



CITY OF DARIEN, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2024

An abstract background image featuring a complex geometric pattern of overlapping triangles and lines in shades of gray and white, creating a sense of depth and architectural structure.

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Prepared by the General Administration Department

Michael J. Coren
City Treasurer

CITY OF DARIEN, ILLINOIS
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INTRODUCTORY SECTION

CITY OF DARIEN, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2024

MAYOR

Joseph A. Marchese

CITY COUNCIL

Ted V. Schauer
Gerard Leganski
Joseph A. Kenny
Ralph Stompanato
Mary Coyle Sullivan
Eric K. Gustafson
Thomas J. Belczak

CITY TREASURER

Michael J. Coren

CITY CLERK

JoAnne Ragona

CITY ATTORNEY

John B. Murphey

FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Darien, Illinois (the City) as of and for the year ended April 30, 2024, 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, 2024, 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). 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 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, 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.

The audit as of and for the year ended April 30, 2023 was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The 2023 comparative data included on certain individual fund schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements by Sikich LLP 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 the opinion of Sikich LLP, the information was fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

Sikich CPA LLC

Naperville, Illinois
September 4, 2024

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2024

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, 2024. 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 \$5.7 million to the Capital Improvements Fund in FYE 24 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 \$700,000 during the year.

CITY OF DARIEN

Management's Discussion and Analysis

For the Year Ended April 30, 2024

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 8-15) more familiar. The focus is on Major Funds, rather than the previous model fund types. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

(See Independent Auditor's Report)

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2024

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

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

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

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and various fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's contributions and funding progress of the Illinois Municipal Retirement Fund, Police Pension Fund, and Other Postemployment Benefit Plan; as well as, budget to actual comparisons of the General Fund and any major special revenue funds. Supplementary schedules include combining and individual fund financial statements and schedules and supplemental data.

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position As of April 30, 2024 and 2023 (In millions of dollars)									
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Government Total</u>		
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>
Current and other assets	32.14	32.19	(0.05)	5.75	6.22	(0.47)	37.89	38.41	(0.52)
Capital assets	<u>7.26</u>	<u>5.65</u>	<u>1.61</u>	<u>8.61</u>	<u>8.45</u>	<u>0.16</u>	<u>15.87</u>	<u>14.10</u>	<u>1.77</u>
<i>Total Assets</i>	<u>39.40</u>	<u>37.84</u>	<u>1.56</u>	<u>14.36</u>	<u>14.67</u>	<u>(0.31)</u>	<u>53.76</u>	<u>52.51</u>	<u>1.25</u>
Deferred Outflow of Resources	6.09	6.71	(0.62)	0.44	0.64	(0.20)	6.53	7.35	(0.82)
Total assets and Deferred Outflow of Resources	<u>45.49</u>	<u>44.55</u>	<u>0.94</u>	<u>14.80</u>	<u>15.31</u>	<u>(0.51)</u>	<u>60.29</u>	<u>59.86</u>	<u>0.43</u>
Long-term liabilities	32.07	31.37	0.70	2.51	3.52	(1.01)	34.58	34.89	(0.31)
Other liabilities	<u>1.52</u>	<u>1.34</u>	<u>0.18</u>	<u>1.11</u>	<u>1.17</u>	<u>(0.06)</u>	<u>2.63</u>	<u>2.51</u>	<u>0.12</u>
<i>Total Liabilities</i>	<u>33.59</u>	<u>32.71</u>	<u>0.88</u>	<u>3.62</u>	<u>4.69</u>	<u>(1.07)</u>	<u>37.21</u>	<u>37.40</u>	<u>(0.19)</u>
Deferred Inflows of Resources	5.05	5.43	(0.38)	0.05	0.07	(0.02)	5.10	5.50	(0.40)
Total Liabilities and Deferred Inflows of Resources	38.64	38.14	0.50	3.67	4.76	(1.09)	42.31	42.90	(0.59)
<i>Net position</i>									
Net investment in capital Assets.	6.82	5.54	1.28	5.94	5.19	0.75	12.76	10.73	2.03
Restricted	2.10	1.88	0.22	0.00	0.00	0.00	2.10	1.88	0.22
Unrestricted	<u>(2.07)</u>	<u>(1.01)</u>	<u>(1.06)</u>	<u>5.19</u>	<u>5.36</u>	<u>(0.17)</u>	<u>3.12</u>	<u>4.35</u>	<u>(1.23)</u>
Total Net Position	<u>6.85</u>	<u>6.41</u>	<u>0.44</u>	<u>11.13</u>	<u>10.55</u>	<u>0.58</u>	<u>17.98</u>	<u>16.96</u>	<u>1.02</u>

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2024

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 \$1.02 million from \$16.96 million to \$17.98 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 .2431. The City of Darien's portion of a resident's tax bill is approximately 3.74% of their total tax bill. The City of Darien's property taxes remain relatively lower than other municipalities within DuPage County.

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

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2024

Condensed Statement of Activities								
As of April 30, 2024 and 2023								
(In millions of dollars)								
	<u>Governmental</u> <u>Activities</u>			<u>Business-Type</u> <u>Activities</u>			<u>Government</u> <u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2024</u>	<u>2023</u>
Revenues:								
<i>Program Revenues:</i>								
Charges for Services	1.61	1.88	(0.27)	7.86	7.73	0.13	9.47	9.61
Operating and Capital								
Grants and Contributions	1.44	1.31	0.13	-	-	-	1.44	1.31
<i>General Revenues:</i>								
Property Taxes	2.50	2.50	0.00	-	-	-	2.50	2.50
Other Taxes	14.89	14.81	0.08	-	-	-	14.89	14.81
Other General Revenues	<u>1.57</u>	<u>2.21</u>	<u>(0.64)</u>	<u>0.25</u>	<u>0.18</u>	<u>0.07</u>	<u>1.82</u>	<u>2.39</u>
Total Revenues	22.01	22.71	(0.70)	8.11	7.91	0.20	30.12	30.62
Expenses:								
General Government	2.48	2.15	0.33	-	-	-	2.48	2.15
Highways and Streets	7.40	6.91	0.49	-	-	-	7.40	6.91
Public Safety	11.69	10.21	1.48	-	-	-	11.69	10.21
Interest and Fees	0.00	0.00	0.00	-	-	-	0.00	0.00
Water	<u>-</u>	<u>-</u>	<u>-</u>	<u>7.53</u>	<u>7.53</u>	<u>0.00</u>	<u>7.53</u>	<u>7.53</u>
Total Expenses	21.57	19.27	2.30	7.53	7.53	0.00	29.10	26.80
Increase (Decrease) in Net Position	0.44	3.44	(3.00)	0.58	0.38	0.20	1.02	3.82
Change in Net Position	0.44	3.44	(3.00)	0.58	0.38	0.20	1.02	3.82
Net Position, Beginning of Year	<u>6.41</u>	<u>2.97</u>	<u>3.44</u>	<u>10.55</u>	<u>10.17</u>	<u>0.38</u>	<u>16.96</u>	<u>13.14</u>
Net Position, End of Year	6.85	6.41	0.44	11.13	10.55	0.58	17.98	16.96

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.

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2024

Revenues

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

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

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

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

Expenses

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

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

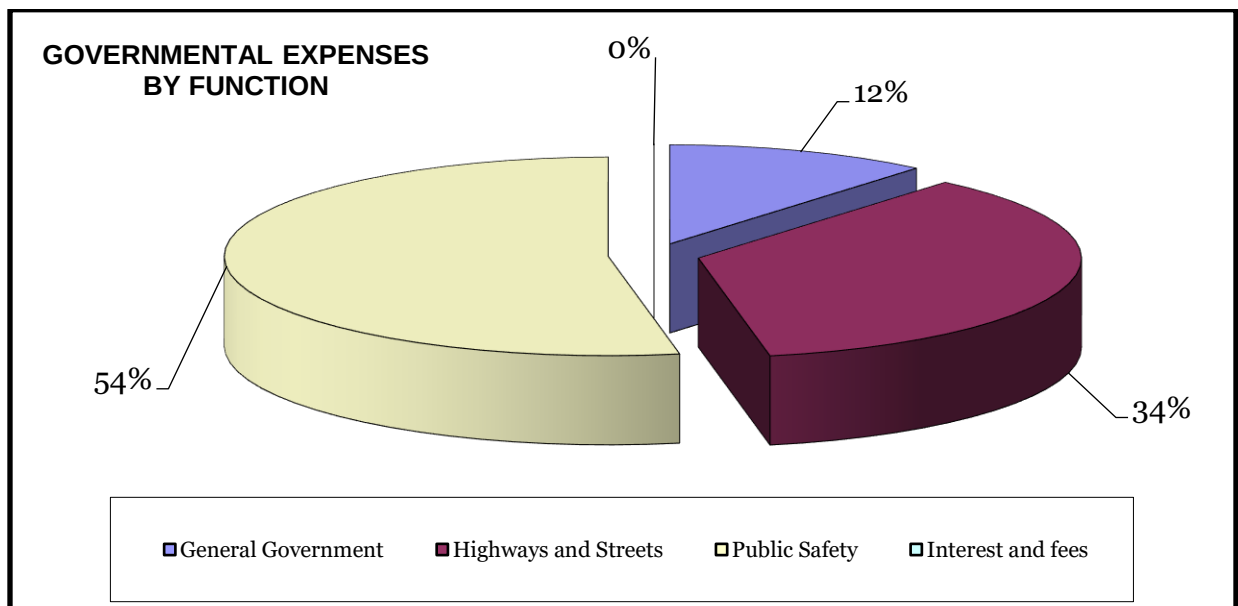
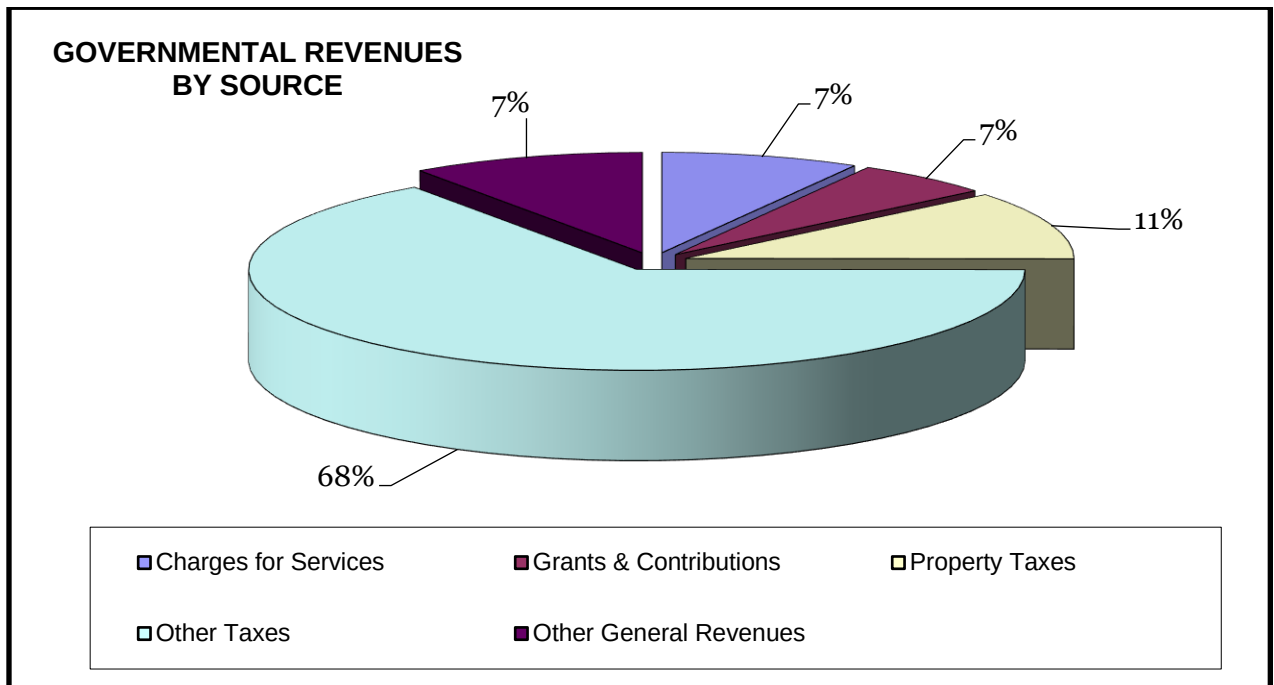
Salary increases (annual adjustments and merit) – the ability to attract and retain staff members, requires the City to strive to approach a competitive salary range position in the marketplace.

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

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2024

GOVERNMENTAL ACTIVITIES

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



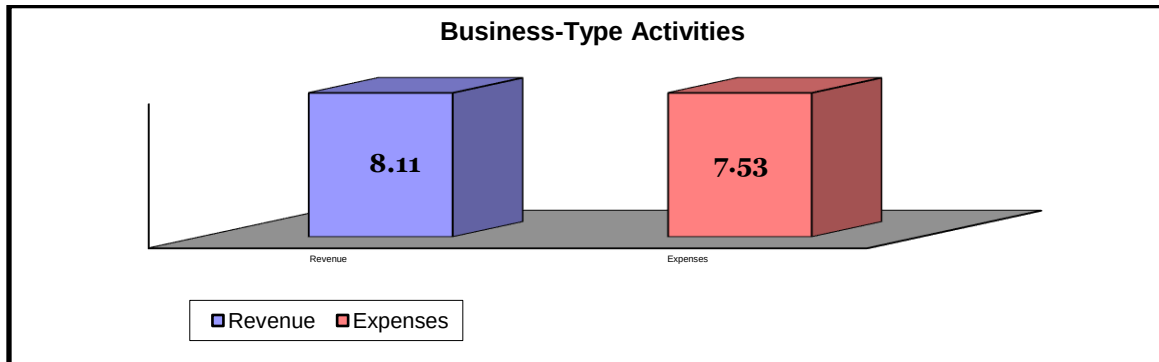
CITY OF DARIEN

Management's Discussion and Analysis

For the Year Ended April 30, 2024

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 total revenues of the Water Department increased by \$0.20 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. Total expenses stayed the same as last 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 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 \$25.97 million.

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

At the end of fiscal year 2024, the City of Darien had total capital assets (net of accumulated depreciation) of \$15.87 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 \$32.34 million. The City began the fiscal year with a balance of \$31.73 million in debt.

In the City's business-type activities a total debt of \$3.15 million is reported. The City began the fiscal year with a balance of \$4.14 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 5.4% County-wide (Local Area unemployment Statistics LAUS web site). The City's future is also affected by the sales tax base, which can vary based upon the vacancy rate of the local retail establishments, which are affected by the national economy. The City will continue to monitor the rapidly changing economic conditions to determine appropriate action necessary to maintain the City's sound financial condition, operations, and services.

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

(See Independent Auditor's Report)

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2024

REQUESTS FOR INFORMATION

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

Bryon Vana
City Administrator
1702 Plainfield Road
Darien, Illinois 60561

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

BASIC FINANCIAL STATEMENTS

CITY OF DARIEN, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 22,567,477	\$ 3,646,565	\$ 26,214,042
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	2,486,841	-	2,486,841
Accounts	-	1,420,702	1,420,702
Intergovernmental	2,125,444	-	2,125,444
Leases	2,304,793	-	2,304,793
Other	2,561,210	680,511	3,241,721
Inventories	39,314	-	39,314
Prepaid items	60,252	657	60,909
Capital assets not being depreciated	819,529	100,000	919,529
Capital assets being depreciated	6,438,547	8,507,811	14,946,358
Total assets	39,403,407	14,356,246	53,759,653
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	40,632	40,632
Pension items - police	4,943,637	-	4,943,637
Pension items - IMRF	947,000	375,733	1,322,733
Pension items - OPEB	197,916	29,386	227,302
Total deferred outflows of resources	6,088,553	445,751	6,534,304
Total assets and deferred outflows of resources	45,491,960	14,801,997	60,293,957
LIABILITIES			
Accounts payable	1,046,286	434,828	1,481,114
Accrued payroll	176,525	16,222	192,747
Accrued interest payable	-	28,274	28,274
Deposits payable	33,253	-	33,253
Noncurrent liabilities			
Due within one year	268,727	639,126	907,853
Due in more than one year	32,068,700	2,506,120	34,574,820
Total liabilities	33,593,491	3,624,570	37,218,061
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	2,486,841	-	2,486,841
Deferred inflow - leases	2,182,607	-	2,182,607
Pension items - police	79,692	-	79,692
Pension items - IMRF	14,666	5,818	20,484
Pension items - OPEB	281,704	42,862	324,566
Total deferred inflows of resources	5,045,510	48,680	5,094,190
Total liabilities and deferred inflows of resources	38,639,001	3,673,250	42,312,251
NET POSITION			
Net investment in capital assets	6,822,616	5,936,507	12,759,123
Restricted for			
Special service area	22,847	-	22,847
Storm sewer	40,783	-	40,783
Public safety	352,345	-	352,345
Highways and streets	1,687,007	-	1,687,007
Unrestricted (deficit)	(2,072,639)	5,192,240	3,119,601
TOTAL NET POSITION	\$ 6,852,959	\$ 11,128,747	\$ 17,981,706

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,476,145	\$ 943,746	\$ -	\$ -
Highways and streets	7,400,633	472,457	966,720	132,638
Public safety	11,691,690	194,829	342,624	-
Interest and fiscal charges on long-term debt	1,486	-	-	-
Total governmental activities	21,569,954	1,611,032	1,309,344	132,638
Business-Type Activities				
Water operations	7,526,783	7,856,064	-	-
Total business-type activities	7,526,783	7,856,064	-	-
TOTAL PRIMARY GOVERNMENT	\$ 29,096,737	\$ 9,467,096	\$ 1,309,344	\$ 132,638

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
	\$ (1,532,399)	\$ -	\$ (1,532,399)
	(5,828,818)	-	(5,828,818)
	(11,154,237)	-	(11,154,237)
	(1,486)	-	(1,486)
	(18,516,940)	-	(18,516,940)
	-	329,281	329,281
	-	329,281	329,281
	(18,516,940)	329,281	(18,187,659)
General Revenues			
Taxes			
Property	2,498,529	-	2,498,529
Replacement	17,596	-	17,596
Telecommunications	256,249	-	256,249
Utility	1,022,208	-	1,022,208
Amusement	104,378	-	104,378
Hotel/motel	91,462	-	91,462
Road and bridge	255,608	-	255,608
Video gaming	328,737	-	328,737
Cannabis	34,666	-	34,666
Local gas	215,381	-	215,381
Food and beverage	744,439	-	744,439
Intergovernmental			
Income tax	3,603,522	-	3,603,522
Sales	7,393,220	-	7,393,220
Local use	819,684	-	819,684
Grants	175,216	-	175,216
Investment income	1,175,509	180,585	1,356,094
Gain on sale of capital assets	16,800	-	16,800
Miscellaneous	202,460	70,747	273,207
Total	18,955,664	251,332	19,206,996
CHANGE IN NET POSITION	438,724	580,613	1,019,337
NET POSITION, MAY 1	6,414,235	10,548,134	16,962,369
NET POSITION, APRIL 30	\$ 6,852,959	\$ 11,128,747	\$ 17,981,706

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

April 30, 2024

	General	Capital Improvements	Nonmajor	Total
ASSETS				
Cash and cash equivalents	\$ 4,647,160	\$ 15,956,914	\$ 1,963,403	\$ 22,567,477
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	2,486,841	-	-	2,486,841
Intergovernmental	2,046,280	-	79,164	2,125,444
Leases	2,304,793	-	-	2,304,793
Other	2,313,306	247,904	-	2,561,210
Prepaid items	60,252	-	-	60,252
Inventory	39,314	-	-	39,314
TOTAL ASSETS	\$ 13,897,946	\$ 16,204,818	\$ 2,042,567	\$ 32,145,331
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 538,496	\$ 435,460	\$ 72,330	\$ 1,046,286
Accrued payroll	176,525	-	-	176,525
Deposits payable	33,253	-	-	33,253
Total liabilities	748,274	435,460	72,330	1,256,064
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	2,486,841	-	-	2,486,841
Deferred inflow - leases	2,182,607	-	-	2,182,607
Other unavailable revenue	-	247,904	-	247,904
Total deferred inflows of resources	4,669,448	247,904	-	4,917,352
Total liabilities and deferred inflows of resources	5,417,722	683,364	72,330	6,173,416
FUND BALANCES				
Nonspendable				
Inventory	39,314	-	-	39,314
Prepaid items	60,252	-	-	60,252
Restricted				
Special service area	-	-	22,847	22,847
Storm sewer	-	-	40,783	40,783
Public safety	132,745	-	219,600	352,345
Highways and streets	-	-	1,687,007	1,687,007
Unrestricted				
Assigned				
Capital improvements	-	15,521,454	-	15,521,454
Insurance	1,146,592	-	-	1,146,592
Subsequent years budget	690,168	-	-	690,168
Unassigned				
General fund	6,411,153	-	-	6,411,153
Total fund balances	8,480,224	15,521,454	1,970,237	25,971,915
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 13,897,946	\$ 16,204,818	\$ 2,042,567	\$ 32,145,331

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 25,971,915
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	7,258,076
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences payable	(988,890)
Other long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds	247,904
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(440,172)
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	932,334
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(29,669,653)
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	4,863,945
Total other postemployment benefit plan liability is shown as a liability on the statement of net position	(1,238,712)
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	(83,788)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 6,852,959

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024

	General	Capital Improvements	Nonmajor	Total
REVENUES				
Taxes	\$ 5,479,188	\$ 85,011	\$ 5,054	\$ 5,569,253
Licenses and permits	1,056,002	-	-	1,056,002
Intergovernmental	12,103,432	359,162	1,022,338	13,484,932
Charges for services	506,076	-	-	506,076
Investment income	261,570	826,275	87,664	1,175,509
Miscellaneous	238,381	-	-	238,381
Total revenues	19,644,649	1,270,448	1,115,056	22,030,153
EXPENDITURES				
Current				
General government	2,403,835	-	-	2,403,835
Highways and streets	3,909,028	55,793	818,312	4,783,133
Public safety	9,340,379	-	112,613	9,452,992
Capital outlay	-	5,349,117	31,477	5,380,594
Debt service				
Principal	-	110,000	-	110,000
Interest and fiscal charges	-	2,420	-	2,420
Total expenditures	15,653,242	5,517,330	962,402	22,132,974
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,991,407	(4,246,882)	152,654	(102,821)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	5,700,000	-	5,700,000
Transfers (out)	(5,700,000)	-	-	(5,700,000)
Proceeds from sale of capital assets	16,800	-	-	16,800
Total other financing sources (uses)	(5,683,200)	5,700,000	-	16,800
NET CHANGE IN FUND BALANCES	(1,691,793)	1,453,118	152,654	(86,021)
FUND BALANCES, MAY 1	9,169,064	14,068,336	1,817,583	25,054,983
Prior period adjustment	1,002,953	-	-	1,002,953
FUND BALANCES, MAY 1 (RESTATEd)	10,172,017	14,068,336	1,817,583	26,057,936
FUND BALANCES, APRIL 30	\$ 8,480,224	\$ 15,521,454	\$ 1,970,237	\$ 25,971,915

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (86,021)
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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	2,257,515
--	-----------

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	(645,902)
--	-----------

Revenues in the statement of activities that are not available in governmental funds are not reported as revenue in governmental funds until received	(38,275)
---	----------

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	110,000
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The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	934
---	-----

The change in compensated absences payable is shown as an expense on the statement of activities	(77,665)
--	----------

The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	939,621
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The change in deferred outflows and inflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(367,791)
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The change in the net pension liability for the Police Pension Fund is reported only in the statement of activities	(1,643,974)
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The change in deferred outflows and inflows of resources for the Police Pension Fund is reported only in the statement of activities	(59,311)
--	----------

The change in the total other postemployment benefit liability is reported only in the statement of activities	68,829
--	--------

The change in deferred outflows and inflows of resources for the other postemployment benefit plan is reported only in the statement of activities	(19,236)
--	----------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 438,724</u>
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See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

April 30, 2024

	Business-Type Activities Water Operations
CURRENT ASSETS	
Cash and cash equivalents	\$ 3,646,565
Receivables (net, where applicable, of allowances for uncollectibles)	
Water - billed	613
Water - unbilled	1,420,089
Other	680,511
Prepaid items	657
Total current assets	5,748,435
NONCURRENT ASSETS	
Capital assets	
Assets not being depreciated	100,000
Assets being depreciated	
Cost	20,997,972
Accumulated depreciation	(12,490,161)
Net capital assets being depreciated	8,507,811
Total noncurrent assets	8,607,811
Total assets	14,356,246
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on refunding	40,632
Pension items - IMRF	375,733
Pension items - OPEB	29,386
Total deferred outflows of resources	445,751
Total assets and deferred outflows of resources	14,801,997

(This statement is continued on the following page.)

CITY OF DARIEN, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

April 30, 2024

	Business-Type Activities Water Operations
CURRENT LIABILITIES	
Accounts payable	\$ 434,828
Accrued payroll	16,222
Accrued interest payable	28,274
Bonds payable	610,000
Compensated absences payable	10,992
Total OPEB liability	18,134
Total current liabilities	1,118,450
LONG-TERM LIABILITIES	
Bonds payable	2,101,936
Compensated absences payable	62,285
Net pension liability	174,644
Total OPEB liability	167,255
Total long-term liabilities	2,506,120
Total liabilities	3,624,570
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	5,818
Pension items - OPEB	42,862
Total deferred inflows of resources	48,680
Total liabilities and deferred inflows of resources	3,673,250
NET POSITION	
Net investment in capital assets	5,936,507
Unrestricted	5,192,240
TOTAL NET POSITION	\$ 11,128,747

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024

	Business-Type Activities Water Operations
OPERATING REVENUES	
Water sales	\$ 7,816,490
Inspections/tap on/permits	11,681
Sale of meters	3,468
Other water sales	24,425
Total operating revenues	7,856,064
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Personnel services	805,820
Materials and supplies	1,030,319
Contractual services	5,066,842
Total operating expenses excluding depreciation	6,902,981
OPERATING INCOME BEFORE DEPRECIATION	953,083
Depreciation	525,511
OPERATING INCOME	427,572
NON-OPERATING REVENUES (EXPENSES)	
Investment income	180,585
Miscellaneous income	70,747
Interest expense	(98,291)
Total non-operating revenues (expenses)	153,041
CHANGE IN NET POSITION	580,613
NET POSITION, MAY 1	10,548,134
NET POSITION, APRIL 30	\$ 11,128,747

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2024

	Business-Type Activities Water Operations
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 7,840,084
Payments to suppliers	(6,159,083)
Payments to employees	(1,046,308)
Net cash from operating activities	<u>634,693</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(683,407)
Principal payments	(590,000)
Interest and fiscal charges	(102,804)
Net cash from capital and related financing activities	<u>(1,376,211)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>180,585</u>
Net cash from investing activities	<u>180,585</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(560,933)
CASH AND CASH EQUIVALENTS, MAY 1	<u>4,207,498</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 3,646,565</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 427,572
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	525,511
Changes in assets and liabilities	
Accounts receivable	(15,980)
Prepays	(657)
Accounts payable	(61,265)
Accrued payroll	(5,534)
Compensated absences payable	(335)
Net pension liability - IMRF	(226,879)
Net pension liability - OPEB	(7,740)
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 634,693</u></u>
NONCASH TRANSACTIONS	
Change in IRMA receivable	<u><u>\$ (70,747)</u></u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

April 30, 2024

	<u>Pension Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 326,280
Investments held in the Illinois Police Officers' Pension Investment Fund	35,426,025
Prepaid items	<u>530</u>
Total assets	<u>35,752,835</u>
LIABILITIES	
Benefits payable	<u>2,860</u>
Total liabilities	<u>2,860</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 35,749,975</u></u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024

ADDITIONS

Contributions

Employer	\$ 2,393,656
Employee	<u>374,839</u>

Total contributions	<u>2,768,495</u>
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Investment income

Net appreciation in fair value of investments	2,954,758
Interest	<u>248,323</u>

Total investment income	3,203,081
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Less investment expense	<u>(24,755)</u>
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Net investment income	<u>3,178,326</u>
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Total additions	<u>5,946,821</u>
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DEDUCTIONS

Pension benefits	3,020,824
Administrative expenses	<u>49,759</u>

Total deductions	<u>3,070,583</u>
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NET INCREASE	2,876,238
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**NET POSITION RESTRICTED
FOR PENSION BENEFITS**

May 1	<u>32,873,737</u>
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April 30	<u><u>\$ 35,749,975</u></u>
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See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2024

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Program revenues include (1) charges to customers or applicants who purchase, use, or 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.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report, if any, are recorded as prepaid items 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.

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, 2024.

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.

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).

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

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.

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

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

Deposits with Financial Institutions

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

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.

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.

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

3. RECEIVABLES

a. Property Taxes

Property taxes for 2023 attached as an enforceable lien on January 1, 2023, 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, 2024, and are payable in two installments, on or about June 1, 2024 and September 1, 2024. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience. As the 2023 tax levy is intended to fund expenditures for the 2024-2025 fiscal year, these taxes are unavailable/deferred as of April 30, 2024.

The 2024 tax levy, which attached as an enforceable lien on property as of January 1, 2024, has not been recorded as a receivable as of April 30, 2024 as the tax has not yet been levied by the City and will not be levied until December 2024 and, therefore, the levy is not measurable at April 30, 2024.

b. Due from Other Governments and Other Receivables

	General	Motor Fuel Tax Fund	Capital Improvements	Total
GOVERNMENTAL ACTIVITIES				
Intergovernmental				
Sales tax	\$ 1,752,349	\$ -	\$ -	\$ 1,752,349
Local use tax	200,263	-	-	200,263
Motor fuel tax	-	79,164	-	79,164
Telecommunications tax	63,700	-	-	63,700
Video gaming tax	29,458	-	-	29,458
Other tax receivable	510	-	-	510
Total intergovernmental	2,046,280	79,164	-	2,125,444
Other receivables				
Hotel/motel tax	7,055	-	-	7,055
Amusement tax	9,067	-	-	9,067
Utility tax	83,758	-	-	83,758
Food/beverage tax	63,284	-	-	63,284
IRMA	1,146,592	-	-	1,146,592
IPBC	853,524	-	-	853,524
Economic incentives	-	-	247,904	247,904
Accounts	111,291	-	-	111,291
Other	38,735	-	-	38,735
Total other receivables	2,313,306	-	247,904	2,561,210
TOTAL GOVERNMENTAL ACTIVITIES	\$ 4,359,586	\$ 79,164	\$ 247,904	\$ 4,686,654

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

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2024 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
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	110,172	-	5,810,711
Machinery, vehicles, and equipment	4,165,668	1,472,742	126,540	5,511,870
Infrastructure	12,871,140	674,601	-	13,545,741
Total capital assets being depreciated	22,737,347	2,257,515	126,540	24,868,322
Less accumulated depreciation for				
Buildings and improvements	3,747,030	134,918	-	3,881,948
Machinery, vehicles, and equipment	2,428,470	329,941	126,540	2,631,871
Infrastructure	11,734,913	181,043	-	11,915,956
Total accumulated depreciation	17,910,413	645,902	126,540	18,429,775
Total capital assets being depreciated, net	4,826,934	1,611,613	-	6,438,547
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 5,646,463	\$ 1,611,613	\$ -	\$ 7,258,076

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 60,224
Public safety	166,849
Highways and streets	<u>418,829</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u><u>\$ 645,902</u></u>

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

4. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
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	7,057,202	-	-	7,057,202
Machinery and equipment	668,966	683,407	-	1,352,373
Infrastructure	12,588,397	-	-	12,588,397
Total capital assets being depreciated	20,314,565	683,407	-	20,997,972
Less accumulated depreciation for				
Buildings and improvements	4,770,902	139,536	-	4,910,438
Machinery and equipment	212,632	68,139	-	280,771
Infrastructure	6,981,116	317,836	-	7,298,952
Total accumulated depreciation	11,964,650	525,511	-	12,490,161
Total capital assets being depreciated, net	8,349,915	157,896	-	8,507,811
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 8,449,915	\$ 157,896	\$ -	\$ 8,607,811

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, 2024.

Intergovernmental Personnel Benefit Cooperative

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

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

6. LONG-TERM DEBT

a. General Obligation Bonds

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

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

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

A summary of changes in long-term debt reported in the governmental activities of the City for the year ended April 30, 2024 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	\$ 110,000	\$ -	\$ 110,000	\$ -	\$ -
TOTAL GOVERNMENTAL BONDED DEBT		\$ 110,000	\$ -	\$ 110,000	\$ -	\$ -

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	\$ 850,000	\$ -	\$ 275,000	\$ 575,000	\$ 285,000
\$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	2,405,000	-	315,000	2,090,000	325,000
TOTAL BUSINESS-TYPE BONDED DEBT		\$ 3,255,000	\$ -	\$ 590,000	\$ 2,665,000	\$ 610,000

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

6. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Business-Type Activities General Obligation Bonds		
	Principal	Interest	Total
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
TOTAL	\$ 2,665,000	\$ 255,275	\$ 2,920,275

c. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities during fiscal year 2024:

	Balances May 1	Additions	Reductions	Balances April 30	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 110,000	\$ -	\$ 110,000	\$ -	\$ -
Compensated absences payable*	911,225	214,349	136,684	988,890	148,334
Total OPEB liability*	1,307,541	-	68,829	1,238,712	120,393
Net pension liability*	29,405,472	1,643,974	939,621	30,109,825	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 31,734,238	\$ 1,858,323	\$ 1,255,134	\$ 32,337,427	\$ 268,727
BUSINESS-TYPE ACTIVITIES					
General obligation bonds	\$ 3,255,000	\$ -	\$ 590,000	\$ 2,665,000	\$ 610,000
Unamortized bond premium	65,007	-	18,071	46,936	-
Compensated absences payable	73,612	10,707	11,042	73,277	10,992
Total OPEB liability	196,131	-	10,742	185,389	18,134
Net pension liability	547,446	-	372,802	174,644	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 4,137,196	\$ 10,707	\$ 1,002,657	\$ 3,145,246	\$ 639,126

*The General Fund has typically been used to liquidate these long-term liabilities.

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

7. INDIVIDUAL FUND DISCLOSURES

Transfers between funds at April 30, 2024 consist of the following:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 5,700,000
Capital Improvements	5,700,000	-
TOTAL	\$ 5,700,000	\$ 5,700,000

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

- \$5,700,000 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, 2023, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	65
Inactive employees entitled to but not yet receiving benefits	57
Active employees	<u>36</u>
TOTAL	<u><u>158</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, 2024 was 6.68% of covered payroll.

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2023 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, 2023
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 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Discount Rate

The discount rate used to measure the total pension liability was 7.25% at December 31, 2023. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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, 2023	\$ 25,563,026	\$ 23,635,787	\$ 1,927,239
Changes for the period			
Service cost	258,081	-	258,081
Interest	1,823,742	-	1,823,742
Difference between expected and actual experience	40,548	-	40,548
Changes in assumptions	432	-	432
Employer contributions	-	196,387	(196,387)
Employee contributions	-	135,751	(135,751)
Net investment income	-	2,590,500	(2,590,500)
Benefit payments and refunds	(1,074,020)	(1,074,020)	-
Other (net transfer)	-	512,588	(512,588)
Net changes	1,048,783	2,361,206	(1,312,423)
BALANCES AT DECEMBER 31, 2023	\$ 26,611,809	\$ 25,996,993	\$ 614,816

There were changes in assumptions related to the mortality rates compared to the previous valuation.

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

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, 2024, the City recognized pension expense (income) of \$(603,799).

At April 30, 2024, 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	\$ 21,530	\$ 20,484
Changes in assumption	229	-
Contributions made after measurement date	53,052	-
Net difference between projected and actual earnings on pension plan investments	1,247,922	-
TOTAL	<u>\$ 1,322,733</u>	<u>\$ 20,484</u>

\$53,052 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, 2025. 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,	
2025	\$ 117,043
2026	425,855
2027	883,344
2028	(177,045)
2029	-
Thereafter	-
TOTAL	<u>\$ 1,249,197</u>

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)	\$ 3,580,096	\$ 614,816	\$ (1,713,376)

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, 2024, membership consisted of:

Inactive plan members currently receiving benefits	34
Inactive plan members entitled to but not yet receiving benefits	13
Active plan members	<u>35</u>
TOTAL	<u>82</u>

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ 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, 2024, the City's contribution was 63.28% of covered payroll.

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and persons with disabilities.

Deposits with Financial Institutions

The plan retains all of its available cash with two financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the plan.

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.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Fair Value Measurement

The plan categorizes 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 equity mutual funds are valued using quoted prices (Level 1 inputs). The negotiable certificates of deposits are valued using quoted matrix pricing models (Level 2 inputs). The Plan held no investments subject to fair value measurement at April 30, 2024.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was \$35,426,025 at April 30, 2024. The pooled investments consist of the investments as noted in the target allocation table below. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2024. The plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Rate of Return

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments as calculated by the Fund's Treasurer, net of pension plan investment expense, was 9.70%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2023	\$ 60,899,416	\$ 32,873,737	\$ 28,025,679
Changes for the period			
Service cost	819,134	-	771,797
Interest	4,214,570	-	4,045,786
Difference between expected and actual experience	877,983	-	515,608
Changes in assumptions	1,629,349	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	2,393,656	(2,393,656)
Employee contributions	-	374,839	(374,839)
Net investment income	-	3,178,326	(3,178,326)
Benefit payments and refunds	(3,020,824)	(3,020,824)	-
Administrative expense	-	(49,759)	49,759
Net changes	4,520,212	2,876,238	1,643,974
BALANCES AT APRIL 30, 2024	\$ 65,419,628	\$ 35,749,975	\$ 29,669,653

There were changes in assumptions related to the interest rate compared to the previous valuation.

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, 2024
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Service-based
Interest rate	6.8%
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 6.8%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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 6.8% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.8%) or 1 percentage point higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
Net pension liability	\$ 38,847,761	\$ 29,669,653	\$ 22,168,428

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

For the year ended April 30, 2024, the City recognized police pension expense of \$4,096,943. At April 30, 2024, 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	\$ 2,174,208	\$ -
Changes in assumption	1,357,790	79,692
Net difference between projected and actual earnings on pension plan investments	1,411,639	-
TOTAL	\$ 4,943,637	\$ 79,692

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

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:

<u>Fiscal Year</u> <u>Ending</u> <u>April 30,</u>	
2025	\$ 1,135,507
2026	2,152,367
2027	917,840
2028	240,342
2029	417,889
Thereafter	<u>-</u>
TOTAL	<u>\$ 4,863,945</u>

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, 2024, a liability of \$325,073 has been accrued and cumulative payments of \$2,181,456 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, 2024, a liability of \$68,000 has been accrued and cumulative payments of \$612,000 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, 2024, the related remaining receivable and deferred inflow was \$247,904.

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At April 30, 2023 (most recent data available), membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	14
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>69</u>
TOTAL	<u>83</u>

d. Total OPEB Liability

The City's total OPEB liability of \$1,424,101 was measured as of April 30, 2024 and was determined by an actuarial valuation as of May 1, 2023.

The total OPEB liability at April 30, 2024, as determined by an actuarial valuation as of May 1, 2023 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, 2024, including updating the discount rate at April 30, 2024, 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	4.42%
Healthcare cost trend rates	5.50% Initial to 4.50% Ultimate

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of April 30, 2024.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2023	<u>\$ 1,503,672</u>
Changes for the period	
Service cost	24,999
Interest	59,386
Difference between expected and actual experience	-
Changes of assumption	(25,529)
Benefit payments	(138,427)
Other changes	<u>-</u>
Net changes	<u>(79,571)</u>
BALANCES AT APRIL 30, 2024	<u>\$ 1,424,101</u>

Changes in assumptions related to the discount rate were made in 2024.

f. 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 4.42% 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 (3.42%) or 1 percentage point higher (5.42%) than the current rate:

	1% Decrease (3.42%)	Current Discount Rate (4.42%)	1% Increase (5.42%)
Total OPEB liability	\$ 1,518,692	\$ 1,424,101	\$ 1,338,626

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. 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	\$ 1,325,125	\$ 1,424,101	\$ 1,536,498

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

For the year ended April 30, 2024, the City recognized OPEB expense of \$81,093. At April 30, 2024, 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	\$ 59,034	\$ 119,491
Changes in assumptions	168,268	205,075
TOTAL	<u>\$ 227,302</u>	<u>\$ 324,566</u>

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

Year Ending April 30,	
2025	\$ (3,293)
2026	(3,293)
2027	(6,838)
2028	(18,789)
2029	(43,523)
Thereafter	<u>(21,528)</u>
TOTAL	<u>\$ (97,264)</u>

12. LESSOR DISCLOSURES

The City entered a lease agreement in April 2010, to lease space on a cell tower for the placement of cellular communications equipment. Payments ranging from \$2,645 to \$4,023 are due to the City in monthly installments, through September 2039. The lease agreement is noncancelable and maintains an interest rate of 3.22%.

The City entered a lease agreement in December 2001, to lease space on a cell tower for the placement of cellular communications equipment. Payments of \$2,980 to \$3,069 are due to the City in monthly installments, through May 2023. The lease agreement is noncancelable and maintains an interest rate of 2.01%.

The City entered a lease agreement in July 2003, to lease space on a cell tower for the placement of cellular communications equipment. Payments of \$3,144 to \$3,238 are due to the City in monthly installments, through June 2023. The lease agreement is noncancelable and maintains an interest rate of 2.01%.

The City entered a lease agreement in October 2007, to lease space on a cell tower for the placement of cellular communications equipment. Payments of \$2,645 to \$3,498 are due to the City in monthly installments, through September 2032. The lease agreement is noncancelable and maintains an interest rate of 2.97%.

The City entered a lease agreement in July 2008, to lease space on a cell tower for the placement of cellular communications equipment. Payments of \$4,707 to \$6,225 are due to the City in monthly installments, through June 2033. The lease agreement is noncancelable and maintains an interest rate of 3.02%.

The City entered a lease agreement in February 2008, to lease space on a cell tower for the placement of cellular communications equipment. Payments of \$2,645 to \$3,042 are due to the City in monthly installments, through January 2033. The lease agreement is noncancelable and maintains an interest rate of 3.02%.

The City entered a lease agreement in January 2012, to lease space on a cell tower for the placement of cellular communications equipment. Payments of \$4,600 to \$6,084 are due to the City in monthly installments, through December 2036. The lease agreement is noncancelable and maintains an interest rate of 3.14%.

During the year, the City recognized lease revenue of \$211,715 and interest revenue of \$73,774 related to leases.

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

13. PRIOR PERIOD ADJUSTMENT

The City made the following prior period adjustments as of May 1, 2023 to fund balance to correct the recognition of unavailable revenue in the General Fund:

	<u>General Fund</u>
FUND BALANCE - MAY 1, 2023 (AS REPORTED)	\$ 9,169,064
Correction of error - recognition of unavailable revenue	<u>1,002,953</u>
FUND BALANCE - MAY 1, 2023 (AS RESTATED)	<u>\$ 10,172,017</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes	\$ 5,491,154	\$ 5,479,188	\$ (11,966)
Licenses, permits, and fees	943,476	1,056,002	112,526
Intergovernmental	10,601,781	12,103,432	1,501,651
Charges for services	410,825	506,076	95,251
Investment income	82,419	261,570	179,151
Miscellaneous	20,000	238,381	218,381
Total revenues	17,549,655	19,644,649	2,094,994
EXPENDITURES			
Current			
General government	2,423,804	2,403,835	(19,969)
Highways and streets	4,597,683	3,909,028	(688,655)
Public safety	10,095,823	9,340,379	(755,444)
Total expenditures	17,117,310	15,653,242	(1,464,068)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	432,345	3,991,407	3,559,062
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(5,700,000)	(5,700,000)
Proceeds from sale of capital assets	5,000	16,800	11,800
Total other financing sources (uses)	5,000	(5,683,200)	(5,688,200)
NET CHANGE IN FUND BALANCE	\$ 437,345	(1,691,793)	\$ (2,129,138)
FUND BALANCE, MAY 1		9,169,064	
Prior period adjustment		1,002,953	
FUND BALANCE, MAY 1 (RESTATED)		10,172,017	
FUND BALANCE, APRIL 30		\$ 8,480,224	

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

Last Nine Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 194,909	\$ 243,149	\$ 339,888	\$ 349,021	\$ 263,481	\$ 278,630	\$ 403,827	\$ 329,704	\$ 335,289
Contributions in relation to the actuarially determined contribution	194,909	243,149	339,888	349,021	263,481	278,630	403,827	329,704	335,289
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,918,272	\$ 2,664,084	\$ 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	6.68%	9.13%	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 20 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually, and inflation of 2.75%.

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,406,164	\$ 2,114,355	\$ 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	2,393,656	2,113,126	2,114,384	1,920,922	1,728,465	1,634,019	1,468,691	1,421,243	1,209,939	1,205,560
CONTRIBUTION DEFICIENCY (Excess)	\$ 12,508	\$ 1,229	\$ (17,173)	\$ (15,773)	\$ (14,115)	\$ (15,141)	\$ (12,639)	\$ (8,714)	\$ (9,934)	\$ (9,533)
Covered payroll	\$ 3,782,432	\$ 3,598,517	\$ 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	63.28%	58.72%	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 19 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.

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

Last Nine Calendar Years

MEASUREMENT DATE DECEMBER 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY									
Service cost	\$ 258,081	\$ 271,874	\$ 260,861	\$ 259,033	\$ 252,736	\$ 245,279	\$ 263,857	\$ 278,904	\$ 286,420
Interest	1,823,742	1,765,414	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	40,548	(134,220)	94,324	95,759	522,376	931,248	(372,485)	(320,532)	(169,723)
Changes of assumptions	432	-	-	(209,317)	-	597,080	(543,970)	(48,542)	24,074
Benefit payments, including refunds of member contributions	(1,074,020)	(1,109,298)	(1,033,133)	(1,016,000)	(978,377)	(880,787)	(730,617)	(720,046)	(681,770)
Net change in total pension liability	1,048,783	793,770	1,016,157	768,424	1,339,692	2,318,476	45,367	572,678	786,547
Total pension liability - beginning	25,563,026	24,769,256	23,753,099	22,984,675	21,644,983	19,326,507	19,281,140	18,708,462	17,921,915
TOTAL PENSION LIABILITY - ENDING	\$ 26,611,809	\$ 25,563,026	\$ 24,769,256	\$ 23,753,099	\$ 22,984,675	\$ 21,644,983	\$ 19,326,507	\$ 19,281,140	\$ 18,708,462
PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 196,387	\$ 275,316	\$ 366,906	\$ 346,481	\$ 229,398	\$ 397,939	\$ 314,655	\$ 353,272	\$ 335,354
Contributions - member	135,751	127,358	126,036	136,129	114,445	112,439	111,740	115,595	114,576
Net investment income	2,590,500	(3,318,861)	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	(1,074,020)	(1,109,298)	(1,033,133)	(1,016,000)	(978,377)	(880,787)	(730,617)	(720,046)	(681,770)
Other	512,588	(89,579)	10,553	(18,876)	267,292	566,121	(360,471)	84,073	18,009
Net change in plan fiduciary net position	2,361,206	(4,115,064)	3,508,847	2,527,088	3,110,818	(782,563)	2,303,336	959,725	(133,127)
Plan fiduciary net position - beginning	23,635,787	27,750,851	24,242,004	21,714,916	18,604,098	19,386,661	17,083,325	16,123,600	16,256,727
PLAN FIDUCIARY NET POSITION - ENDING	\$ 25,996,993	\$ 23,635,787	\$ 27,750,851	\$ 24,242,004	\$ 21,714,916	\$ 18,604,098	\$ 19,386,661	\$ 17,083,325	\$ 16,123,600
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 614,816	\$ 1,927,239	\$ (2,981,595)	\$ (488,905)	\$ 1,269,759	\$ 3,040,885	\$ (60,154)	\$ 2,197,815	\$ 2,584,862

MEASUREMENT DATE DECEMBER 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.69%	92.46%	112.04%	102.06%	94.48%	85.95%	100.31%	88.60%	86.18%
Covered payroll	\$ 2,801,522	\$ 2,753,152	\$ 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	21.95%	70.00%	(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.

Changes in assumptions related to mortality rates were made in 2023.

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE APRIL 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service cost	\$ 819,134	\$ 771,797	\$ 736,904	\$ 789,351	\$ 730,885	\$ 685,980	\$ 730,502	\$ 797,055	\$ 754,785	\$ 688,515
Interest	4,214,570	4,045,786	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	877,983	515,608	1,622,868	842,706	245,106	(473,570)	274,605	202,447	(1,424,513)	(388,710)
Changes of assumptions	1,629,349	-	(159,382)	-	-	1,749,927	(576,498)	798,335	-	2,888,856
Contributions - buy back	-	-	-	-	-	-	-	106,677	-	-
Benefit payments, including refunds of member contributions	(3,020,824)	(2,917,849)	(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	4,520,212	2,415,342	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	60,899,416	58,484,074	55,261,347	52,519,680	50,208,313	47,101,075	45,549,457	42,606,511	42,105,166	37,941,617
TOTAL PENSION LIABILITY - ENDING	\$ 65,419,628	\$ 60,899,416	\$ 58,484,074	\$ 55,261,347	\$ 52,519,680	\$ 50,208,313	\$ 47,101,075	\$ 45,549,457	\$ 42,606,511	\$ 42,105,166
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 2,393,656	\$ 2,113,126	\$ 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	374,839	356,613	339,857	327,973	329,449	319,775	295,483	313,126	308,852	302,058
Contributions - buy back	-	-	-	-	-	-	-	106,677	-	-
Net investment income	3,178,326	622,935	(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	(3,020,824)	(2,917,849)	(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	(49,759)	(57,277)	(77,265)	(38,457)	(44,663)	(41,538)	(39,377)	(41,720)	(34,650)	(39,881)
Net change in plan fiduciary net position	2,876,238	117,548	(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	32,873,737	32,756,189	36,134,523	29,140,362	29,022,830	27,497,602	26,028,563	24,179,284	24,484,401	23,035,909
PLAN FIDUCIARY NET POSITION - ENDING	\$ 35,749,975	\$ 32,873,737	\$ 32,756,189	\$ 36,134,523	\$ 29,140,362	\$ 29,022,830	\$ 27,497,602	\$ 26,028,563	\$ 24,179,284	\$ 24,484,401
EMPLOYER'S NET PENSION LIABILITY	\$ 29,669,653	\$ 28,025,679	\$ 25,727,885	\$ 19,126,824	\$ 23,379,318	\$ 21,185,483	\$ 19,603,473	\$ 19,520,894	\$ 18,427,227	\$ 17,620,765

MEASUREMENT DATE APRIL 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan fiduciary net position as a percentage of the total pension liability	54.65%	53.98%	56.01%	65.39%	55.48%	57.80%	58.38%	57.14%	56.75%	58.15%
Covered payroll	\$ 3,782,432	\$ 3,598,517	\$ 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	784.41%	778.81%	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.

There were changes in assumptions in 2024 for the interest rate.

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

Last Six Fiscal Years

MEASUREMENT DATE APRIL 30,	2024	2023	2022	2021	2020	2019
TOTAL OPEB LIABILITY						
Service cost	\$ 24,999	\$ 24,033	\$ 45,786	\$ 35,796	\$ 34,033	\$ 31,356
Interest	59,386	65,502	36,625	51,183	57,927	64,349
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(161,367)	-	112,718	-	-
Changes of assumptions	(25,529)	190	(271,190)	192,854	64,557	91,892
Benefit payments	(138,427)	(140,944)	(192,632)	(181,532)	(149,437)	(162,002)
Other changes	-	-	-	-	284	-
Net change in total OPEB liability	(79,571)	(212,586)	(381,411)	211,019	7,364	25,595
Total OPEB liability - beginning	1,503,672	1,716,258	2,097,669	1,886,650	1,879,286	1,853,691
TOTAL OPEB LIABILITY - ENDING	\$ 1,424,101	\$ 1,503,672	\$ 1,716,258	\$ 2,097,669	\$ 1,886,650	\$ 1,879,286
Covered-employee payroll	\$ 6,508,688	\$ 6,258,006	\$ 6,060,233	\$ 5,827,503	\$ 4,910,475	\$ 5,460,822
Employer's total OPEB liability as a percentage of covered-employee payroll	21.88%	24.03%	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 and 2023.

Changes in assumptions related to the discount rate were made in 2019, 2020, 2022, and 2024.

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	9.70%	2.08%	(8.10%)	24.83%	1.26%	6.41%	6.99%	8.30%	(0.09%)	6.90%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2024

BUDGETS

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

Prior to April 30, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Formal budgetary integration is employed as a management control device during the year of the General Fund and budgeted Special Revenue Funds, and Capital Project Funds.

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

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

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

MAJOR GOVERNMENTAL FUNDS

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

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

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024			
	Original and Final Budget	Actual	Variance Over (Under)	2023 Actual
TAXES				
Property taxes - current	\$ 2,500,438	\$ 2,408,464	\$ (91,974)	\$ 2,304,357
Road and bridge tax	210,903	255,608	44,705	240,832
Municipal utility tax	1,137,393	1,022,208	(115,185)	1,241,867
Telecommunication tax	232,136	256,249	24,113	262,608
Amusement tax	70,555	104,378	33,823	93,399
Hotel/motel tax	81,720	91,462	9,742	85,597
Local gas tax	214,367	215,381	1,014	222,868
Food and beverage tax	711,243	744,439	33,196	731,250
Replacement tax	7,483	17,596	10,113	24,334
Cannabis use tax	34,201	34,666	465	34,655
Video gaming tax	290,715	328,737	38,022	313,989
Total taxes	5,491,154	5,479,188	(11,966)	5,555,756
LICENSES, PERMITS, AND FEES				
Business licenses	35,000	17,344	(17,656)	38,306
Liquor licenses	70,150	80,300	10,150	78,150
Contractors licenses	18,000	14,580	(3,420)	15,810
Court fines	125,000	132,255	7,255	137,586
Ordinance fines	23,646	24,950	1,304	32,275
Building permits and fees	35,000	127,120	92,120	305,201
Cable TV franchise fees	420,800	392,931	(27,869)	424,162
PEG fees AT&T	-	5,810	5,810	6,916
NICOR franchise fees	33,000	52,084	19,084	47,334
Public hearing fees	2,000	6,050	4,050	3,605
Elevator inspections	3,500	5,700	2,200	5,355
NSF check fee	-	105	105	105
Engineering fee reimbursements	74,000	67,585	(6,415)	85,937
DUI technology fines	3,500	12,357	8,857	11,817
Police special service	99,880	116,831	16,951	116,433
Total licenses, permits, and fees	943,476	1,056,002	112,526	1,308,992
INTERGOVERNMENTAL				
State income taxes	3,141,595	3,603,522	461,927	3,556,503
Local use tax	782,396	819,684	37,288	905,241
Sales tax	6,677,790	7,393,220	715,430	7,097,024
Drug forfeiture receipts	-	51,105	51,105	7,521
Grants	-	235,901	235,901	3,959
Total intergovernmental	10,601,781	12,103,432	1,501,651	11,570,248

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024			
	Original and Final Budget	Actual	Variance Over (Under)	2023 Actual
CHARGES FOR SERVICES				
Towing fees	\$ 51,600	\$ 57,500	\$ 5,900	\$ 81,500
E-Citation fees	-	2,225	2,225	2,466
Inspections/tapon/permits	-	-	-	75
Sale of meters	-	-	-	377
Police report/prints	5,000	5,915	915	4,465
Rents	301,225	248,442	(52,783)	276,386
Other reimbursements	50,000	101,509	51,509	113,376
Residential concrete reimbursement	-	58,161	58,161	38,401
Reimbursement - rear yard drain	-	25,179	25,179	49,647
Maintenance - Reimbursable	-	2,349	2,349	-
Mail box reimbursement	-	2,251	2,251	8,012
Sales of wood chips	3,000	2,545	(455)	3,975
Total charges for services	410,825	506,076	95,251	578,680
INVESTMENT INCOME				
Investment income	82,419	261,570	179,151	209,510
Total investment income	82,419	261,570	179,151	209,510
MISCELLANEOUS				
Impact fees	-	250	250	375
Reimbursement - Workers Comp	-	30,213	30,213	-
Miscellaneous	20,000	207,918	187,918	23,412
Total miscellaneous	20,000	238,381	218,381	23,787
TOTAL REVENUES	\$ 17,549,655	\$ 19,644,649	\$ 2,094,994	\$ 19,246,973

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024			
	Original and Final Budget	Actual	Variance Over (Under)	2023 Actual
GENERAL GOVERNMENT				
Administration				
Personnel services				
Salaries	\$ 398,226	\$ 410,568	\$ 12,342	\$ 380,867
Overtime	-	1,133	1,133	434
Social Security	24,690	24,127	(563)	22,382
Medicare	5,774	5,642	(132)	5,235
IMRF	27,916	26,983	(933)	34,342
Medical/life insurance	67,937	75,537	7,600	83,496
Supplemental pensions	4,800	4,800	-	4,800
Total personnel services	529,343	548,790	19,447	531,556
Materials and supplies				
Dues and subscriptions	1,615	2,198	583	1,248
Liability insurance	263,806	257,091	(6,715)	186,129
Legal notices	2,200	2,238	38	2,307
Maintenance - equipment	9,850	9,195	(655)	8,545
Maintenance - vehicles	1,000	1,498	498	1,645
Postage/mailings	3,350	2,422	(928)	3,347
Printing and forms	4,500	2,311	(2,189)	2,809
Public relations	95,700	92,749	(2,951)	79,156
Rent - equipment	2,500	1,500	(1,000)	1,500
Supplies - office	8,000	7,936	(64)	7,068
Supplies - other	500	-	(500)	24
Training and education	1,500	175	(1,325)	-
Travel/meetings	550	371	(179)	298
Telephone	42,000	29,136	(12,864)	25,570
Utilities	4,500	2,330	(2,170)	3,711
Gas and oil	900	1,620	720	2,483
Other	-	35,394	35,394	77
Total materials and supplies	442,471	448,164	5,693	325,917
Contractual services				
Audit	18,500	18,500	-	18,500
Consulting/professional	425,253	407,757	(17,496)	340,556
Contingency	10,000	7,503	(2,497)	636
Janitorial services	23,150	21,053	(2,097)	20,062
Total contractual services	476,903	454,813	(22,090)	379,754
Capital outlay				
Equipment	5,000	11,637	6,637	30,130
Total capital outlay	5,000	11,637	6,637	30,130
Total administration	1,453,717	1,463,404	9,687	1,267,357

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024			
	Original and Final Budget	Actual	Variance Over (Under)	2023 Actual
GENERAL GOVERNMENT (Continued)				
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	1,500	896	(604)	739
Cable operations	6,000	5,865	(135)	5,150
Dues and subscriptions	26,450	20,660	(5,790)	26,248
Public relations	1,300	1,761	461	243
Training and education	3,500	-	(3,500)	100
Travel/meetings	50	70	20	-
Total materials and supplies	38,800	29,252	(9,548)	32,480
Contractual services				
Consulting/professional	3,000	2,344	(656)	1,149
Tolley contracts	600	-	(600)	135
Total contractual services	3,600	2,344	(1,256)	1,284
Total city council	88,421	77,617	(10,804)	79,785
Community development				
Personnel services				
Salaries	389,780	373,960	(15,820)	353,006
Overtime	1,000	-	(1,000)	32
Social Security	23,109	20,728	(2,381)	20,150
Medicare	5,666	5,254	(412)	4,952
IMRF	12,529	11,409	(1,120)	14,363
Medical/life insurance	35,667	34,267	(1,400)	36,545
Supplemental pensions	2,400	2,400	-	2,400
Total personnel services	470,151	448,018	(22,133)	431,448
Materials and supplies				
Boards and commissions	1,200	1,520	320	1,110
Dues and subscriptions	2,500	295	(2,205)	-
Liabilities insurance	23,000	22,825	(175)	13,595
Maintenance - vehicles	500	4,851	4,351	-
Printing and forms	565	814	249	302
Postage and mailing	650	136	(514)	-
Supplies - office	600	550	(50)	550
Training and educational	500	-	(500)	25
Travel/meetings	200	-	(200)	-
Gas and oil	1,200	1,552	352	1,670
Total materials and supplies	30,915	32,543	1,628	17,252

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024		Variance	2023
	Original and Final Budget	Actual	Over (Under)	Actual
GENERAL GOVERNMENT (Continued)				
Community development (Continued)				
Contractual services				
Economic development	\$ 428,000	\$ 424,930	\$ (3,070)	\$ 408,743
Consulting/professional	134,600	125,753	(8,847)	66,575
Consulting/professional reimbursable	68,000	81,570	13,570	59,861
Total contractual services	630,600	632,253	1,653	535,179
Total community development	1,131,666	1,112,814	(18,852)	983,879
Subtotal general government	2,673,804	2,653,835	(19,969)	2,331,021
Less reimbursements from Water Fund	(250,000)	(250,000)	-	(250,000)
Total general government	2,423,804	2,403,835	(19,969)	2,081,021
HIGHWAYS AND STREETS				
Public works				
Personnel services				
Salaries	818,125	747,012	(71,113)	684,811
Overtime	100,000	77,510	(22,490)	94,823
Social Security	57,110	46,582	(10,528)	46,424
Medicare	13,356	11,182	(2,174)	11,267
IMRF	61,066	43,608	(17,458)	63,275
Unemployment insurance	-	-	-	-
Medical/life insurance	154,274	148,446	(5,828)	163,512
Supplemental pensions	2,400	2,400	-	2,400
Total personnel services	1,206,331	1,076,740	(129,591)	1,066,512
Materials and supplies				
Liability insurance	26,625	34,324	7,699	19,529
Maintenance - building	253,502	394,337	140,835	186,123
Maintenance - equipment	40,500	21,781	(18,719)	21,977
Maintenance - vehicles	130,000	85,253	(44,747)	127,128
Postage/mailings	750	410	(340)	447
Rent - equipment	47,700	37,432	(10,268)	9,896
Supplies - office	3,403	2,392	(1,011)	3,036
Supplies - other	267,165	131,396	(135,769)	117,484
Small tools and equipment	12,650	4,183	(8,467)	24,578
Training and education	32,400	2,247	(30,153)	1,959
Uniforms	10,346	7,769	(2,577)	5,228
Utilities	26,400	27,986	1,586	18,955
Gas and oil	96,790	61,269	(35,521)	71,303
Total materials and supplies	948,231	810,779	(137,452)	607,643

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024		Variance	2023
	Original and Final Budget	Actual	Over (Under)	Actual
HIGHWAYS AND STREETS (Continued)				
Public works (Continued)				
Contractual services				
Consulting/professional	\$ 10,750	\$ 4,458	\$ (6,292)	\$ 6,960
Forestry	355,847	303,161	(52,686)	102,063
Street light operation and maintenance	93,000	137,695	44,695	116,914
Tree trim - removal	211,578	120,878	(90,700)	164,745
Residential concrete program	-	62,236	62,236	38,401
Street sweeping	45,756	20,594	(25,162)	15,494
Mosquito abatement	42,500	39,900	(2,600)	41,700
Contingency	-	1,383	1,383	-
Janitorial service	2,000	2,990	990	-
Drainage projects	268,840	130,029	(138,811)	167,840
Total contractual services	1,030,271	823,324	(206,947)	654,117
Capital outlay				
Capital improvements	-	27,789	27,789	-
Equipment	1,412,850	1,170,396	(242,454)	226,498
Total capital outlay	1,412,850	1,198,185	(214,665)	226,498
Total public works	4,597,683	3,909,028	(688,655)	2,554,770
Total highways and streets	4,597,683	3,909,028	(688,655)	2,554,770
PUBLIC SAFETY				
Police department				
Personnel services				
Salaries	514,803	520,820	6,017	461,119
Salaries - officers	4,342,154	4,124,240	(217,914)	3,879,409
Overtime	499,103	344,280	(154,823)	302,763
Social Security	31,918	31,489	(429)	27,643
Medicare	77,663	69,927	(7,736)	65,562
IMRF	34,327	32,887	(1,440)	39,777
Medical/life insurance	522,586	441,959	(80,627)	485,274
Police pension	2,406,164	2,393,656	(12,508)	2,113,126
Supplemental pensions	45,600	43,335	(2,265)	42,029
Total personnel services	8,474,318	8,002,593	(471,725)	7,416,702
Materials and supplies				
Animal control	1,200	3,705	2,505	915
Auxiliary police	2,000	-	(2,000)	310
Boards and commissions	31,250	27,879	(3,371)	9,879
Dues and subscriptions	2,950	2,109	(841)	2,099
Investigation and equipment	65,980	67,162	1,182	60,872
Liability insurance	143,000	61,794	(81,206)	49,458
Maintenance - building	-	76	76	102
Maintenance - equipment	30,800	29,368	(1,432)	18,166
Maintenance - vehicles	65,625	52,303	(13,322)	38,777

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024			
	Original and Final Budget	Actual	Variance Over (Under)	2023 Actual
PUBLIC SAFETY (Continued)				
Police department (Continued)				
Materials and supplies (Continued)				
Postage/mailings	\$ 3,500	\$ 1,608	\$ (1,892)	\$ 2,405
Printing and forms	1,500	367	(1,133)	848
Public relations	3,500	1,621	(1,879)	3,573
Rent - equipment	5,800	500	(5,300)	400
Supplies - office	7,000	5,033	(1,967)	5,051
Training and education	45,300	40,039	(5,261)	35,079
Travel/meetings	21,550	5,130	(16,420)	5,157
Telephone	16,600	12,898	(3,702)	12,501
Uniforms	50,300	49,764	(536)	36,791
Utilities	14,000	9,631	(4,369)	16,776
Gas and oil	90,000	101,502	11,502	116,666
Total materials and supplies	601,855	472,489	(129,366)	415,825
Contractual services				
Bad debt expense	-	50	50	-
Consulting/professional	551,950	528,840	(23,110)	480,846
Dumeg/fiat/child center	27,700	27,680	(20)	27,680
Total contractual services	579,650	556,570	(23,080)	508,526
Capital outlay				
Equipment	440,000	308,727	(131,273)	-
Total capital outlay	440,000	308,727	(131,273)	-
Total police department	10,095,823	9,340,379	(755,444)	8,341,053
Total public safety	10,095,823	9,340,379	(755,444)	8,341,053
TOTAL EXPENDITURES	\$ 17,117,310	\$ 15,653,242	\$ (1,464,068)	\$ 12,976,844

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024		Variance	
	Original and Final Budget	Actual	Over (Under)	2023 Actual
REVENUES				
Taxes	\$ 83,574	\$ 85,011	\$ 1,437	\$ 193,843
Intergovernmental	500,000	359,162	(140,838)	1,573,244
Investment income	170,000	826,275	656,275	325,154
Total revenues	753,574	1,270,448	516,874	2,092,241
EXPENDITURES				
Current				
Highways and streets				
Contractual services	51,500	55,793	4,293	31,836
Capital outlay	5,425,090	5,349,117	(75,973)	3,473,259
Debt service				
Principal payments	110,000	110,000	-	185,000
Interest and fiscal charges	3,420	2,420	(1,000)	7,240
Total expenditures	5,590,010	5,517,330	(72,680)	3,697,335
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,836,436)	(4,246,882)	589,554	(1,605,094)
OTHER FINANCING SOURCES (USES)				
Transfers in	4,700,000	5,700,000	1,000,000	5,500,000
Total other financing sources (uses)	4,700,000	5,700,000	1,000,000	5,500,000
NET CHANGE IN FUND BALANCE	<u>\$ (136,436)</u>	1,453,118	<u>\$ 1,589,554</u>	3,894,906
FUND BALANCE, MAY 1		<u>14,068,336</u>		<u>10,173,430</u>
FUND BALANCE, APRIL 30		<u><u>\$ 15,521,454</u></u>		<u><u>\$ 14,068,336</u></u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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.

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

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

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

CITY OF DARIEN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2024

	Special Revenue				
	Motor Fuel Tax	Special Service Area	Storm Sewer	Federal Equitable Sharing	Total
ASSETS					
Cash and cash equivalents	\$ 1,663,285	\$ 22,847	\$ 43,283	\$ 233,988	\$ 1,963,403
Receivables (net, where applicable, of allowances for uncollectibles)					
Intergovernmental	79,164	-	-	-	79,164
TOTAL ASSETS	\$ 1,742,449	\$ 22,847	\$ 43,283	\$ 233,988	\$ 2,042,567
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 55,442	\$ -	\$ 2,500	\$ 14,388	\$ 72,330
Total liabilities	55,442	-	2,500	14,388	72,330
FUND BALANCES					
Restricted					
Special service area	-	22,847	-	-	22,847
Storm sewer	-	-	40,783	-	40,783
Public safety	-	-	-	219,600	219,600
Highways and streets	1,687,007	-	-	-	1,687,007
Total fund balances	1,687,007	22,847	40,783	219,600	1,970,237
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,742,449	\$ 22,847	\$ 43,283	\$ 233,988	\$ 2,042,567

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024

	Special Revenue				
	Motor Fuel Tax	Special Service Area	Storm Sewer	Federal Equitable Sharing	Total
REVENUES					
Taxes	\$ -	\$ 5,054	\$ -	\$ -	\$ 5,054
Intergovernmental	966,720	-	-	55,618	1,022,338
Investment income	74,303	999	1,954	10,408	87,664
Total revenues	1,041,023	6,053	1,954	66,026	1,115,056
EXPENDITURES					
Current					
Highways and streets	796,650	4,462	17,200	-	818,312
Public safety	-	-	-	112,613	112,613
Capital outlay	31,477	-	-	-	31,477
Total expenditures	828,127	4,462	17,200	112,613	962,402
NET CHANGE IN FUND BALANCES	212,896	1,591	(15,246)	(46,587)	152,654
FUND BALANCES, MAY 1	1,474,111	21,256	56,029	266,187	1,817,583
FUND BALANCES, APRIL 30	\$ 1,687,007	\$ 22,847	\$ 40,783	\$ 219,600	\$ 1,970,237

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024			
	Original and Final Budget	Actual	Variance Over (Under)	2023 Actual
REVENUES				
Intergovernmental				
Motor fuel tax allotment	\$ 814,407	\$ 966,720	\$ 152,313	\$ 899,477
Rebuild Illinois	-	-	-	242,592
Investment income	22,000	74,303	52,303	36,423
Total revenues	836,407	1,041,023	204,616	1,178,492
EXPENDITURES				
Current				
Highways and streets				
Commodities	567,030	355,416	(211,614)	333,661
Wages	305,670	421,286	115,616	288,781
Contractual services	18,000	19,948	1,948	-
Capital outlay	20,000	31,477	11,477	19,974
Total expenditures	910,700	828,127	(82,573)	642,416
NET CHANGE IN FUND BALANCE	\$ (74,293)	212,896	\$ 287,189	536,076
FUND BALANCE, MAY 1		1,474,111		938,035
FUND BALANCE, APRIL 30		\$ 1,687,007		\$ 1,474,111

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024			
	Original and Final Budget	Actual	Variance Over (Under)	2023 Actual
REVENUES				
Taxes	\$ 5,500	\$ 5,054	\$ (446)	\$ 5,015
Investment income	100	999	899	662
Total revenues	5,600	6,053	453	5,677
EXPENDITURES				
Current				
Contractual services	9,000	4,462	(4,538)	9,509
Total expenditures	9,000	4,462	(4,538)	9,509
NET CHANGE IN FUND BALANCE	<u>\$ (3,400)</u>	1,591	<u>\$ 4,991</u>	(3,832)
FUND BALANCE, MAY 1		<u>21,256</u>		<u>25,088</u>
FUND BALANCE, APRIL 30		<u>\$ 22,847</u>		<u>\$ 21,256</u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

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

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024			
	Original and Final Budget	Actual	Variance Over (Under)	2023 Actual
OPERATING REVENUES				
Charges for services				
Water sales	\$ 7,782,928	\$ 7,816,490	\$ 33,562	\$ 7,658,766
Inspections/tap on/permits	5,000	11,681	6,681	49,258
Sale of meters	1,000	3,468	2,468	6,056
Other water sales	1,000	24,425	23,425	13,621
Total operating revenues	7,789,928	7,856,064	66,136	7,727,701
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Personnel services				
Salaries	667,108	664,382	(2,726)	609,527
Overtime	90,000	155,088	65,088	95,902
Social Security	46,941	46,988	47	37,977
Medicare	10,978	11,060	82	9,175
IMRF	53,073	58,519	5,446	69,068
Medical/life insurance	113,453	102,001	(11,452)	120,634
Supplemental pensions	2,400	2,400	-	2,400
Total personnel services	983,953	1,040,438	56,485	944,683
Materials and supplies				
Liability insurance	209,945	170,417	(39,528)	150,938
Maintenance - building	29,646	10,561	(19,085)	26,973
Maintenance - equipment	12,300	7,770	(4,530)	17,286
Maintenance - vehicles	6,850	17,856	11,006	997
Maintenance - water system	309,625	453,632	144,007	375,659
Postage/mailings	1,600	88	(1,512)	528
Quality controls	10,850	10,532	(318)	10,772
Service charge	250,000	250,000	-	250,000
Supplies - operation	5,600	5,614	14	5,424
Training and education	21,150	4,903	(16,247)	640
Telephone	17,166	11,121	(6,045)	7,937
Uniforms	5,600	6,538	938	3,987
Utilities	42,000	49,148	7,148	36,232
Vehicle (gas and oil)	24,055	32,139	8,084	35,009
Total materials and supplies	946,387	1,030,319	83,932	922,382
Contractual				
Audit	13,313	13,250	(63)	10,625
Consulting/professional	14,950	11,051	(3,899)	5,790
Leak detection	19,800	-	(19,800)	12,917
Data processing	170,837	160,161	(10,676)	160,878
Rent - Equipment	40,500	50,050	9,550	-
Janitorial service	8,250	7,342	(908)	-
Forestry	657	2,042	1,385	-
DuPage Water Commission	5,007,922	4,778,104	(229,818)	4,676,705
Total contractual	5,276,229	5,022,000	(254,229)	4,866,915

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2024
(With Prior Year Actual)

	2024			
	Original and Final Budget	Actual	Variance Over (Under)	2023 Actual
OPERATING EXPENSES				
EXCLUDING DEPRECIATION (Continued)				
Capital outlay				
Equipment	\$ 663,550	\$ 683,878	\$ 20,328	\$ 499,328
Water meters	5,000	1,204	(3,796)	4,041
Infrastructure	-	43,167	43,167	3,066,933
Total capital outlay	668,550	728,249	59,699	3,570,302
Total operating expenses excluding depreciation	7,875,119	7,821,006	(54,113)	10,304,282
OPERATING INCOME (LOSS)	(85,191)	35,058	120,249	(2,576,581)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	41,000	180,585	139,585	147,362
Miscellaneous income	-	70,747	70,747	37,167
Debt service				
Principal repayment	(590,000)	(590,000)	-	(570,000)
Interest expense	(103,900)	(96,045)	7,855	(114,602)
Total non-operating revenues (expenses)	(652,900)	(434,713)	218,187	(500,073)
NET INCOME (LOSS) BEFORE TRANSFERS	(738,091)	(399,655)	338,436	(3,076,654)
TRANSFERS				
Transfers in	150,000	150,000	-	2,070,000
Transfers (out)	-	(150,000)	(150,000)	(2,070,000)
Total transfers	150,000	-	(150,000)	-
NET INCOME (LOSS) BUDGETARY BASIS	<u>\$ (588,091)</u>	<u>(399,655)</u>	<u>\$ 188,436</u>	<u>(3,076,654)</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay capitalized		683,407		3,463,805
Principal repayment		590,000		570,000
Bond amortization		(2,246)		(2,398)
Pension/OPEB expense		234,618		(24,233)
Depreciation		(525,511)		(552,297)
Total adjustments to GAAP basis		980,268		3,454,877
CHANGE IN NET POSITION		580,613		378,223
NET POSITION, MAY 1		10,548,134		10,169,911
NET POSITION, APRIL 30		<u>\$ 11,128,747</u>		<u>\$ 10,548,134</u>

(See independent auditor's report.)

SUPPLEMENTAL DATA

CITY OF DARIEN, ILLINOIS

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

April 30, 2024

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
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>\$ 575,000</u>	<u>\$ 30,275</u>	<u>\$ 605,275</u>		<u>\$ 15,138</u>		<u>\$ 15,137</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2018

April 30, 2024

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
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>\$ 2,090,000</u>	<u>\$ 225,000</u>	<u>\$ 2,315,000</u>		<u>\$ 112,500</u>		<u>\$ 112,500</u>

(See independent auditor's report.)