>	<u>4/30/2023</u>
Actuarial Accrued Liability (PUC)	56,636,548	56,747,328	53,412,613
Actuarial Value of Assets	<u>34,656,435</u>	<u>34,656,435</u>	<u>32,971,457</u>
Unfunded Actuarial Accrued Liability (UAAL)	21,980,113	22,090,893	20,441,156
UAAL Subject to Amortization	16,316,458	16,416,160	15,099,895
Normal Cost <sup>1</sup>	\$970,677	\$956,721	\$956,571
% of Total Annual Payroll <sup>1</sup>	28.5	28.2	27.5
Administrative Expenses <sup>1</sup>	82,674	82,674	41,149
% of Total Annual Payroll <sup>1</sup>	2.4	2.4	1.2
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 18 years (as of 5/1/2022) <sup>1</sup>	1,291,279	1,275,577	1,128,272
% of Total Annual Payroll <sup>1</sup>	38.0	37.5	32.5
Total Required Contribution	2,344,630	2,314,972	2,125,992
% of Total Annual Payroll <sup>1</sup>	68.9	68.1	61.2
Expected Member Contributions <sup>1</sup>	(337,097)	(337,097)	(344,110)
% of Total Annual Payroll <sup>1</sup>	(9.9)	(9.9)	(9.9)
Expected City Contribution	2,007,533	1,977,875	1,781,882
% of Total Annual Payroll <sup>1</sup>	59.0	58.2	51.3

Assumptions and Methods:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	90% Funding by 2040

All other assumptions and methods are as described in the Actuarial Assumptions and Methods section.

<sup>1</sup> Contributions developed as of 5/1/2022 displayed above have been adjusted to account for assumed interest.

PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2022	44,208	2,899,835	2,944,043
2023	77,971	2,942,319	3,020,290
2024	138,847	3,050,632	3,189,479
2025	209,575	3,124,303	3,333,878
2026	279,251	3,190,690	3,469,941
2027	339,117	3,244,090	3,583,207
2028	425,895	3,293,971	3,719,866
2029	580,347	3,347,303	3,927,650
2030	726,870	3,389,633	4,116,503
2031	872,087	3,426,088	4,298,175
2032	1,032,359	3,455,759	4,488,118
2033	1,222,610	3,477,711	4,700,321
2034	1,422,947	3,491,026	4,913,973
2035	1,605,497	3,511,614	5,117,111
2036	1,798,840	3,505,637	5,304,477
2037	1,987,088	3,488,890	5,475,978
2038	2,172,154	3,461,064	5,633,218
2039	2,344,008	3,447,201	5,791,209
2040	2,495,054	3,397,663	5,892,717
2041	2,663,705	3,337,119	6,000,824
2042	2,844,710	3,265,723	6,110,433
2043	3,045,585	3,183,647	6,229,232
2044	3,214,234	3,091,132	6,305,366
2045	3,363,351	2,988,467	6,351,818
2046	3,497,866	2,876,623	6,374,489
2047	3,667,035	2,755,590	6,422,625
2048	3,835,985	2,626,149	6,462,134
2049	3,999,959	2,489,340	6,489,299
2050	4,162,264	2,346,349	6,508,613
2051	4,341,350	2,198,450	6,539,800
2052	4,487,492	2,046,999	6,534,491
2053	4,601,907	1,893,500	6,495,407
2054	4,700,204	1,739,603	6,439,807
2055	4,785,512	1,587,168	6,372,680
2056	4,859,953	1,438,113	6,298,066
2057	4,924,939	1,294,274	6,219,213
2058	4,977,992	1,157,333	6,135,325
2059	5,018,212	1,028,630	6,046,842
2060	5,044,478	909,105	5,953,583
2061	5,055,092	799,349	5,854,441

## ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate 7.00% per year compounded annually, net of investment related expenses.

Mortality Rate ***Active Lives:***  
PubS-2010 Employee mortality, unadjusted, with generational improvements with most recent projection scale (currently Scale MP-2021). 10% of active deaths are assumed to be in the line of duty.

***Inactive Lives:***  
PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.15 for male retirees and unadjusted for female retirees, with generational improvements with most recent projection scale (currently Scale MP-2021).

***Beneficiaries:***  
PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.15 for female beneficiaries, with generational improvements with most recent projection scale (currently Scale MP-2021).

***Disabled Lives:***  
PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and unadjusted for female disabled members, with generational improvements with most recent projection scale (currently Scale MP-2021).

The mortality assumptions sufficiently accommodate anticipated future mortality improvements.

Retirement Age See table at end of this section. This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.

Disability Rate See table at end of this section. 60% of the disabilities are assumed to be in the line of duty. This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.

Termination Rate See table at end of this section. This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.



Salary Increases

See table below. This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.

Salary Scale	
Service	Rate
0	11.00%
1	9.50%
2	8.00%
3	7.50%
4	7.00%
5	6.00%
6	5.00%
7 - 11	4.00%
12 - 29	3.75%
30+	3.50%

Inflation

2.50%.

Cost-of-Living Adjustment

Tier 1: 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

Tier 2: 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.

Marital Status

80% of Members are assumed to be married.

Spouse's Age

Males are assumed to be three years older than females.

Funding Method

Entry Age Normal Cost Method.

Actuarial Asset Method

Investment gains and losses are smoothed over a 5-year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.

Funding Policy Amortization Method

The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2041. The initial amortization amount is 100% of the Accrued Liability less the Actuarial Value of Assets.

Payroll Growth

3.25% per year.

Administrative Expenses

Expenses paid out of the fund other than investment-related expenses are assumed to be equal to those paid in the previous year.

Decrement Tables

<u>% Terminating During the Year</u>		<u>% Becoming Disabled During the Year</u>		<u>% Retiring During the Year (Tier 1)</u>		<u>% Retiring During the Year (Tier 2)</u>	
<u>Service</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
0	13.00%	20	0.000%	50 - 54	20%	50 - 54	5%
1	8.00%	25	0.029%	55 - 62	25%	55	40%
2	7.00%	30	0.133%	63	33%	56 - 62	25%
3	6.00%	35	0.247%	64	40%	63	33%
4	5.00%	40	0.399%	65 - 69	55%	64	40%
5	4.50%	45	0.561%	70+	100%	65 - 69	55%
6	4.00%	50	0.675%			70+	100%
7	3.50%	55	0.855%				
8	3.00%	60	1.093%				
9	2.50%						
10	2.25%						
11	2.00%						
12	1.75%						
13	1.50%						
14+	1.25%						

## GLOSSARY

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Accrued Liability is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service.

Total Recommended Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over a period ending in 2041. The recommended amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

## DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- Contribution Risk: This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board's funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

#### Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled "Plan Maturity Measures and Other Risk Metrics". Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 84.6% on May 1, 2019 to 69.6% on May 1, 2022, indicating that the plan has been maturing.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 72.9%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors will need to be made up for over a shorter time horizon than would be needed for a less mature plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has stayed approximately the same from May 1, 2019 to May 1, 2022.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, stayed approximately the same from May 1, 2019 to May 1, 2022. The current Net Cash Flow Ratio of -1.3% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>5/1/2022</u>	<u>5/1/2021</u>	<u>5/1/2020</u>	<u>5/1/2019</u>
<u>Support Ratio</u>				
Total Actives	32	34	33	33
Total Inactives	46	43	41	39
Actives / Inactives	69.6%	79.1%	80.5%	84.6%
 <u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	32,756,189	36,134,523	29,140,362	29,022,830
Total Annual Payroll	3,401,589	3,472,348	3,407,217	3,319,478
MVA / Total Annual Payroll	963.0%	1,040.6%	855.3%	874.3%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	42,884,737	40,389,129	35,744,001	33,642,040
Total Accrued Liability	58,859,095	55,673,258	52,969,415	50,643,997
Inactive AL / Total AL	72.9%	72.5%	67.5%	66.4%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	34,656,435	32,971,457	30,519,997	29,406,129
Total Accrued Liability	58,859,095	55,673,258	52,969,415	50,643,997
AVA / Total Accrued Liability	58.9%	59.2%	57.6%	58.1%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow <sup>1</sup>	(422,580)	(322,917)	(251,862)	(213,534)
Market Value of Assets (MVA)	32,756,189	36,134,523	29,140,362	29,022,830
Ratio	-1.3%	-0.9%	-0.9%	-0.7%

<sup>1</sup> Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION  
April 30, 2022

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Certificates of Deposit	734,642
Prepaid Expenses	530
Cash and Cash Equivalents	121,373
Total Cash and Equivalents	856,545
Receivables:	
Accrued Past Due Interest	68,900
Total Receivable	68,900
Investments:	
Municipal Obligations	2,084,858
Corporate Bonds	2,124,941
U.S. Gov't and Agency Obligations	6,915,180
Mutual Funds	20,714,842
Total Investments	31,839,821
Total Assets	32,765,266
<u>LIABILITIES</u>	
Liabilities:	
Payable:	
Accounts Payable	9,077
Total Liabilities	9,077
Net Assets:	
Active and Retired Members' Equity	32,756,189
NET POSITION RESTRICTED FOR PENSIONS	32,756,189
TOTAL LIABILITIES AND NET ASSETS	32,765,266

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED April 30, 2022  
 Market Value Basis

ADDITIONS

Contributions:

Member	339,857
City	2,114,384

Total Contributions 2,454,241

Investment Income:

Net Increase in Fair Value of Investments	(4,548,398)
Interest & Dividends	1,685,778
Less Investment Expense <sup>1</sup>	(93,134)

Net Investment Income (2,955,754)

Total Additions (501,513)

DEDUCTIONS

Distributions to Members:

Benefit Payments	2,799,556
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Total Distributions 2,799,556

Administrative Expenses 77,265

Total Deductions 2,876,821

Net Increase in Net Position (3,378,334)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 36,134,523

End of the Year 32,756,189

<sup>1</sup> Investment Related expenses include investment advisory, custodial and performance monitoring fees.



ACTUARIAL ASSET VALUATION  
April 30, 2022

Development of Actuarial Value of Assets

Market Value of Assets, 4/30/2022	32,756,189
(Gains)/Losses Not Yet Recognized	1,900,246
Actuarial Value of Assets, 4/30/2022	34,656,435
4/30/2022 Limited Actuarial Assets:	34,656,435

Development of Investment Gain/Loss

Market Value of Assets, 4/30/2021	36,134,523
Contributions Less Benefit Payments & Administrative Expenses	(422,580)
Expected Investment Earnings <sup>1</sup>	2,514,626
Actual Net Investment Earnings	(2,955,754)
2022 Actuarial Investment Gain/(Loss)	(5,470,380)

<sup>1</sup> Expected Investment Earnings = 7.00% x (36,134,523 + 0.5 x -422,580)

Gains/(Losses) Not Yet Recognized

Plan Year	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year				
Ending		2022	2023	2024	2025	2026
4/30/2019	(178,596)	(35,719)	0	0	0	0
4/30/2020	(1,653,389)	(661,356)	(330,678)	0	0	0
4/30/2021	5,288,555	3,173,133	2,115,422	1,057,711	0	0
4/30/2022	(5,470,380)	(4,376,304)	(3,282,228)	(2,188,152)	(1,094,076)	0
Total		(1,900,246)	(1,497,484)	(1,130,441)	(1,094,076)	0

Development of Asset Returns

(A) 4/30/2021 Actuarial Assets:	32,971,457
(I) Net Investment Income:	
1. Interest and Dividends	1,685,778
2. Realized Gains (Losses)	0
3. Change in Actuarial Value	514,914
4. Investment Expenses	(93,134)
Total	2,107,558
(B) 4/30/2022 Actuarial Assets:	34,656,435
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	6.43%
Market Value of Assets Rate of Return:	-8.23%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(185,654)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 April 30, 2022  
 Actuarial Asset Basis

	INCOME	
Contributions:		
Member	339,857	
City	2,114,384	
 Total Contributions		 2,454,241
Earnings from Investments		
Interest & Dividends	1,685,778	
Change in Actuarial Value	514,914	
 Total Earnings and Investment Gains		 2,200,692
	EXPENSES	
Administrative Expenses:		
Investment Related <sup>1</sup>	93,134	
Other	77,265	
 Total Administrative Expenses		 170,399
Distributions to Members:		
Benefit Payments	2,799,556	
 Total Distributions		 2,799,556
 Change in Net Assets for the Year		 1,684,978
 Net Assets Beginning of the Year		 32,971,457
 Net Assets End of the Year <sup>2</sup>		 34,656,435

<sup>1</sup> Investment Related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup> Net Assets may be limited for actuarial consideration.

STATISTICAL DATA

	<u>5/1/2022</u>	<u>5/1/2021</u>	<u>5/1/2020</u>	<u>5/1/2019</u>
<u>Actives - Tier 1</u>				
Number	17	18	21	22
Average Current Age	43.5	42.9	44.4	43.9
Average Age at Employment	24.9	24.9	25.3	25.6
Average Past Service	18.6	18.0	19.1	18.3
Average Annual Salary	\$120,726	\$116,719	\$114,685	\$111,605
<u>Actives - Tier 2</u>				
Number	15	16	12	11
Average Current Age	32.8	32.1	32.8	32.2
Average Age at Employment	28.9	28.8	29.6	30.0
Average Past Service	3.9	3.3	3.2	2.2
Average Annual Salary	\$89,950	\$85,713	\$83,236	\$78,562
<u>Service Retirees</u>				
Number	24	23	21	20
Average Current Age	65.3	65.0	64.7	64.1
Average Annual Benefit	\$100,349	\$97,575	\$95,168	\$92,173
<u>Beneficiaries</u>				
Number	4	4	3	3
Average Current Age	69.2	68.2	67.0	66.0
Average Annual Benefit	\$67,959	\$67,959	\$55,426	\$55,426
<u>Disability Retirees</u>				
Number	4	3	3	3
Average Current Age	59.3	65.8	64.8	63.8
Average Annual Benefit	\$51,167	\$51,647	\$50,980	\$50,312
<u>Terminated Vested</u>				
Number	14	13	14	13
Average Current Age	40.8	40.5	38.7	38.6
Average Annual Benefit <sup>1</sup>	\$28,658	\$28,658	\$28,658	\$28,658

<sup>1</sup> Average Annual Benefit for Terminated Vested members reflects the benefit for members entitled to a future annual benefit from the plan.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	3	2	0	0	0	0	0	0	0	0	5
30 - 34	1	0	0	1	0	2	0	0	0	0	0	4
35 - 39	0	0	1	0	2	1	2	1	0	0	0	7
40 - 44	0	0	0	0	1	1	2	4	3	0	0	11
45 - 49	0	0	0	0	0	0	0	0	3	0	0	3
50 - 54	0	0	0	0	0	0	0	0	2	0	0	2
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	3	3	1	3	4	4	5	8	0	0	32

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 5/1/2021	34
b. Terminations	
i. Vested (partial or full) with deferred benefits	(1)
ii. Non-vested or full lump sum distribution received	0
iii. Transferred service to other fund	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	(1)
e. Retired	<u>(1)</u>
f. Continuing participants	31
g. New entrants	<u>1</u>
h. Total active life participants in valuation	32

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested Deferred	<u>Total</u>
a. Number prior valuation	23	4	3	13	43
Retired	1	0	0	0	1
Vested Deferred	0	0	0	1	1
Death, With Survivor	0	0	0	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	1	0	1
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
Hired/Termed in Same Year	0	0	0	0	0
b. Number current valuation	24	4	4	14	46

## SUMMARY OF CURRENT PLAN

### Article 3 Pension Fund

The Plan is established and administered as prescribed by “Article 3. Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code.

### Plan Administration

The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of:

- a.) Two members appointed by the Municipality,
- b.) Two active Members of the Police Department elected by the Membership, and
- c.) One retired Member of the Police Department elected by the Membership.

### Credited Service

Complete years of service as a sworn police officer employed by the Municipality.

### Normal Retirement

#### Date

**Tier 1:** Age 50 and 20 years of Credited Service.

**Tier 2:** Age 55 with 10 years of Credited Service.

#### Benefit

**Tier 1:** 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,000 per month.

**Tier 2:** 2.50% per year of service times the average salary for the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is \$1,000 per month.

For Tier 2 participants, the salary is capped at a rate of \$106,800 as of 2011, indexed annually at a rate of CPI-U, but not to exceed 3.00%.

#### Form of Benefit

**Tier 1:** For married retirees, an annuity payable for the life of the Member; upon the death of the member, 100% of the Member’s benefit payable to the spouse until death. For unmarried retirees, the normal form is a Single Life Annuity.

**Tier 2:** Same as above, but with 66 2/3% of benefit continued to spouse.

Early Retirement

Date	<b>Tier 1:</b> Age 60 and 8 years of Credited Service. <b>Tier 2:</b> Age 50 with 10 years of Credited Service.
Benefit	<b>Tier 1:</b> Normal Retirement benefit with no minimum. <b>Tier 2:</b> Normal Retirement benefit, reduced 6.00% each year before age 55, with no minimum benefit.
Form of Benefit	Same as Normal Retirement

Disability Benefit

Eligibility	Total and permanent as determined by the Board of Trustees.
Benefit Amount	A maximum of: <ul style="list-style-type: none"><li>a.) 65% of salary attached to the rank held by Member on last day of service, and;</li><li>b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately.</li></ul>

For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

Cost-of-Living Adjustment

**Tier 1:**

*Retirees:* An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

*Disabled Retirees:* An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.

**Tier 2:** An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Pre-Retirement Death Benefit

Service Incurred	100% of salary attached to rank held by Member on last day of service.
Non-Service Incurred	A maximum of: <ul style="list-style-type: none"><li>a.) 54% of salary attached to the rank held by Member on last day of service, and;</li><li>b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50.</li></ul>

For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Vesting (Termination)

Vesting Service Requirement	<b>Tier 1:</b> 8 years. <b>Tier 2:</b> 10 years.
Non-Vested Benefit	Refund of Member Contributions.
Vested Benefit	Either the termination benefit, payable upon reaching age 60 (55 for Tier 2), provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination (4-year final average salary for Tier 2) times creditable service.

Contributions

Employee	9.91% of Salary.
Municipality	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability.



SUMMARY

Valuation Date	5/1/2022	5/1/2021
Measurement Date	4/30/2022	4/30/2021
Plan Membership:		
Inactives Currently Receiving Benefits	32	30
Inactives Not Yet Receiving Benefits	14	13
Active Plan Members	<u>32</u>	<u>34</u>
Total	78	77
Covered Payroll	\$ 3,429,435	\$ 3,472,348
Net Pension Liability		
Total Pension Liability	\$ 58,484,074	\$ 55,261,347
Plan Fiduciary Net Position	<u>32,756,189</u>	<u>36,134,523</u>
Net Pension Liability	\$ 25,727,885	\$ 19,126,824
Plan Fiduciary Net Position		
As a Percentage of Total Pension Liability	56.01%	65.39%
Net Pension Liability		
As a Percentage of Covered Payroll	750.21%	550.83%
Total Pension Expense	\$ 2,776,278	\$ 1,674,872
Development of Single Discount Rate		
Single Discount Rate	7.00%	7.00%
Long-Term Expected Rate of Return	7.00%	7.00%
High-quality Municipal Bond Rate	3.98%	1.83%
Number of Years Future Benefit Payments		
Are Expected to be Paid	99	99

SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
PLAN AND CITY REPORTING

GASB 68 Reporting Period Ending Measurement Date	04/30/2022 <u>04/30/2022</u>	04/30/2021 <u>04/30/2021</u>
Total Pension Liability		
Service Cost	736,904	789,351
Interest	3,821,893	3,642,965
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	1,622,868	842,706
Changes of Assumptions	(159,382)	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(2,799,556)</u>	<u>(2,533,355)</u>
Net Change in Total Pension Liability	3,222,727	2,741,667
Total Pension Liability - Beginning	<u>55,261,347</u>	<u>52,519,680</u>
Total Pension Liability - Ending (a)	\$ 58,484,074	\$ 55,261,347
 Plan Fiduciary Net Position		
Contributions - Employer	2,114,384	1,920,922
Contributions - Employee	339,857	327,973
Net Investment Income	(2,955,754)	7,317,078
Benefit Payments, Including Refunds of Employee Contributions	(2,799,556)	(2,533,355)
Administrative Expense	<u>(77,265)</u>	<u>(38,457)</u>
Net Change in Plan Fiduciary Net Position	(3,378,334)	6,994,161
Plan Fiduciary Net Position - Beginning	<u>36,134,523</u>	<u>29,140,362</u>
Plan Fiduciary Net Position - Ending (b)	\$ 32,756,189	\$ 36,134,523
 Net Pension Liability - Ending (a) - (b)	\$ 25,727,885	\$ 19,126,824
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.01%	65.39%
 Covered Payroll	\$ 3,429,435	\$ 3,472,348
Net Pension Liability as a Percentage of Covered Payroll	750.21%	550.83%

STATEMENT OF CHANGES IN NET PENSION LIABILITY  
CITY REPORTING

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at April 30, 2021	\$ 55,261,347	\$ 36,134,523	\$ 19,126,824
Changes for a Year:			
Service Cost	736,904	-	736,904
Interest	3,821,893	-	3,821,893
Differences Between Expected and Actual Experience	1,622,868	-	1,622,868
Changes of Assumptions	(159,382)	-	(159,382)
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	2,114,384	(2,114,384)
Contributions - Employee	-	339,857	(339,857)
Net Investment Income	-	(2,955,754)	2,955,754
Benefit Payments, Including Refunds of Employee			
Contributions	(2,799,556)	(2,799,556)	-
Administrative Expense	-	(77,265)	77,265
Net Changes	<u>3,222,727</u>	<u>(3,378,334)</u>	<u>6,601,061</u>
Balances at April 30, 2022	\$ 58,484,074	\$ 32,756,189	\$ 25,727,885

*Sensitivity of Net Pension Liability to changes in the Discount Rate:*

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 33,943,475	\$ 25,727,885	\$ 19,019,941

*Pension Plan Fiduciary Net Position*

Detailed information about the Pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF  
RESOURCES RELATED TO PENSIONS  
YEAR-END APRIL 30, 2022

For the year ended April 30, 2022, the Sponsor will recognize a pension expense of \$2,776,278.

On April 30, 2022, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	2,082,515	157,856
Changes of assumptions	583,310	228,903
Net difference between projected and actual earnings on pension plan investments	1,900,246	0
Total	\$4,566,071	\$386,759

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

Year-ended April 30:

2023	\$990,390
2024	\$1,004,986
2025	\$461,581
2026	\$1,478,441
2027	\$243,914
Thereafter	\$0

COMPONENTS OF PENSION EXPENSE  
YEAR-END APRIL 30, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 19,126,824	\$ 4,659,794	\$ 2,899,939	
Total Pension Liability Factors:				
Service Cost	736,904	-	-	736,904
Interest	3,821,893	-	-	3,821,893
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience With Regard to Economic or Demographic Assumptions	1,622,868	-	1,622,868	-
Current Year Amortization	-	(78,928)	(497,548)	418,620
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs	(159,382)	159,382	-	-
Current Year Amortization	-	(122,645)	(291,655)	169,010
Benefit Payments, Including Refunds of Employee Contributions	(2,799,556)	-	-	-
Net Change	<u>3,222,727</u>	<u>(42,191)</u>	<u>833,665</u>	<u>5,146,427</u>
Plan Fiduciary Net Position:				
Contributions - Employer	2,114,384	-	-	-
Contributions - Employee	339,857	-	-	(339,857)
Projected Net Investment Income	2,514,626	-	-	(2,514,626)
Difference Between Projected and Actual Earnings on Pension Plan Investments	(5,470,380)	-	5,470,380	-
Current Year Amortization	-	(1,057,711)	(1,464,780)	407,069
Benefit Payments, Including Refunds of Employee Contributions	(2,799,556)	-	-	-
Administrative Expenses	(77,265)	-	-	77,265
Net Change	<u>(3,378,334)</u>	<u>(1,057,711)</u>	<u>4,005,600</u>	<u>(2,370,149)</u>
Ending Balance	<u>\$ 25,727,885</u>	<u>\$ 3,559,892</u>	<u>\$ 7,739,204</u>	<u>\$ 2,776,278</u>

AMORTIZATION SCHEDULE – EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Year Base Established	Differences Between Expected and Actual Experience	Recognition Period (Years)	2022	2023	2024	2025	2026	Thereafter
2022	\$ 1,622,868	6	\$ 270,478	\$ 270,478	\$ 270,478	\$ 270,478	\$ 270,478	\$ 270,478
2021	\$ 842,706	6	\$ 140,451	\$ 140,451	\$ 140,451	\$ 140,451	\$ 140,451	\$ -
2020	\$ 245,106	6	\$ 40,851	\$ 40,851	\$ 40,851	\$ 40,851	\$ -	\$ -
2019	\$ (473,570)	6	\$ (78,928)	\$ (78,928)	\$ (78,928)	\$ -	\$ -	\$ -
2018	\$ 274,605	6	\$ 45,768	\$ 45,768	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			418,620	418,620	372,852	451,780	410,929	270,478

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Year Base Established	Effects of Changes in Assumptions	Recognition Period (Years)	2022	2023	2024	2025	2026	Thereafter
2022	\$ (159,382)	6	\$ (26,562)	\$ (26,564)	\$ (26,564)	\$ (26,564)	\$ (26,564)	\$ (26,564)
2019	\$ 1,749,927	6	\$ 291,655	\$ 291,655	\$ 291,655	\$ -	\$ -	\$ -
2018	\$ (576,498)	6	\$ (96,083)	\$ (96,083)	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 169,010	\$ 169,008	\$ 265,091	\$ (26,564)	\$ (26,564)	\$ (26,564)

AMORTIZATION SCHEDULE – INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Differences Between Projected and Actual Earnings on Pension Plan Investments

Year Base Established	Differences		Recognition						
	Between Projected and Actual Earnings	Period (Years)	2022	2023	2024	2025	2026	Thereafter	
2022	\$ 5,470,380	5	\$ 1,094,076	\$ 1,094,076	\$ 1,094,076	\$ 1,094,076	\$ 1,094,076	\$ -	
2021	\$ (5,288,555)	5	\$ (1,057,711)	\$(1,057,711)	\$(1,057,711)	\$(1,057,711)	\$ -	\$ -	
2020	\$ 1,653,389	5	\$ 330,678	\$ 330,678	\$ 330,678	\$ -	\$ -	\$ -	
2019	\$ 178,596	5	\$ 35,719	\$ 35,719	\$ -	\$ -	\$ -	\$ -	
2018	\$ 21,537	5	\$ 4,307	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Increase (Decrease) in Pension Expense			\$ 407,069	\$ 402,762	\$ 367,043	\$ 36,365	\$ 1,094,076	\$ -	



## SCHEDULE OF CONTRIBUTIONS

Plan Year-End	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
04/30/2022	2,097,211	2,114,384	(17,173)	3,429,435	61.65%
04/30/2021	1,905,149	1,920,922	(15,773)	3,472,348	55.32%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending April 30, 2022:

Calculation Timing	The Actuarially Determined Contribution is calculated using a May 1, 2020 valuation date.
Interest Rate	7.00%
Mortality Rate	<p><b>Active Lives:</b> PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2019. 10% of active deaths are assumed to be in the line of duty.</p> <p><b>Inactive Lives:</b> PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2019.</p> <p><b>Beneficiaries:</b> PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2019.</p> <p><b>Disabled Lives:</b> PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2019.</p>
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the May 1, 2020 Actuarial Valuation Report for the City of Darien Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS

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

<u>Plan Year-End</u>	<u>Annual Money-Weighted Rate of Return Net of Investment Expense</u>
04/30/2022	-8.10%
04/30/2021	24.83%

ASSUMPTIONS – GASB PENSION LIABILITY AND PENSION EXPENSE

The GASB 67/GASB 68 Pension Liability as of April 30, 2022 and GASB 68 Pension Expense were determined as follows:

Valuation Date	May 1, 2022
Measurement Date	April 30, 2022
GASB 68 Expense Measurement Period	May 1, 2021 - April 30, 2022
Reporting Period	May 1, 2021 - April 30, 2022
Discount Rate	7.00%
Inflation	2.50%
Salary Increases	Service-based rates
Other Assumptions	A summary of complete assumptions can be found in the accompanying Actuarial Valuation as of May 1, 2022 for the City of Darien Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

The GASB 67/GASB 68 Total Pension Liability and GASB 68 Pension Expense reflect the following assumption changes:

- Updated mortality, retirement, disability, and termination rate tables.
- Updated assumed salary increase rates.

## NOTES TO THE FINANCIAL STATEMENTS

*Support for Long-Term Expected Rate of Return*

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses 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 target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of April 30, 2022, as provided by Sawyer Falduto Asset Management, LLC, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Large Cap Domestic Equity	45.50%	5.90%
Small Cap Domestic Equity	13.00%	7.70%
International Equity	6.50%	6.80%
Fixed Income	35.00%	1.10%
Total	100.00%	

Inflation rate of investment advisor 2.25%

*Concentrations*

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

*Discount Rate*

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan'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 (7.00 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent. The municipal bond rate is 3.98 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index). The resulting single discount rate is 7.00 percent.

SUMMARY OF CURRENT PLAN

Article 3 Pension Fund

The Plan is established and administered as prescribed by “Article 3. Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code.

Plan Administration

The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of:

- a.) Two members appointed by the Municipality,
- b.) Two active members of the Police Department elected by the Membership.
- c.) One retired member of the Police Department elected by the Membership.

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the accompanying Actuarial Valuation as of May 1, 2022 for the City of Darien Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

**AGENDA MEMO**  
**Admin/Finance**  
**September 6, 2022**

**ISSUE STATEMENT**

Approval of an ordinance authorizing the disposal of surplus property.

**BACKGROUND/HISTORY**

Staff is requesting that the following property be declared as surplus property and auctioned using an on-line auction service, Public Surplus, or disposed of:

	ITEM	QUANTITY	EXPLANATION
1	Verizon Kyocera - Flip Phones (Model E4610)	7	replaced
2	Verizon Kyocera - Flip Phones (Model E4520)	12	obsolete
3	Alcatel flip phone – Samsung flip phone	2	obsolete
4	Dell Keyboard	3	replaced
5	Apple iPhones (various editions)	23	replaced
6	Otterbox belt clips	6	replaced
7	Samsung Galaxy (various editions)	12	replaced
8	Various used iPhone cases	16	replaced
9	HP Laptop	1	replaced
10	Dell Latitude E5400	2	replaced
11	Lenovo Think Pad	1	replaced
12	Dell Inspiron laptop	1	obsolete
13	IBM Think Pad	1	obsolete
14	Computer Monitors	3	replaced
15	Microsoft Surface 3 tablets	3	obsolete
16	Polaroid Spectra	1	obsolete
17	Pentax IQZoom 928 camera	1	obsolete
18	JVC digital video camera	1	obsolete
19	HP Scanners	2	obsolete

**STAFF/COMMITTEE RECOMMENDATION**

Staff recommends the above be declared surplus property and auctioned using Public Surplus or disposed of.

**ALTERNATE CONSIDERATION**

As recommended by the Committee.

**DECISION MODE**

If approved by the Committee, this item will be placed on the September 19, 2022 City Council Agenda for formal approval.

**CITY OF DARIEN**  
**DU PAGE COUNTY, ILLINOIS**

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**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AUTHORIZING THE SALE  
OF PERSONAL PROPERTY  
OWNED BY THE CITY OF DARIEN**

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**ADOPTED BY THE  
MAYOR AND CITY COUNCIL  
OF THE  
CITY OF DARIEN  
THIS \_\_\_\_ DAY OF \_\_\_\_\_**

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**Published in pamphlet form by authority  
of the Mayor and City Council of the City  
of Darien, DuPage County, Illinois, this  
\_\_\_\_ day of \_\_\_\_\_, 2022**



**AN ORDINANCE AUTHORIZING THE SALE  
OF PERSONAL PROPERTY  
OWNED BY THE CITY OF DARIEN**

WHEREAS, it has been determined by the Mayor and City Council of the City of Darien to sell said personal property at a Public Auction or dispose of said property.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, IN THE EXERCISE OF ITS HOME RULE POWERS, as follows:

**SECTION 1:** The Mayor and City Council of the City of Darien find that the following described personal property, now owned by the City of Darien, is no longer necessary or useful to the City of Darien and the best interests of the City of Darien will be served by auctioning it using Public Surplus or disposing of said property.

	ITEM	QUANTITY	EXPLANATION
1	Verizon Kyocera - Flip Phones (Model E4610)	7	replaced
2	Verizon Kyocera - Flip Phones (Model E4520)	12	obsolete
3	Alcatel flip phone - Samsung flip phone	2	obsolete
4	Dell Keyboard	3	replaced
5	Apple iPhones (various editions)	23	replaced
6	Otterbox belt clips	6	replaced
7	Samsung Galaxy (various editions)	12	replaced
8	Various used iPhone cases	16	replaced
9	HP Laptop	1	replaced
10	Dell Latitude E5400	2	replaced
11	Lenovo Think Pad	1	replaced
12	Dell Inspiron laptop	1	obsolete
13	IBM Think Pad	1	obsolete
14	Computer Monitors	3	replaced
15	Microsoft Surface 3 tablets	3	obsolete
16	Polaroid Spectra	1	obsolete
17	Pentax IQZoom 928 camera	1	obsolete
18	JVC digital video camera	1	obsolete
19	HP Scanners	2	obsolete

**SECTION 2:** The City Administrator is hereby authorized and directed to sell the aforementioned personal property, now owned by the City of Darien. Items will be auctioned using Public Surplus or disposing of said property.

**SECTION 3:** This Ordinance and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such Ordinance should (a) contain terms contrary to the provisions of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the corporate authorities of the City of Darien that to the extent that the terms of this Ordinance should be inconsistent with any non-preemptive state law, that this Ordinance shall supersede state law in that regard within its jurisdiction.

**SECTION 4:** This Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

**PASSED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this \_\_\_\_\_ day of \_\_\_\_\_**

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
JOSEPH A MARCHESE, MAYOR

ATTEST:

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JOANNE RAGONA, CITY CLERK

APPROVED AS TO FORM:

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CITY ATTORNEY

**AGENDA MEMO**  
**Administrative/Finance Committee**  
**September 6, 2022**

**ISSUE STATEMENT**

A resolution accepting a proposal from AIS for the purchase and install of a multi factor authentication (MFA) at the desktop level in a total amount not to exceed \$35,005 (\$23,905 for software/labor and Microsoft licensing \$11,100).

**BACKGROUND/HISTORY**

With the ever-increasing concerns related to ransomware, the FBI, cyber insurance companies, etc. are requiring Multi Factor Authentication (MFA). MFA is an authentication method that requires the user to provide two or more verification factors to gain access to a resource such as an application, online account, or a VPN (virtual private network), adding another layer of protection to the sign in process. In addition to combating common cyberattacks, MFA is also effective at preventing ransomware attacks. This at the computer desktop level.

Many public organizations are preparing for MFA. Additionally, IRMA, the City's insurance carrier, states that MFA is needed to procure cyber insurance and is in the process of implementing there MFA by the end of the year.

The Yubico USB MFA Key is the hardware authentication device to protect access to computers, networks, and on-line services that supports one-time passwords. Users may also use a city issued phone to receive the password.

The FYE 23 Budget includes the purchase and install of a multi factor authentication in account 01-10-4325.

\$ 6,000 Windows Certificate Based Remote Access  
\$ 7,605 Windows MFA Login  
\$ 9,000 Yubico USB MFA Key (price is dependent upon number of users)  
\$ 1,300 Project Management Labor  
\$ 1,100 Microsoft Server Licensing  
\$10,000 yearly Microsoft Azure Licensing  
\$ 35,005-- TOTAL

**STAFF/COMMITTEE RECOMMENDATION**

Staff recommends approval

**ALTERNATE CONSIDERATION**

As directed.

**DECISION MODE**

This item will be placed on the September 19, 2022, City Council Agenda for consideration.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION ACCEPTING A PROPOSAL FROM AIS FOR THE PURCHASE AND  
INSTALL OF A MULTI FACTOR AUTHENTICATION (MFA) AT THE DESKTOP  
LEVEL IN A TOTAL AMOUNT NOT TO EXCEED \$35,005 (\$23,905 FOR  
SOFTWARE/LABOR AND MICROSOFT LICENSING \$11,100).**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE  
COUNTY, ILLINOIS,** as follows:

**SECTION 1:** The City Council of the City of Darien hereby approves a resolution accepting a proposal from AIS for the purchase and install of a multi factor authentication (MFA) at the desktop level in a total amount not to exceed \$35,005 (\$23,905 for software/labor and Microsoft licensing \$11,100), a copy of which is attached hereto as “Exhibit A”.

**SECTION 2:** This Resolution shall be in full force and effect from and after its passage and approval as provided by law.

**PASSED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY,  
ILLINOIS,** this 19<sup>th</sup> day of September 2022.

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE COUNTY,  
ILLINOIS,** this 19<sup>th</sup> day of September 2022.

\_\_\_\_\_  
JOSEPH MARCHESE, MAYOR

ATTEST:

\_\_\_\_\_  
JOANNE E. RAGONA, CITY CLERK

APPROVED AS TO FORM

\_\_\_\_\_  
CITY ATTORNEY

# All Information Services, Inc.

*Integrating the World's Technology*

## **Budgetary Technology Roadmap For:**

City of Darien  
1702 Plainfield Road  
Darien, IL 60561

December 15, 2021

Lisa Klemm  
City of Darien  
1702 Plainfield Road  
Darien, IL 60561

Dear Lisa,

All Information Services, Inc. (AIS) appreciates the opportunity to provide your organization with the following technology roadmap. The budgetary technology roadmap will estimate possible costs and requirements for future technology applications.

At our core, we are a customer service organization with an expertise as a full-service Information Technology (IT) and a Managed Service Provider (MSP). Our core competencies include technical consulting services, planning and design, infrastructure solutions, optimization, growth/budget planning and project management.

Our customers rely on our expertise in IT service delivery as a fundamental component to their core business operations. We work with clients across a variety of market segments including the manufacturing, healthcare, finance, municipal, and education.

As a client of AIS, your organization will receive:

- A primary lead Tier III Engineer and Tier II Technician who will be responsible for all aspects of your IT infrastructure, while having behind them the knowledge and experience of more than 40 engineers.
- A dedicated AIS executive as your primary Account Manager to ensure consistency and continuity in establishing a long-term working relationship. We will meet quarterly and annually to review progress, status and aid in infrastructure and strategy planning.

The technology needs of the City of Darien are best served with AIS. Our proven record of accomplishment for professional installation, reliable service and quality systems technology is what our reputation is built on. We make technology work.

All Information Services, Inc. (AIS) is your trusted partner for information technology (IT) and managed services solutions. In today's complex business environment, your technology platform should help your business gain a competitive advantage in your respective market, not hold it back. Through our extensive industry experience and best practices approach, AIS can optimize your technology and help you meet your business objectives.

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## Budgetary Technology Roadmap Objective

Provide a budgetary technology roadmap for the City of Darien. The roadmap ideas and objectives are based on known needs, current resources in use and are in line with industry standards. The budgetary estimates below are based on current costs. This roadmap is required to be updated yearly, to reflect changes in technology, costs and the needs of the City.

### 2023

- The City is over the licensing count for Continuum and Webroot. These apps provide security and monitoring off all computers.  
\$250 Monthly, will be added to the City's agreement
- The City is over the licensing count for SpamTitan. AIS needs to true-up the licensing.  
\$2,070 Yearly licensing
- The City is over the Data Continuity and Disaster Recovery Cloud Pool. (Cloud space)  
\$250 Monthly will be added to the City's agreement.
- Criminal Justice Information Services (CJIS) consulting and updating. This is subject to the City's needs.  
See <https://www.fbi.gov/services/cjis/cjis-security-policy-resource-center>  
\$2,100 Estimated ongoing maintenance labor. As needed.
- Desktop hardware refresh (14 Desktops/Laptops)  
\$14,000 Computers  
\$7,400 Estimated Labor  
\$4,200 Microsoft Office Std/Pro Licensing (Gov. Agreement)
- The City uses Microsoft SQL Server Express as the databases for Abila/MIP(ERP), Beast(Evidence Management) and Laserfiche(Document Management). The SQL version in use, is not supported by Abila's next release and is near end of life. AIS recommends upgrading sooner than later.  
\$1,680 Estimated Labor AIS  
\$600 Estimated Labor Beast  
\$1,200 Estimated Labor TKB/Laserfiche  
\$0 Estimated Labor Abila (as of 12/30/20)  
*AIS is not responsible for 3<sup>rd</sup> party costs.*

- The Police Department has 1 network switch that is a bit older and does not support the City's new phone system. AIS recommends upgrading. Currently AIS has a "loaner" switch installed at PD.

\$2,700 Juniper EX Switch, 24 port, POE, Fiber, Layer 3, with DAC cable

*\*\* This is MSRP. AIS will search for promotions and apply for discounts, at the time of order.*

\$900 Estimated Install Labor

\$231 Estimated yearly reoccurring maintenance and support

- The City uses a Barracuda Message Archiver for require municipal record retention requirements. The City's current system is running out of hard drive space and will eventually stop working. The City must upgrade.

Option 1: Purchase a larger Archiver-

\$6,300 New Barracuda Message Archiver 350

\$3,300 Yearly for support/update and hardware replacement.

\$1,000 Estimated Labor Install

Option 2: Barracuda is pushing their cloud product and increasing the costs of an on premise Archivers, as with above.

\$4,610 Yearly Cloud Service Cost **\*\* This an estimate. This can increase each month as more cloud storage and users are needed. *This is not under AIS's control.***

\$1,000 Estimated Labor Install

*For either option, budget extra. Costs will go up.*

- **With the ever-increasing concerns related to ransomware, the FBI, cyber insurance companies, etc. are requiring Multi Factor Authentication (MFA). This at the computer desktop level. Many public organizations are preparing for MFA. Darien should also.**

**\$6,000 Windows Certificate Based Remote Access**

**\$7,605 Windows MFA Login**

**\$9,000 Yubico USB MFA Key**

**\$1,300 Project Management Labor**

**\$1,100 Microsoft Server Licensing**

**\$10,000 yearly Microsoft Azure Licensing**

- The County is moving to a new parking citation application. This application needs to be installed and configured on many Police computer systems.

\$1,050 Estimated Install Labor

## 2024

- Criminal Justice Information Services (CJIS) consulting and updating. This is subject to the City's needs.

See <https://www.fbi.gov/services/cjis/cjis-security-policy-resource-center>

\$2,100 Estimated ongoing maintenance labor

- Desktop hardware refresh (14 Desktops/Laptops)

\$14,000 Computers

\$7,400 Estimated Labor  
\$4,200 Microsoft Office Std/Pro Licensing (Gov. Agreement)

- The Uninterrupted Power Supplies in the PD Server Room are over 7 years old by now and beyond their end of life.  
\$2,500 3 Trip Lite/CyberPower Server UPS (Networkable/SNMP Alerts)  
\$500 3 Trip Lite PDU (power distribution unit)  
\$1,400 Estimated Labor

## 2025

- Criminal Justice Information Services (CJIS) consulting and updating. This is subject to the City's needs.  
See <https://www.fbi.gov/services/cjis/cjis-security-policy-resource-center>  
\$2,100 Estimated ongoing maintenance labor
- Desktop hardware refresh (14 Desktops/Laptops)  
\$14,000 Computers  
\$7,400 Estimated Labor  
\$4,200 Microsoft Office Std/Pro Licensing (Gov. Agreement)
- City Hall Media Room Cleanup.  
\$1,000 Estimate Labor  
(Work with City to investigate, prep for disposal old equipment on the floor at the end of the room, check cabling in the ceiling, etc. Below is contingent on this step and the results of the investigation)  
\$450 Wall Cabinet (Secure existing equipment and cable, CJIS compliant)  
\$200 Wall Cabinet APC/CyberPower UPS  
\$1,000 Estimate Labor to mount, re-terminate, existing equipment and cabling in the new cabinet
- The Uninterrupted Power Supply in Public Works IT Cabinet is over 6 years old by now and beyond their end of life.  
\$850 1 Trip Lite/CyberPower Server UPS (Networkable/SNMP Alerts)  
\$950 Estimated Labor

## Roadmap Comments

- All above tasks/projects/hardware costs are estimates. These costs will be fine tuned and quoted at the time of order. Hardware estimates do not include any future Tariff increases.
- Some of the above budget roadmap items will require reoccurring subscription or maintenance agreements, which will be priced at the time of purchase.

**City of Darien**  
**Minutes of the Administrative/Finance Committee**  
**August 1, 2022**

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Chairwoman/Alderwoman Sullivan called the Meeting to order at 6:30 pm. Committee members Aldermen Vaughan and Schauer were present. City Administrator Vana and Treasurer Coren were also present.

**A resolution accepting a proposal from AIS for the purchase and install of a larger Barracuda Message Archiver 350 in an amount not to exceed \$10,600.**

Staff advised the City uses a Barracuda Message Archiver for municipal record retention requirements. The City’s current system, which is the smallest Archiver Barracuda offers, has been in place for more than 8 years and is running out of hard drive space and will eventually stop working. AIS recommends the City purchase a larger archiver. The larger archiver will accommodate the city’s needs for record retention. The committee unanimously recommended approval of the resolution. Alderman Vaughan suggested the city explore Google Suite for next year’s budget.

**A resolution approving a contract extension, year 2, with Eco Clean Maintenance, Inc. to provide janitorial services for the City of Darien in an amount not to exceed \$26,600**

Staff advised that last year the City requested janitorial services bids, which included optional contract extensions. For the past 12 months, Eco Clean Maintenance, Inc. has provided janitorial services for the City, including Public Works, Police Department and City Hall. Eco Clean. Staff advised the services from Eco have been satisfactory. The committee unanimously recommended approval of the resolution.

**Minutes – May 2, 2022** – The committee unanimously approved the minutes.

**Adjournment** - The meeting adjourned at 6:45pm.

Approved:

Mary Sullivan, Chairwoman \_\_\_\_\_

Ted Schauer, Member \_\_\_\_\_

Lester Vaughan, Member \_\_\_\_\_