

CITY OF DARIEN, ILLINOIS  
ANNUAL FINANCIAL REPORT  
For the Year Ended  
April 30, 2008

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, 2008

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MAYOR

Kathleen Moesle Weaver

CITY COUNCIL

Halil Avcı  
William R. Durkin  
John Galan  
John F. Poteraske, Jr.  
Carolyn A. Gattuso  
Joseph A. Marchese  
Sylvia McIvor

CITY TREASURER

Michael J. Coren

CITY CLERK

Joanne F. Coleman

CITY ATTORNEY

John B. Murphy

## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**





998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT

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

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 as of and for the year ended April 30, 2008, which collectively comprise the City of Darien, Illinois' basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of Darien, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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, 2008, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the other required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Darien, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements and schedules and supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and supplemental data have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The introductory information listed in the table of contents was not audited by us, and accordingly, we do not express an opinion thereon.

A handwritten signature in cursive script, appearing to read "John Lee".

Aurora, Illinois  
October 6, 2008

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2008***

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Darien, we offer readers of Darien's financial statements this narrative overview and analysis of the financial activities of the City of Darien for the fiscal year ended April 30, 2008. 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 letter of transmittal, which can be found on pages iii to vi in this report and 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 assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$24.7 million (net assets).
- ❑ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$ 6.9 million, an increase of \$2.7 million in comparison with the prior year. Approximately \$6.7 million is available for spending at the government's discretion (unreserved fund balance).
- ❑ At the end of the current fiscal year, unreserved fund balance for the General Fund was \$ 4 million, or 34 percent of the total General Fund expenditures.
- ❑ The City's total debt increased by \$3 million during the current year to \$8.8 million. The City issued \$4 million in bonds for capital projects over the next several years.

***OVERVIEW OF THE FINANCIAL STATEMENTS***

This discussion and analysis are 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

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***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2008***

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

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of Darien's finances, in a manner similar to a private-sector business, and are reported using the accrual basis of accounting and economic resources measurement focus.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the fiscal year being reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be divided into two types of activities: governmental and business-type. Governmental activities present the functions of the City that are principally supported by taxes and intergovernmental revenues. Business-type activities present the functions that are intended to recover all or a significant portion of their costs through user fees and charges. The City's governmental activities include functions like general government, public safety, and public works. The City's water department is included as a business-type activity.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other units of government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows

(See Independent Auditor's Report)

***CITY OF DARIEN***  
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***For the Year Ended April 30, 2008***

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and outflows of spendable resources; as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Motor Fuel Tax Fund, Joint Use Facility, Capital Improvements and Debt Service all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report.

The City adopts an annual budget for each of the major funds listed above. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City's proprietary funds present the activities and balances in the Water Fund, which is considered to be a major fund, using the accrual basis of accounting and economic resources measurement focus. Proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary funds reflect the private-sector type operation, where the fee for service typically covers all or most of the cost of operation and maintenance including depreciation.

Fiduciary funds are used to account for resources held for the benefit of parties outside the city. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

***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.

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**Management's Discussion and Analysis**  
**For the Year Ended April 30, 2008**

**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 and Police Pension Funds; as well as, budget to actual comparisons of the funds. Supplementary schedules include combining and individual fund schedules of all non-major funds and fiduciary funds.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

<b>Condensed Statement of Net Assets</b>									
<b>As of April 30, 2008</b>									
<b>(In millions of dollars)</b>									
	<b><u>Governmental</u></b>			<b><u>Business-Type</u></b>			<b><u>Government</u></b>		
	<b><u>Activities</u></b>			<b><u>Activities</u></b>			<b><u>Total</u></b>		
	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>Change</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>Change</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>Change</u></b>
Current and other assets	\$9.04	\$6.36	42.30%	\$2.44	\$4.60	25.64%	\$11.48	\$10.9	5.23%
Capital assets	<u>16.62</u>	<u>14.10</u>	17.88%	<u>7.98</u>	<u>6.56</u>	13.32%	<u>24.60</u>	<u>20.6</u>	19.02%
<b>Total Assets</b>	<b><u>25.66</u></b>	<b><u>20.46</u></b>	34.54%	<b><u>10.42</u></b>	<b><u>11.16</u></b>	16.04%	<b><u>36.08</u></b>	<b><u>31.62</u></b>	14.08%
Long-term liabilities	4.41	.68	550%	3.74	3.86	-.04%	8.15	4.54	80.00%
Other liabilities	<u>2.77</u>	<u>2.70</u>	2%	<u>.40</u>	<u>1.03</u>	200.00%	<u>3.17</u>	<u>3.73</u>	-15.29%
<b>Total Liabilities</b>	<b><u>7.18</u></b>	<b><u>3.38</u></b>	<b><u>112%</u></b>	<b><u>4.14</u></b>	<b><u>4.89</u></b>	<b><u>-37.50%</u></b>	<b><u>11.32</u></b>	<b><u>8.27</u></b>	43.66%
<i>Net assets:</i>									
Invested in capital assets, net of related debt	11.93	13.58	8.27%	4.14	4.42	-7%	16.06	18.00	-10.78%
Restricted	.19	.38	-50%	0.00	0.00	N/A	.19	.38	-50%
Unrestricted	<u>6.36</u>	<u>3.12</u>	104%	<u>2.14</u>	<u>1.85</u>	17%	<u>8.50</u>	<u>4.97</u>	71.03%
<b>Total Net Assets</b>	<b><u>\$18.48</u></b>	<b><u>17.08</u></b>	8.20%	<b><u>\$6.28</u></b>	<b><u>6.27</u></b>	.01%	<b><u>\$24.76</u></b>	<b><u>23.35</u></b>	6.04%

**Normal Impacts**

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

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

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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 assets invested in capital assets, net of related debt.

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 assets and increase invested in capital assets, net of related debt.

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

Reduction of capital assets through depreciation – which will reduce capital assets and net assets invested in capital assets, net of related debt.

**Current Year Impacts**

As noted earlier, net assets may serve over time as a useful indicator of a governments' financial position. In the case of the City of Darien, total net assets increased approximately \$1.41 million from \$23.3 million to \$24.76 million. The City of Darien total assets equal \$24.76 million. The City of Darien total liabilities equal \$11.31 million.

The City experienced increased current and other assets as it increased the estimate of collection of current year real estate tax collections, and its cash and investments. Also, the City increased the deferred revenue relating to the real estate taxes receivable, to be utilized specifically in 2008.

The City of Darien's assessed property tax rate dropped for this fiscal year from \$5.1998 to \$4.9972 per \$100 of assessed valuation. The City of Darien's portion of a resident's tax bill is only 3.44% of their total real estate tax. The City of Darien's property taxes remain relatively lower than other municipalities within DuPage County.

A portion of the net assets of the governmental activities is restricted for street maintenance, road improvements, and special assessments. The unrestricted combined balance, for both governmental and business type activities, of \$8.5 million may be used to meet the ongoing City obligations to their citizens and creditors. All net asset categories show positive balances at yearend.



**CITY OF DARIEN**  
**Management's Discussion and Analysis**  
**For the Year Ended April 30, 2008**

<b>Condensed Statement of Activities</b>									
<b>As of April 30, 2008</b>									
<b>(In millions of dollars)</b>									
	<b><u>Governmental</u></b>			<b><u>Business-Type</u></b>			<b><u>Government</u></b>		
	<b><u>Activities</u></b>			<b><u>Activities</u></b>			<b><u>Total</u></b>		
	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>2008</u>	<u>2007</u>	<u>Change</u>
<b>Revenues:</b>									
<i>Program Revenues:</i>									
Charges for Services	\$1.76	2.2	-17%	\$2.9	\$2.8	4%	\$4.66	5.0	14%
Operating Grants and Contributions	0.68	0.73	-7%	-	-	0.00%	0.68	0.73	7%
<i>General Revenues:</i>									
Property taxes	1.6	1.5	7%	-	-	0.00%	1.6	1.5	7%
Other Taxes	8.2	8.0	3%	-	-	0.00%	8.2	8.0	3%
Other General Revenues	<u>1.8</u>	<u>0.3</u>	500%	<u>.2</u>	<u>.4</u>	0.00%	<u>2.0</u>	<u>0.7</u>	567%
<b>Total Revenues</b>	<b>14.04</b>	<b>12.7</b>	23%	3.1	<b>3.2</b>	10.0%	17.14	<b>15.9</b>	8%
<b>Expenses:</b>									
Administration	1.8	2.0	-10%	-	-	0.00%	1.8	2.0	-10%
Public Works	2.5	3.9	-36%	-	-	0.00%	2.5	3.9	-36%
Public Safety	8.4	6.4	32%	-	-	0.00%	8.4	6.4	32%
Interest and Fees	0.2	.04	400%	-	-	0.00%	0.2	0.04	400%
Water	<u>0.0</u>	<u>0.0</u>	0.0%	<u>3.1</u>	<u>3.0</u>	4.0%	<u>3.1</u>	<u>3.0</u>	4%
<b>Total Expenses</b>	12.9	<b>12.3</b>	5%	3.1	<b>3.0</b>	4.0%	<b>16.00</b>	<b>15.3</b>	5%
Increase (Decrease) in Net Assets Before Prior Period Adjustment									
	1.1	.4	175%	0	0.2	100%	1.1	.6	84%
Prior Period Adjustment									
	<u>.29</u>	<u>-.8</u>	64%	-	-	-	<u>.29</u>	<u>-.8</u>	64%
Change in Net Assets									
	1.4	-.4	450%	0	.2	100%	1.4	-.2	450%
Net Assets, Beginning of Year									
	<u>17.1</u>	<u>17.5</u>	3%	<u>6.3</u>	<u>6.0</u>	5%	<u>23.4</u>	<u>23.5</u>	1%
<b>Net Assets, End of Year</b>	<b>\$18.5</b>	<b>\$17.1</b>	9%	<b>\$6.3</b>	<b>\$6.2</b>	2%	<b>\$24.8</b>	<b>\$23.3</b>	7%

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**Normal Impacts**

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

**Revenues**

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

Increase/decrease in City approved rates – while certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, 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 distorting 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, public works, and community development), 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 human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuel and parts. Some functions may experience unusual commodity specific increases.

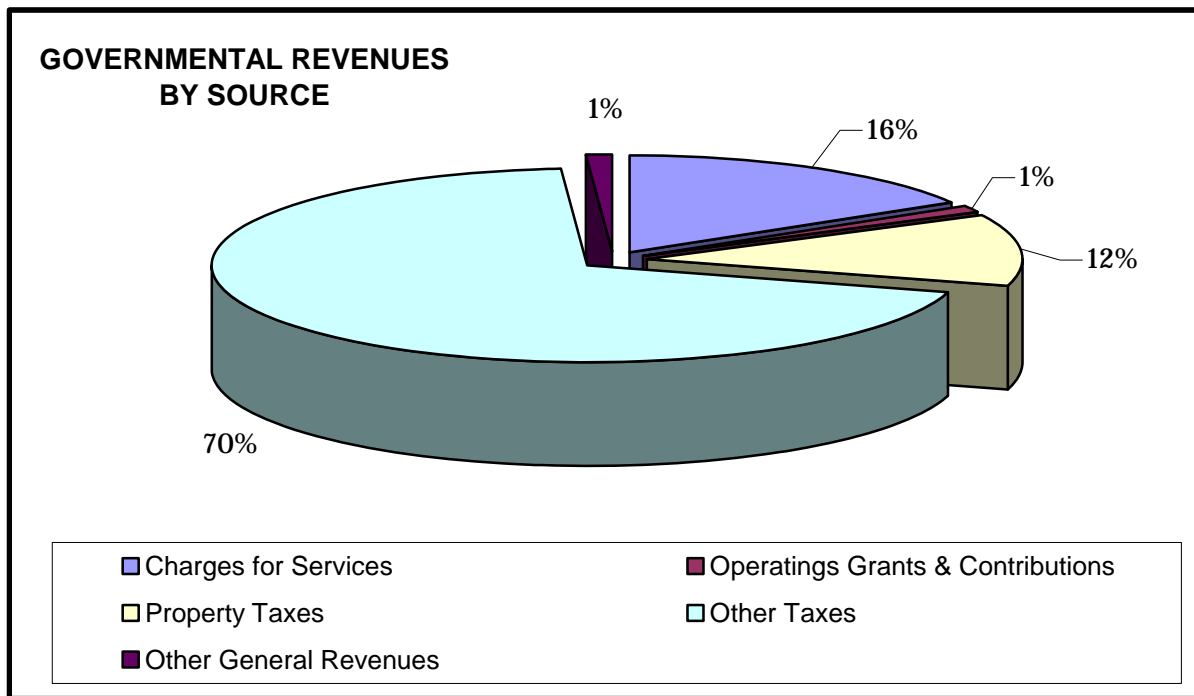
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**Current Year Impacts**

The Governmental Activities experienced an increase in revenue due to a rebate from the water commission of approximately \$1 million. Property taxes and sales tax increased slightly over last year. This increase combined with continued prudent spending resulted in an increase in net assets of \$1.4 million compared to total net assets of \$17.1 million in the prior fiscal year.

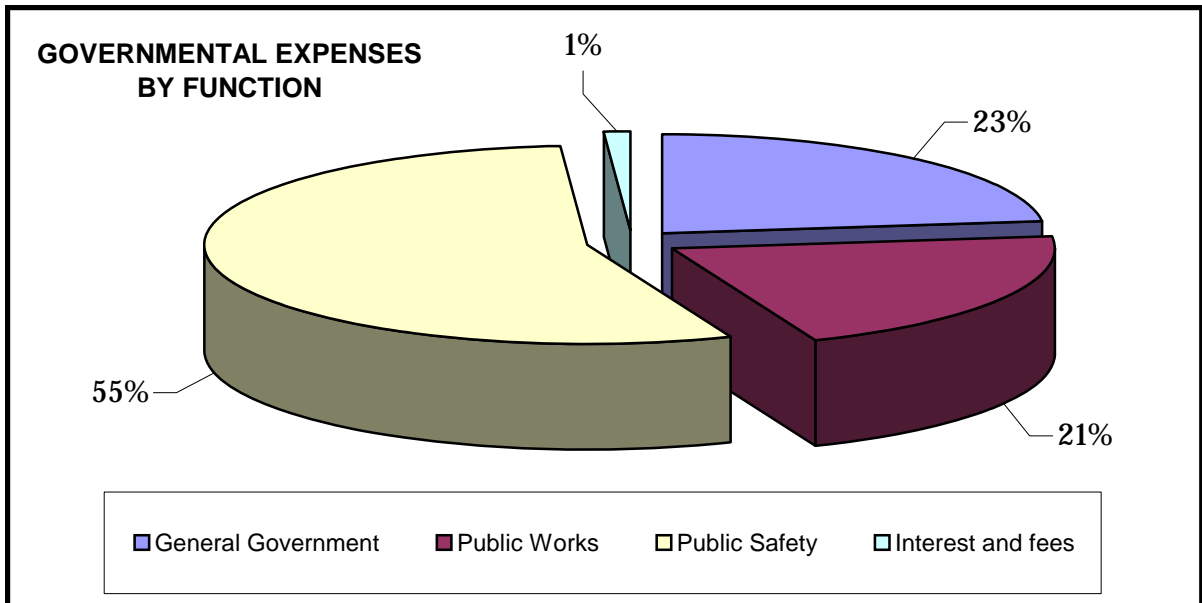
**GOVERNMENTAL ACTIVITIES**



**Revenues**

The City of Darien experienced an increase in revenue for this fiscal year. This increase in revenues amounted to \$1.34 million. This increase in revenues was directly related to a water commission rebate of \$1 million. Other contributing factors for the increase were also from the collection of state shared revenues of State Income Tax, Municipal Utility Tax, and the Motor Fuel Allotment. These receipts increased slightly over last year.

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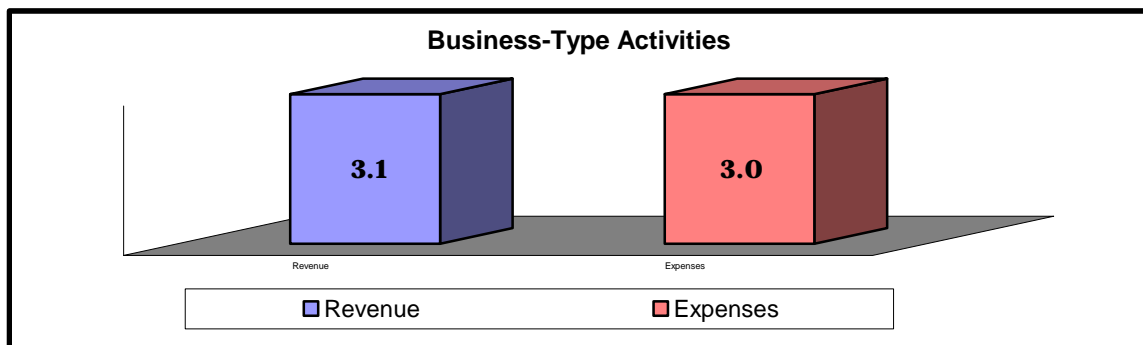


**Expenses**

The City of Darien's overall expenses in the current fiscal year increased over the previous year, \$600 thousand of which a majority went towards public safety.

As a result of an attempt to conserve overall spending, general government departmental spending actually increased only slightly. Spending was reduced in the Administration Department by 10%. Public Works and Public Safety had an increase of 8% and 5 % respectfully.

**Business Type Activities**



The Business-Type activity of the City of Darien includes the Water Department. The Water Departments serves the city residents and businesses; as well as providing water to the

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villages of Downers Grove and Woodridge. Pricing of water is based on fee determined by the supplier of water, the DuPage Water Commission. Sales of water (revenues) can be affected by climate, at times, with warmer and drier summers bringing higher demand. The operating revenues of the Water Department increased by \$141 thousand in comparison to the prior year, due to increased demand by consumers.

The City sets a goal of transferring \$250 thousand from its Water Department to the General Fund. Operating expenses increased \$38 thousand for this fiscal year. The increase was the result of increases in contractual and material supply expenses for the water system.

***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, Motor Fuel Tax Fund, Joint Use Facility, Capital Improvement and Debt Service 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 \$6.9 million; an increase of \$3.2 million over fiscal 2007.

The fund balance of the City of Darien's general fund increased by \$.35 million to \$4.1 million during the current fiscal year.

***GENERAL FUND BUDGETARY HIGHLIGHTS***

Over the course of the year 2008, the original budget was not altered or amended. The increase of actual revenue from projected total revenues equaled approximately \$.24 million in the General Fund for the fiscal year. Over the course of the year the City realized an increase in budgeted revenue property taxes, utility taxes, state income taxes, and sales taxes collected of \$80 thousand, \$27 thousand, \$184 thousand, \$7 thousand, respectively (see page 48.)

The actual expenditures for fiscal year 2008 were more than budgeted amounts by \$200 thousand. This was due mainly to the popular resident sidewalk program which exceeded the City's expectations. The City was reimbursed for these expenditures; therefore the corresponding revenue also exceeded budgeted estimates. General government expenses were reduced by 10%; Public Works expenses were increased by 8%; and Public Safety expenses were increased by 5%.

(See Independent Auditor's Report)

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2008***

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***CAPITAL ASSET AND DEBT ADMINISTRATION***

***Capital assets***

At the end of fiscal 2008, the City of Darien had total capital assets (net of accumulated depreciation) of \$24.6 million, invested in a broad range of capital assets including police and public works equipment, buildings, water facilities, roads, streets, and sewer lines. The total increase in the City's capital assets for the current year was \$5.0 million or 19% total increase. This increase was related to capital assets being purchased for the completion of the water tower located at Plainfield and Cass Ave.

***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 note payable and a general obligation bond issuance for the acquisition and construction of major capital facilities. Overall, the City's governmental activities report a total debt of \$4.4 million. The City began the fiscal year with a balance of \$.52 million in debt, and issued \$4 million in new debt for various capital projects.

In the City's business-type activities a total debt of \$3.8 million is reported. Debt was reduced in the City business-type activity during 2008 by \$60 thousand, and issued no new debt. The business activity debt is paid primarily by revenues generated by the Water Department's sale of water fee for service. The revenue 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 to 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 economic downturn. The unemployment rate is 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's expenditures are comprised mostly of salaries that can increase substantially with increased in the Consumer Price Index. The City of Darien, along with all other municipalities, is also struggling to deal with the seemingly endless double-digit annual percentage increases in the premium cost of health insurance. Other factors bearing on the City's future are real

(See Independent Auditor's Report)

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2008***

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estate tax objections/refunds, increases in water rates charged, and inflation. All of the local economic factors, revenue projections, and analysis of the City's expenditures are factored in the future fiscal budget plans.

***REQUESTS FOR INFORMATION***

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

Bryon Vana  
City Administrator  
1702 Plainfield Road  
Darien, Illinois 60561

CITY OF DARIEN, ILLINOIS  
STATEMENT OF NET ASSETS

April 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,538,557	\$ 1,829,638	\$ 7,368,195
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,635,595	-	1,635,595
Accounts	-	579,219	579,219
Accrued interest	1,122	-	1,122
Due from other governments	1,512,634	-	1,512,634
Other	330,168	-	330,168
Deferred bond issuance costs	-	33,503	33,503
Inventories	12,896	-	12,896
Capital assets not being depreciated	6,193,336	100,000	6,293,336
Capital assets being depreciated	10,429,936	7,879,637	18,309,573
<b>Total assets</b>	<b>25,654,244</b>	<b>10,421,997</b>	<b>36,076,241</b>
<b>LIABILITIES</b>			
Accounts payable	222,599	160,660	383,259
Retainage payable	-	121	121
Accrued payroll	166,390	17,075	183,465
Accrued interest payable	74,673	69,974	144,647
Deferred revenue	1,634,669	-	1,634,669
Deposits payable	121,515	-	121,515
Other payables	10,550	-	10,550
Darien Helping Darien fund	1,182	-	1,182
DTC maintenance escrow	10,000	-	10,000
Noncurrent liabilities			
Due within one year	527,796	154,798	682,594
Due in more than one year	4,407,629	3,736,749	8,144,378
<b>Total liabilities</b>	<b>7,177,003</b>	<b>4,139,377</b>	<b>11,316,380</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	11,925,315	4,139,639	16,064,954
Restricted for			
Debt service	107,897	-	107,897
Highways and streets	73,054	-	73,054
Special service area	13,067	-	13,067
Public safety	21,965	-	21,965
Unrestricted	6,335,943	2,142,981	8,478,924
<b>TOTAL NET ASSETS</b>	<b>\$ 18,477,241</b>	<b>\$ 6,282,620</b>	<b>\$ 24,759,861</b>

See accompanying notes to financial statements.



CITY OF DARIEN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2008

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 1,740,613	\$ 1,064,430	\$ -	\$ -
Highways and streets	2,539,360	425,520	676,866	-
Public safety	8,436,005	268,932	7,804	-
Interest and fiscal charges on long-term debt	215,972	-	-	-
Total governmental activities	12,931,950	1,758,882	684,670	-
Business-Type Activities				
Water operations	3,113,839	2,908,191	-	-
Total business-type activities	3,113,839	2,908,191	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 16,045,789</b>	<b>\$ 4,667,073</b>	<b>\$ 684,670</b>	<b>\$ -</b>

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (676,183)	\$ -	\$ (676,183)
	(1,436,974)	-	(1,436,974)
	(8,159,269)	-	(8,159,269)
	(215,972)	-	(215,972)
	(10,488,398)	-	(10,488,398)
	-	(205,648)	(205,648)
	-	(205,648)	(205,648)
	(10,488,398)	(205,648)	(10,694,046)
General Revenues			
Taxes			
Property	1,573,734	-	1,573,734
Replacement	7,986	-	7,986
Income	2,174,312	-	2,174,312
Sales	4,650,181	-	4,650,181
Local use	333,994	-	333,994
Telecommunications	330,733	-	330,733
Utility	366,451	-	366,451
Amusement	105,492	-	105,492
Hotel/motel	48,992	-	48,992
Road and bridge	169,021	-	169,021
Investment income	223,390	92,537	315,927
Miscellaneous	1,602,827	126,923	1,729,750
Total	11,587,113	219,460	11,806,573
CHANGE IN NET ASSETS	1,098,715	13,812	1,112,527
NET ASSETS, MAY 1	17,080,910	6,268,808	23,349,718
Prior period adjustments	297,616	-	297,616
NET ASSETS, MAY 1, RESTATED	17,378,526	6,268,808	23,647,334
NET ASSETS, APRIL 30	\$ 18,477,241	\$ 6,282,620	\$ 24,759,861

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2008

	General	Motor Fuel Tax	Joint Use Facility	Capital Improvements	Debt Service	Nonmajor	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,760,524	\$ 71,392	\$ 87,733	\$ 1,099,074	\$ 1,451,242	\$ 68,592	\$ 5,538,557
Receivables (net, where applicable, of allowances for uncollectibles)							
Property taxes	1,442,131	-	192,538	-	-	926	1,635,595
Intergovernmental	1,459,770	52,864	-	-	-	-	1,512,634
Interest	1,122	-	-	-	-	-	1,122
Other	330,168	-	-	-	-	-	330,168
Inventory	12,896	-	-	-	-	-	12,896
Due from other funds	-	-	20,164	-	-	-	20,164
<b>TOTAL ASSETS</b>	<b>\$ 6,006,611</b>	<b>\$ 124,256</b>	<b>\$ 300,435</b>	<b>\$ 1,099,074</b>	<b>\$ 1,451,242</b>	<b>\$ 69,518</b>	<b>\$ 9,051,136</b>

	General	Motor Fuel Tax	Joint Use Facility	Capital Improvements	Debt Service	Nonmajor	Total
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 183,067	\$ 39,532	\$ -	\$ -	\$ -	\$ -	\$ 222,599
Accrued payroll	166,390	-	-	-	-	-	166,390
Deferred revenue	1,442,131	-	192,538	-	-	-	1,634,669
Deposits payable	119,546	1,969	-	-	-	-	121,515
Other payables	849	9,701	-	-	-	-	10,550
Darien Helping Darien fund	1,182	-	-	-	-	-	1,182
DTC maintenance escrow	10,000	-	-	-	-	-	10,000
Due to other funds	20,164	-	-	-	-	-	20,164
<b>Total liabilities</b>	<b>1,943,329</b>	<b>51,202</b>	<b>192,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,187,069</b>
<b>FUND BALANCES</b>							
Reserved for inventory	12,896	-	-	-	-	-	12,896
Reserved for debt service	-	-	107,897	-	-	-	107,897
Reserved for highways and streets	-	73,054	-	-	-	-	73,054
Reserved for special service area	-	-	-	-	-	13,067	13,067
Reserved for public safety	-	-	-	-	-	21,965	21,965
Unreserved							
General Fund	4,050,386	-	-	-	-	-	4,050,386
Special Revenue Funds	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	1,099,074	1,451,242	34,486	2,584,802
<b>Total fund balances</b>	<b>4,063,282</b>	<b>73,054</b>	<b>107,897</b>	<b>1,099,074</b>	<b>1,451,242</b>	<b>69,518</b>	<b>6,864,067</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,006,611</b>	<b>\$ 124,256</b>	<b>\$ 300,435</b>	<b>\$ 1,099,074</b>	<b>\$ 1,451,242</b>	<b>\$ 69,518</b>	<b>\$ 9,051,136</b>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2008

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 6,864,067
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	16,623,272
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(4,360,000)
Notes payable	(310,000)
Compensated absences payable	(218,643)
Net pension obligation	(18,825)
Unamortized premiums on long-term debt are other financing sources in governmental funds in the year of issuance but are capitalized and amortized on the statement of net assets	(32,683)
Unamortized discounts on long-term debt are other financing uses in governmental funds in the year of issuance but are capitalized and amortized on the statement of net assets	4,726
Accrued interest payable is not recorded in governmental funds but is recorded on the statement of net assets	<u>(74,673)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 18,477,241</u></u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2008

	General	Motor Fuel Tax	Joint Use Facility	Capital Improvements	Debt Service	Nonmajor	Total
<b>REVENUES</b>							
Taxes	\$ 2,406,952	\$ -	\$ 190,387	\$ -	\$ -	\$ 5,070	\$ 2,602,409
Licenses and permits	1,094,754	-	-	-	-	-	1,094,754
Intergovernmental	7,234,437	676,866	-	-	-	-	7,911,303
Charges for services	2,955	-	-	-	-	-	2,955
Fines and forfeits	-	-	-	-	-	4,809	4,809
Contributions	-	-	-	-	-	7,000	7,000
Investment income	150,386	4,138	2,790	19,447	42,453	4,176	223,390
Miscellaneous	1,031,783	-	-	1,099,561	-	1,600	2,132,944
<b>Total revenues</b>	<b>11,921,267</b>	<b>681,004</b>	<b>193,177</b>	<b>1,119,008</b>	<b>42,453</b>	<b>22,655</b>	<b>13,979,564</b>
<b>EXPENDITURES</b>							
<b>Current</b>							
General government	3,027,224	-	-	3,331	-	3,760	3,034,315
Highways and streets	2,265,290	311,528	-	-	-	-	2,576,818
Public safety	6,635,915	-	-	-	-	-	6,635,915
Capital outlay	-	565,000	-	1,400,000	1,151,048	5,144	3,121,192
<b>Debt service</b>							
Principal	-	-	165,000	-	-	-	165,000
Interest and fiscal charges	-	-	26,238	37,686	56,333	-	120,257
Bond issuance costs	-	-	-	10,963	19,781	-	30,744
<b>Total expenditures</b>	<b>11,928,429</b>	<b>876,528</b>	<b>191,238</b>	<b>1,451,980</b>	<b>1,227,162</b>	<b>8,904</b>	<b>15,684,241</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(7,162)</b>	<b>(195,524)</b>	<b>1,939</b>	<b>(332,972)</b>	<b>(1,184,709)</b>	<b>13,751</b>	<b>(1,704,677)</b>

	General	Motor Fuel Tax	Joint Use Facility	Capital Improvements	Debt Service	Nonmajor	Total
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from sale of capital assets	\$ 51,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,101
Bonds issued at par	-	-	-	1,400,000	2,600,000	-	4,000,000
Premium on bonds issued	-	-	-	-	35,951	-	35,951
Discount on bonds issued	-	-	-	(5,907)	-	-	(5,907)
Notes issued	310,000	-	-	-	-	-	310,000
Total other financing sources (uses)	361,101	-	-	1,394,093	2,635,951	-	4,391,145
<b>NET CHANGE IN FUND BALANCES</b>	<b>353,939</b>	<b>(195,524)</b>	<b>1,939</b>	<b>1,061,121</b>	<b>1,451,242</b>	<b>13,751</b>	<b>2,686,468</b>
<b>FUND BALANCES, MAY 1</b>	<b>3,411,727</b>	<b>268,578</b>	<b>105,958</b>	<b>37,953</b>	<b>-</b>	<b>55,767</b>	<b>3,879,983</b>
Prior period adjustments	297,616	-	-	-	-	-	297,616
<b>FUND BALANCES, MAY 1, RESTATED</b>	<b>3,709,343</b>	<b>268,578</b>	<b>105,958</b>	<b>37,953</b>	<b>-</b>	<b>55,767</b>	<b>4,177,599</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 4,063,282</b>	<b>\$ 73,054</b>	<b>\$ 107,897</b>	<b>\$ 1,099,074</b>	<b>\$ 1,451,242</b>	<b>\$ 69,518</b>	<b>\$ 6,864,067</b>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2008

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,686,468
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	3,230,319
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	(711,119)
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	165,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	(67,058)
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(4,000,000)
The issuance of notes payable is reported as an other financing source in governmental funds, but as an increase in principal outstanding in the statement of activities	(310,000)
Premium on bonds issued is reported as an other financing source in governmental funds	(32,683)
Discount on bonds issued is reported as an other financing use in governmental funds	4,726
The change in compensated absences payable is shown as an expense on the statement of activities	<u>133,062</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,098,715</u></u>

See accompanying notes to financial statements.



## CITY OF DARIEN, ILLINOIS

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS

April 30, 2008

	Business-Type Activities Water Operations
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,829,638
Receivables (net, where applicable, of allowances for uncollectibles)	
Accounts	2,987
Water - billed	9,223
Water - unbilled	<u>567,009</u>
Total current assets	<u>2,408,857</u>
<b>NONCURRENT ASSETS</b>	
Deferred bond issuance costs	<u>33,503</u>
Total noncurrent assets	<u>33,503</u>
<b>CAPITAL ASSETS</b>	
Assets not being depreciated	100,000
Assets being depreciated	
Cost	15,246,379
Accumulated depreciation	<u>(7,366,742)</u>
Net capital assets being depreciated	<u>7,879,637</u>
Net capital assets	<u>7,979,637</u>
Total assets	<u>10,421,997</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	160,660
Retainage payable	121
Accrued payroll	17,075
Accrued interest payable	69,974
Bonds payable	145,000
Compensated absences payable	<u>9,798</u>
Total current liabilities	<u>402,628</u>
<b>LONG-TERM LIABILITIES</b>	
Bonds payable	3,695,000
Unamortized bond discount	(13,776)
Compensated absences payable	<u>55,525</u>
Total long-term liabilities	<u>3,736,749</u>
Total liabilities	<u>4,139,377</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	4,139,639
Unrestricted	<u>2,142,981</u>
TOTAL NET ASSETS	<u>\$ 6,282,620</u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2008

	Business-Type Activities
	Water Operations
<hr/>	
OPERATING REVENUES	
Water sales	\$ 2,854,179
Inspections/tap on/permits	33,293
Sale of meters	10,554
Other water sales	10,165
	<hr/>
Total operating revenues	2,908,191
	<hr/>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Personnel services	773,233
Materials and supplies	609,887
Contractual services	1,194,236
Capital outlay	13,493
	<hr/>
Total operating expenses excluding depreciation	2,590,849
	<hr/>
OPERATING INCOME BEFORE DEPRECIATION	317,342
Depreciation	353,199
	<hr/>
OPERATING LOSS	(35,857)
	<hr/>
NONOPERATING REVENUES (EXPENSES)	
Investment income	92,537
Miscellaneous income	126,923
Interst expense	(169,791)
	<hr/>
Total nonoperating revenues (expenses)	49,669
	<hr/>
CHANGE IN NET ASSETS	13,812
NET ASSETS, MAY 1	6,268,808
	<hr/>
NET ASSETS, APRIL 30	\$ 6,282,620
	<hr/> <hr/>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended April 30, 2008

	Business-Type Activities
	<u>Water Operations</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 2,817,841
Payments to suppliers	(2,459,529)
Payments to employees	<u>(748,090)</u>
Net cash from operating activities	<u>(389,778)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital assets purchased	(1,763,801)
Principal payments	(60,000)
Interest and fiscal charges	(238,329)
Miscellaneous receipts	<u>126,923</u>
Net cash from capital and related financing activities	<u>(1,935,207)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>92,537</u>
Net cash from investing activities	<u>92,537</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,232,448)
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	<u>4,062,086</u>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<u>\$ 1,829,638</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating loss	\$ (35,857)
Adjustments to reconcile operating loss to net cash from operating activities	
Depreciation	353,199
Changes in assets and liabilities	
Accounts receivable	(90,350)
Accounts payable	(456,549)
Retainage payable	(185,364)
Accrued payroll	81
Compensated absences payable	<u>25,062</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ (389,778)</u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

April 30, 2008

	Pension Trust Fund	Agency
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,510,463	\$ 18,375
Investments		
U.S. Treasury obligations	721,920	-
U.S. Agency obligations	6,175,962	-
Money market mutual funds	708,770	-
Municipal bonds	506,676	-
Receivables		
Accrued interest	92,950	-
Prepaid expenses	500	-
	<u>14,717,241</u>	<u>18,375</u>
<b>LIABILITIES</b>		
Accounts payable	5,864	-
Deposits payable	-	18,375
	<u>5,864</u>	<u>18,375</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u><u>\$ 14,711,377</u></u>	

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
POLICE PENSION FUND

For the Year Ended April 30, 2008

<b>ADDITIONS</b>	
Contributions	
Employer	\$ 859,300
Employee	<u>352,213</u>
Total contributions	<u>1,211,513</u>
Investment income	
Net depreciation in fair value of investments	(184,278)
Interest	<u>778,588</u>
Total investment income	594,310
Less investment expense	<u>(30,562)</u>
Net investment income	<u>563,748</u>
Total additions	<u>1,775,261</u>
<b>DEDUCTIONS</b>	
Pension benefits	726,360
Contractual services	21,873
Administrative expenses	<u>2,423</u>
Total deductions	<u>750,656</u>
NET INCREASE	1,024,605
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
May 1	<u>13,686,772</u>
April 30	<u><u>\$ 14,711,377</u></u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2008

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity

The City is a municipal corporation governed by a seven-member council consisting of seven aldermen and the mayor. As required by generally accepted accounting principles, 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 a pension trust fund.

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. Although it possesses many of the characteristics of a legally separate government, the PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees, and because of the fiduciary nature of such activities. The PPERS is reported as a pension trust fund.

The Darien Area Dispatch Center (the Dispatch Center) is a joint communications operation with the communities of Darien and Lisle to assist in responding to these communities. While the City assists in some administrative procedures, the Dispatch Center is a jointly governed organization funded by the communities involved.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), the servicing of general long-term debt (debt service fund), and the management of funds held in trust that can be used for governmental services (permanent fund). 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). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the City has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The City utilizes pension trust funds and agency 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 assets and the statement of activities) report information on all of the non-fiduciary 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Joint Use Facility Fund is to account for the accumulation of real estate taxes and payment of general obligation bonds associated with the purchase of land and construction of City facilities.

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

The Debt Service Fund is used to account for the proceeds of the General Obligation Bonds, Series 2007B and the expenditures for the related capital projects.

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.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

Agency Funds to account for assets held on behalf of third parties and that do not involve the measurement of operating results.

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. Nonoperating 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 also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

The City reports deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” or earned criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for 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 and all pension fund investments are stated at fair value in accordance with GASB Statement No. 31.

Illinois Funds, a money market mutual fund created by the Illinois State Legislature and controlled by the Illinois State Treasurer is reported at a \$1 per share value, which equals the City’s fair value in the pool.

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.”

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

h. Prepaid Items/Expenses

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

i. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, 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 estimated fair market 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. City employees may accrue up to 120 or 150 hours depending on the employment classification. The City 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, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

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 Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the City's net assets are restricted as a result of enabling legislation adopted by the City. Invested in capital assets, net of related debt represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund'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. 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 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, Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value), and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The City's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

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

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the City’s debt securities as of April 30, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Negotiable CDs	\$ 5,013,377	\$ 5,013,377	\$ -	\$ -	\$ -
IMET	791,403	-	791,403	-	-
Illinois Funds	639,916	639,916	-	-	-
<b>TOTAL</b>	<b>\$ 6,444,696</b>	<b>\$ 5,653,293</b>	<b>\$ 791,403</b>	<b>\$ -</b>	<b>\$ -</b>

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. Illinois Funds and IMET are rated AAA.

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

Investments (Continued)

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 basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts. Illinois Funds and IMET are not subject to custodial credit risk.

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.

b. Police Pension Fund Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. Agencies, interest-bearing bonds of the State of Illinois or any county, township, or municipal corporation of the State of Illinois, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. Agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock, 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 IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund 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, risk aversion, rate of return, and liquidity.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund’s deposits may not be returned to it. The Police Pension Fund’s investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance of at least 110% of the market value of deposits.

Investments

The following table presents the investments and maturities of the Police Pension Fund’s debt securities as of April 30, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 721,920	\$ -	\$ 156,703	\$ 386,122	\$ 179,095
U.S. Agency obligations	6,175,962	1,059	962,154	2,832,575	2,380,174
Money market mutual funds	708,770	708,770	-	-	-
Municipal bonds	506,676	-	203,394	303,282	-
<b>TOTAL</b>	<b>\$ 8,113,328</b>	<b>\$ 709,829</b>	<b>\$ 1,322,251</b>	<b>\$ 3,521,979</b>	<b>\$ 2,559,269</b>

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 Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Police Pension Fund limits its exposure to credit risk by primarily investing U.S. Treasury or Agency obligations. The U.S. Treasury and Agency obligations are rated AAA.



2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third-party custodian and evidenced by safekeeping receipts. The money market mutual funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment. As of April 30, 2008, the Police Pension Fund has greater than 5% of its portfolio invested in U.S. Treasury obligations (4.94%), annuities (.32%), U.S. Agency obligations (42.23%), and negotiable CDs (14.86%).

3. RECEIVABLES

a. Property Taxes

Property taxes for 2007 attach as an enforceable lien on January 1, 2007, 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, 2008, and are payable in two installments, on or about June 1, 2008 and September 1, 2008. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1 percent of the tax levy, to reflect actual collection experience. As the 2007 tax levy is intended to fund expenditures for the 2008-2009 fiscal year, these taxes are deferred as of April 30, 2008.

The 2008 tax levy, which attached as an enforceable lien on property as of January 1, 2008, has not been recorded as a receivable as of April 30, 2008 as the tax has not yet been levied by the City and will not be levied until December 2008 and, therefore, the levy is not measurable at April 30, 2008.

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

3. RECEIVABLES (Continued)

b. Due from Other Governments and Other

	General	Motor Fuel Tax	Total
GOVERNMENTAL ACTIVITIES			
Due from other governments			
Sales tax	\$ 1,062,953	\$ -	\$ 1,062,953
Local use tax	81,313	-	81,313
Income tax	201,479	-	201,479
Court fines	7,116	-	7,116
Motor fuel tax	-	52,864	52,864
Telecommunications tax	83,041	-	83,041
Utility tax	23,868	-	23,868
Total due from other government	<u>1,459,770</u>	<u>52,864</u>	<u>1,512,634</u>
Other			
Franchise fees	62,765	-	62,765
Hotel/motel tax	3,169	-	3,169
Amusement tax	7,577	-	7,577
Paypal	25	-	25
Gas usage	19,976	-	19,976
Tenant expense	1,686	-	1,686
Deposit with IPBC terminal reserve	193,565	-	193,565
Miscellaneous	41,405	-	41,405
Total other	<u>330,168</u>	<u>-</u>	<u>330,168</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,789,938</u>	<u>\$ 52,864</u>	<u>\$ 1,842,802</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2008 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,042,667	\$ 2,150,669	\$ -	\$ 6,193,336
Total capital assets not being depreciated	<u>4,042,667</u>	<u>2,150,669</u>	<u>-</u>	<u>6,193,336</u>
Capital assets being depreciated				
Buildings and improvements	5,381,894	599,331	-	5,981,225
Machinery, vehicles, and equipment	1,029,858	360,038	-	1,389,896
Infrastructure	11,660,991	120,280	-	11,781,271
Total capital assets being depreciated	<u>18,072,743</u>	<u>1,079,649</u>	<u>-</u>	<u>19,152,392</u>
Less accumulated depreciation for				
Buildings and improvements	1,858,049	119,624	-	1,977,673
Machinery, vehicles, and equipment	716,211	93,184	-	809,395
Infrastructure	5,437,078	498,310	-	5,935,388
Total accumulated depreciation	<u>8,011,338</u>	<u>711,118</u>	<u>-</u>	<u>8,722,456</u>
Total capital assets being depreciated, net	<u>10,061,405</u>	<u>368,531</u>	<u>-</u>	<u>10,429,936</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 14,104,072</u>	<u>\$ 2,519,200</u>	<u>\$ -</u>	<u>\$ 16,623,272</u>

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

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General government	\$ 51,034
Public safety	61,720
Highways and streets	<u>598,364</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 711,118

	Balances May 1	Increases	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Construction in progress	2,234,474	-	2,234,474	-
Total capital assets not being depreciated	<u>2,334,474</u>	-	<u>2,234,474</u>	<u>100,000</u>
Capital assets being depreciated				
Buildings and improvements	2,430,797	3,998,276	-	6,429,073
Machinery and equipment	832,615	-	-	832,615
Infrastructure	7,984,691	-	-	7,984,691
Total capital assets being depreciated	<u>11,248,103</u>	<u>3,998,276</u>	-	<u>15,246,379</u>
Less accumulated depreciation for				
Buildings and improvements	1,859,632	167,063	-	2,026,695
Machinery and equipment	824,068	696	-	824,764
Infrastructure	4,329,842	185,441	-	4,515,283
Total accumulated depreciation	<u>7,013,542</u>	<u>353,200</u>	-	<u>7,366,742</u>
Total capital assets being depreciated, net	<u>4,234,561</u>	<u>3,645,076</u>	-	<u>7,879,637</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<u>\$ 6,569,035</u>	<u>\$ 3,645,076</u>	<u>\$ 2,234,474</u>	<u>\$ 7,979,637</u>

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 (IRMA)

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 (IRMA) (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 bylaws 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, 2008.

Intergovernmental Personnel Benefit Cooperative (IPBC)

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, 2008 is as follows:

Governmental Activities Long-Term Debt

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
\$2,025,000 General Obligation Corporate Purpose Bonds, Series 2000 are due in annual installments (beginning January 1, 2001) ranging from \$165,000 to \$185,000 with interest from 4.85% to 5.80%. The last payment is due January 1, 2010.	Joint Use Facility	\$ 525,000	-	\$ 165,000	\$ 360,000	\$ 175,000
\$1,400,000 Taxable General Obligation Bonds, Series 2007A are due in annual installments (beginning December 15, 2008) ranging from \$320,000 to \$380,000 with interest from 4.875% to 5.000%. The last payment is due December 15, 2011.	Capital Improvement	-	1,400,000	-	1,400,000	320,000
\$2,600,000 General Obligation Bonds, Series 2007B are due in annual installments (beginning December 15, 2012) ranging from \$390,000 to \$475,000 with interest at 4.000%. The last payment is due December 15, 2017.	Debt Service	-	2,600,000	-	2,600,000	-
TOTAL GOVERNMENTAL LONG-TERM DEBT		\$ 525,000	\$4,000,000	\$ 165,000	\$ 4,360,000	\$ 495,000

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

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Business-Type Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
\$3,900,000 General Obligation Water Bonds, Series 2006 are due in annual installments (beginning December 15, 2007) ranging from \$60,000 to \$300,000 with interest from 4.10% to 4.30%. The last payment is due on December 15, 2025.	Water	\$ 3,900,000	\$ -	\$ 60,000	\$ 3,840,000	\$ 145,000
TOTAL BUSINESS-TYPE LONG-TERM DEBT		\$ 3,900,000	\$ -	\$ 60,000	\$ 3,840,000	\$ 145,000

b. Installment Contracts

On October 25, 2007, the City entered into an installment contract with Citizens Financial Bank to finance the purchase of three public works vehicles in the amount of \$360,038 with \$50,038 due upon delivery.

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities General Obligation Bonds			Business-Type Activities General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 495,000	\$ 191,127	\$ 686,127	\$ 145,000	\$ 161,124	\$ 306,124
2010	525,000	166,641	691,641	150,000	155,178	305,178
2011	360,000	141,000	501,000	155,000	149,028	304,028
2012	380,000	123,000	503,000	165,000	142,674	307,674
2013	390,000	104,000	494,000	170,000	135,908	305,908
2014	410,000	88,400	498,400	180,000	128,896	308,896
2015	425,000	72,000	497,000	185,000	121,472	306,472
2016	440,000	55,000	495,000	195,000	113,840	308,840
2017	460,000	37,400	497,400	205,000	105,650	310,650
2018	475,000	19,000	494,000	215,000	97,040	312,040
2019	-	-	-	220,000	88,010	308,010
2020	-	-	-	230,000	78,770	308,770
2021	-	-	-	240,000	69,110	309,110
2022	-	-	-	255,000	59,030	314,030
2023	-	-	-	265,000	48,320	313,320
2024	-	-	-	275,000	37,058	312,058
2025	-	-	-	290,000	25,370	315,370
2026	-	-	-	300,000	12,900	312,900
TOTAL	\$ 4,360,000	\$ 997,568	\$ 5,357,568	\$ 3,840,000	\$ 1,729,378	\$ 5,569,378

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

6. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity (Continued)

Fiscal Year	Governmental Activities Installment Contracts		
	Principal	Interest	Total
2009	\$ 72,084	\$ 15,035	\$ 87,119
2010	75,580	11,539	87,119
2011	79,246	7,873	87,119
2012	83,089	4,030	87,119
<b>TOTAL</b>	<b>\$ 310,000</b>	<b>\$ 38,477</b>	<b>\$ 348,477</b>

d. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities during fiscal year 2008:

	Balances May 1	Additions	Reductions	Balances April 30	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds	\$ 525,000	\$ 4,000,000	\$ 165,000	\$ 4,360,000	\$ 495,000
Notes payable	-	310,000	-	310,000	-
Net pension obligation	18,825	-	-	18,825	-
Compensated absences payable	351,705	218,643	351,705	218,643	32,796
Unamortized bond discount	-	(5,907)	(1,181)	(4,726)	-
Unamortized bond premium	-	35,951	3,268	32,683	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 895,530</b>	<b>\$ 4,558,687</b>	<b>\$ 518,792</b>	<b>\$ 4,935,425</b>	<b>\$ 527,796</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
General obligation bonds	\$ 3,900,000	\$ -	\$ 60,000	\$ 3,840,000	\$ 145,000
Unamortized bond discount	(14,566)	-	(790)	(13,776)	-
Compensated absences payable	40,261	65,323	40,261	65,323	9,798
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 3,925,695</b>	<b>\$ 65,323</b>	<b>\$ 99,471</b>	<b>\$ 3,891,547</b>	<b>\$ 154,798</b>

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

7. INDIVIDUAL FUND DISCLOSURES

Interfund receivables/payables at April 30, 2008 consisted of the following:

Fund	Due From	Due To
General	\$ -	\$ 20,164
Joint Use Facility	20,164	-
<b>TOTAL</b>	<b>\$ 20,164</b>	<b>\$ 20,164</b>

The purpose of the due from/to is as follows:

- \$20,164 due from the General Fund to the Joint Use Facility Fund for property taxes that were reimbursed by the lessor.

8. COMMITMENTS

DuPage Water Commission

The City has committed to purchase water from the DuPage Water Commission (the Commission). The City expects to pay the following minimum amounts based on the Commission's debt service requirements:

Fiscal Year Ending April 30	Amount
2009	\$ 595,445
2010	595,445
2011	595,445
2012	595,445
2013	595,445
2014	595,445

These amounts have been calculated using the City's current allocation percentage of 3.1338%. In future years, this allocation percentage will be subject to change.



9. 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 Commission provides that each customer is liable for its proportionate share of any costs arising from defaults in payment obligations by other customers.

10. EMPLOYEE RETIREMENT SYSTEMS

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 Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue 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.

a. Plan Descriptions

Illinois Municipal Retirement Fund

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. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 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.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2007 was 11.72% of covered payroll.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

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. At April 30, 2007, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	11
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	24
Nonvested	15
	<hr/>
TOTAL	<u>50</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more 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 75.00% 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 3.00% of the original pension and 3.00% compounded annually thereafter.

Employees are required by Illinois Compiled Statutes 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 as actuarially determined by an enrolled actuary and the administrative costs. Effective July 1, 1993, the City has until the year 2033 to fully fund the past service costs for the Police Pension Plan. For the year ended April 30, 2007, the City's contribution was 24.99% of covered payroll.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due pursuant to formal commitments as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Administrative Costs

Administrative costs for the Police Pension Plan are financed primarily through investment earnings.

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2005	April 30, 2007
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	25 Years, Closed	26 Years, Closed
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	N/A
d) Post-retirement benefit increases	3.00%	3.00%

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Employer annual pension cost (APC), actual contributions, and the net pension obligation (asset) (NPO) are as follows. The NPO (asset) is the cumulative difference between the APC and the contributions actually made.

	Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2006	\$ 325,930	\$ 597,922
	2007	363,865	663,537
	2008	371,672	724,728
Actual contribution	2006	\$ 325,930	\$ 672,355
	2007	363,865	663,162
	2008	371,672	724,300
Percentage of APC contributed	2006	100.00%	118.39%
	2007	100.00	99.93
	2008	100.00	99.94
NPO (asset)	2006	\$ -	\$ 17,922
	2007	-	18,397
	2008	-	18,825

The NPO (asset) as of April 30, 2007 has been calculated as follows:

	<u>Police Pension</u>
Annual required contributions	\$ 724,265
Interest on net pension obligation	1,288
Adjustment to annual required contribution	<u>(825)</u>
Annual pension cost	724,728
Contributions made	<u>724,300</u>
Increase (decrease) in net pension obligation (asset)	428
Net pension obligation (asset) beginning of year	<u>18,397</u>
<b>NET PENSION OBLIGATION (ASSET), END OF YEAR</b>	<u><b>\$ 18,825</b></u>

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

11. LEASE AGREEMENTS

On August 21, 2006, the City entered a five year lease with TREX Holdings, LLC for the rental of a piece of property at 1033 South Frontage Road. TREX Holdings, LLC will pay the City \$9,000 per month, with annual increases of one percent, plus the Chicago Area Consumer Price Index according to the Bureau of Labor Statistics each year on the anniversary of the agreement.

On June 29, 2007, the City entered into a rental agreement with ten retailers for the rental of business space of the strip mall property at 7515 South Cass. The ten retailers will pay the City a combined total of \$21,525 on a month to month basis.

12. SUBSEQUENT EVENTS

On May 19, 2008, the City issued \$2,370,000 General Obligation Bonds, Series 2008 to finance the refunding of outstanding general obligation corporate purpose bonds and for various corporate capital purposes. The bonds are payable through January 1, 2016 with interest at 3.500% to 3.75%.

13. PRIOR PERIOD ADJUSTMENTS

The City has restated fund balances/net assets as of April 30, 2007. The effects of the restatements are as follows:

	Governmental Activities	General Fund
FUND BALANCE/NET ASSETS, BEGINNING OF YEAR (AS PREVIOUSLY REPORTED)	\$ 17,080,910	\$ 3,411,727
Restated for:		
a) Recognize deposit with IPBC	317,780	317,780
b) Correction of accounts receivable relating to the Joint Use Facility	(20,164)	(20,164)
Subtotal of restatements	297,616	297,616
FUND BALANCE/NET ASSETS, BEGINNING OF YEAR (RESTATED)	\$ 17,378,526	\$ 3,709,343

**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, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Original and Final Budget	Actual		
<b>REVENUES</b>				
Taxes	\$ 2,313,696	\$ 2,406,952	\$ 93,256	\$ 2,302,714
Licenses, permits, and fees	1,015,950	1,094,754	78,804	1,261,946
Intergovernmental	6,873,823	7,234,437	360,614	6,952,214
Charges for services	1,000	2,955	1,955	4,736
Investment income	52,000	150,386	98,386	208,367
Miscellaneous	703,500	1,031,783	328,283	950,155
<b>Total revenues</b>	<b>10,959,969</b>	<b>11,921,267</b>	<b>961,298</b>	<b>11,680,132</b>
<b>EXPENDITURES</b>				
Current				
General government	1,807,655	3,027,224	1,219,569	1,943,177
Highways and streets	1,615,737	2,265,290	649,553	3,533,932
Public safety	6,787,409	6,635,915	(151,494)	6,222,529
Debt service				
Principal	-	-	-	28,586
Interest	-	-	-	648
<b>Total expenditures</b>	<b>10,210,801</b>	<b>11,928,429</b>	<b>1,717,628</b>	<b>11,728,872</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>749,168</b>	<b>(7,162)</b>	<b>(756,330)</b>	<b>(48,740)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	5,000	51,101	46,101	85,642
Transfers (out)	-	-	-	(1,346,962)
Notes issued	-	310,000	310,000	-
<b>Total other financing sources (uses)</b>	<b>5,000</b>	<b>361,101</b>	<b>356,101</b>	<b>(1,261,320)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 754,168</b>	<b>353,939</b>	<b>\$ (400,229)</b>	<b>(1,310,060)</b>
<b>FUND BALANCE, MAY 1</b>		<b>3,411,727</b>		<b>4,629,120</b>
Prior period adjustments		<u>297,616</u>		<u>92,667</u>
<b>FUND BALANCE, MAY 1, RESTATED</b>		<u>3,709,343</u>		<u>4,721,787</u>
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 4,063,282</u>		<u>\$ 3,411,727</u>

(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, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
<b>REVENUES</b>				
Intergovernmental				
MFT allotment	\$ 669,050	\$ 676,866	\$ 7,816	\$ 703,658
Investment income	6,800	4,138	(2,662)	4,250
Total revenues	<u>675,850</u>	<u>681,004</u>	<u>5,154</u>	<u>707,908</u>
<b>EXPENDITURES</b>				
Highways and streets				
Contractual	135,000	131,626	(3,374)	154,318
Commodities	142,125	179,902	37,777	159,174
Capital outlay	577,000	565,000	(12,000)	279,298
Total expenditures	<u>854,125</u>	<u>876,528</u>	<u>22,403</u>	<u>592,790</u>
NET CHANGE IN FUND BALANCE	<u>\$ (178,275)</u>	<u>(195,524)</u>	<u>\$ (17,249)</u>	115,118
FUND BALANCE, MAY 1		<u>268,578</u>		<u>153,460</u>
FUND BALANCE, APRIL 30		<u>\$ 73,054</u>		<u>\$ 268,578</u>

(See independent auditor's report.)



CITY OF DARIEN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2008

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2002	\$ 4,944,596	\$ 5,533,460	89.36%	\$ 588,864	\$ 2,543,759	23.15%
2003	5,442,590	6,249,237	87.09%	806,647	2,645,118	30.50%
2004	5,918,412	6,933,252	85.36%	1,014,840	2,673,423	37.96%
2005	6,529,176	7,629,287	85.58%	1,100,111	2,854,033	38.55%
2006	7,274,695	8,153,033	89.23%	878,338	3,032,211	28.97%
2007	7,840,978	8,665,653	90.48%	824,675	3,171,262	26.00%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS  
 SCHEDULE OF FUNDING PROGRESS  
 POLICE PENSION FUND

For the Year Ended April 30, 2008

Actuarial Valuation Date April 30	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2002	\$ 9,486,775	\$15,787,332	60.09%	\$ 6,300,557	\$ 2,333,430	270.01%
2003	9,717,765	17,160,034	56.63%	7,442,269	2,301,609	323.35%
2004	10,261,907	19,278,782	53.23%	9,016,875	2,275,208	396.31%
2005	11,021,816	21,069,708	52.31%	10,047,892	2,465,859	407.48%
2006	12,064,972	22,368,563	53.94%	10,303,591	2,736,155	376.57%
2007	13,686,772	24,412,636	56.06%	10,725,864	2,897,550	370.17%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2008

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<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2002	\$ 243,946	\$ 243,946	100.00%
2003	256,312	256,312	100.00%
2004	287,928	287,928	100.00%
2005	325,930	325,930	100.00%
2006	363,865	363,865	100.00%
2007	371,672	371,672	100.00%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

For the Year Ended April 30, 2008

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Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2003	\$ 199,376	\$ 199,376	100.00%
2004	567,404	567,404	100.00%
2005	672,355	672,355	100.00%
2006	663,162	663,637	99.93%
2007	724,300	724,265	100.00%
2008	859,300	N/A	N/A

N/A - not available

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2008

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1. BUDGETS

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds. 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 Drug Seizure or Towne Center Funds, it is not legally required to do so, budget to actual schedules are not presented for the Drug Seizure or Towne Center Funds.

Prior to April 30, the City Clerk 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 integrations is employed as a management control device during the year of the General Fund and Special Revenue Funds.

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

The appropriated budget is prepared by fund, function, and department. The City Clerk 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.

2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Fund	Budget	Actual
General	\$ 10,210,801	\$ 11,928,429
MFT	854,125	876,528
Capital Improvements	1,025,000	1,451,980

## CITY OF DARIEN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUNDFor the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
<b>TAXES</b>				
Property taxes - current	\$ 1,359,302	\$ 1,378,277	\$ 18,975	\$ 1,298,006
Road and bridge tax	161,554	169,021	7,467	163,983
Municipal utility tax	270,600	366,451	95,851	339,617
Telecommunication tax	346,450	330,733	(15,717)	319,373
Amusement tax	129,250	105,492	(23,758)	124,023
Hotel/motel tax	40,450	48,992	8,542	51,497
Replacement tax	6,090	7,986	1,896	6,215
<b>Total taxes</b>	<b>2,313,696</b>	<b>2,406,952</b>	<b>93,256</b>	<b>2,302,714</b>
<b>LICENSES, PERMITS, AND FEES</b>				
Business licenses	44,550	43,877	(673)	59,244
Liquor licenses	40,000	41,250	1,250	45,525
Contractors licenses	29,000	34,194	5,194	27,435
Court fines	190,000	180,913	(9,087)	232,178
Ordinance fines	30,600	49,818	19,218	33,263
Building permits and fees	200,000	127,204	(72,796)	226,389
Cable TV franchise fees	200,000	243,678	43,678	220,028
NICOR franchise fees	30,250	46,034	15,784	43,578
Public hearing fees	11,000	9,190	(1,810)	11,425
Elevator inspections	2,250	3,783	1,533	2,343
Public improvement permit fees	12,000	4,300	(7,700)	11,650
Engineering fee reimbursements	100,000	75,216	(24,784)	82,849
Legal fee reimbursements	5,000	907	(4,093)	2,890
DUI technology fines	15,000	9,116	(5,884)	25,405
Police special service	100,000	234,291	134,291	219,826
Stormwater management fees	1,300	450	(850)	1,939
Developer contributions	5,000	(9,467)	(14,467)	15,979
<b>Total licenses, permits, and fees</b>	<b>1,015,950</b>	<b>1,094,754</b>	<b>78,804</b>	<b>1,261,946</b>
<b>INTERGOVERNMENTAL</b>				
State income taxes	1,960,045	2,174,312	214,267	1,990,276
Local use tax	304,634	333,994	29,360	307,378
Sales tax	4,599,144	4,650,181	51,037	4,643,341
DADC administrative fees	10,000	10,009	9	7,507
Drug seizure receipts	-	65,941	65,941	3,712
<b>Total intergovernmental</b>	<b>6,873,823</b>	<b>7,234,437</b>	<b>360,614</b>	<b>6,952,214</b>
<b>CHARGES FOR SERVICES</b>				
Inspection/tap on/permits	1,000	2,955	1,955	4,736
<b>Total charges for services</b>	<b>1,000</b>	<b>2,955</b>	<b>1,955</b>	<b>4,736</b>
<b>INVESTMENT INCOME</b>				
Investment income	52,000	150,386	98,386	208,367
<b>Total investment income</b>	<b>52,000</b>	<b>150,386</b>	<b>98,386</b>	<b>208,367</b>

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
MISCELLANEOUS				
Water share	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
Police report/prints	5,500	8,516	3,016	12,178
DARE contributions	-	-	-	1,000
Alcohol enforcement	-	-	-	250
Residential concrete reimbursement	-	99,378	99,378	-
Miscellaneous reimbursable	-	(14,876)	(14,876)	-
Impact fee	-	125	125	-
Grants	50,000	7,804	(42,196)	22,247
Rents	198,000	450,410	252,410	152,338
Other reimbursements	125,000	161,165	36,165	504,025
Miscellaneous	75,000	69,261	(5,739)	8,117
Total miscellaneous	703,500	1,031,783	328,283	950,155
TOTAL REVENUES	\$ 10,959,969	\$ 11,921,267	\$ 961,298	\$ 11,680,132

(See independent auditor's report.)

## CITY OF DARIEN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUNDFor the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
<b>GENERAL GOVERNMENT</b>				
<b>Administration</b>				
<b>Personnel services</b>				
Salaries	\$ 508,900	\$ 525,374	\$ 16,474	\$ 530,073
Overtime	3,000	2,607	(393)	2,798
Social security	29,600	29,348	(252)	30,036
Medicare	7,500	7,449	(51)	7,535
IMRF	60,000	58,264	(1,736)	66,752
Medical/life insurance	73,700	67,607	(6,093)	62,901
Supplemental pensions	22,000	24,142	2,142	23,527
<b>Total personnel services</b>	<b>704,700</b>	<b>714,791</b>	<b>10,091</b>	<b>723,622</b>
<b>Materials and supplies</b>				
Dues and subscriptions	2,880	3,180	300	2,594
Liability insurance	59,020	44,611	(14,409)	47,901
Legal notices	8,500	2,301	(6,199)	9,491
Maintenance - building	9,500	8,332	(1,168)	5,488
Maintenance - equipment	9,700	10,308	608	7,745
Maintenance - grounds	4,000	4,882	882	4,415
Maintenance - vehicles	-	(879)	(879)	74
Postage/mailings	5,650	2,822	(2,828)	5,624
Printing and forms	4,500	2,863	(1,637)	2,729
Public relations	28,800	23,556	(5,244)	23,109
Rent - equipments	4,300	3,204	(1,096)	4,272
Service charge	-	-	-	53
Supplies - office	11,000	16,412	5,412	15,335
Supplies - operation	-	-	-	528
Supplies - other	4,500	2,886	(1,614)	2,505
Training and education	7,500	1,481	(6,019)	5,834
Travel/meetings	2,360	896	(1,464)	1,485
Telephone	57,700	55,377	(2,323)	13,791
Uniforms	275	197	(78)	206
Utilities	3,600	4,287	687	3,061
Gas and oil	4,800	9,831	5,031	2,983
Vehicle	2,000	195	(1,805)	-
<b>Total materials and supplies</b>	<b>230,585</b>	<b>196,742</b>	<b>(33,843)</b>	<b>159,223</b>
<b>Contractual services</b>				
Audit	17,000	11,404	(5,596)	14,000
Consulting/professional	-	20,055	20,055	18,568
Consulting/professional reimbursable	-	68	68	5,096
Contingency	10,000	1,301,028	1,291,028	305,411
Janitorial services	18,000	17,961	(39)	5,460
<b>Total contractual services</b>	<b>45,000</b>	<b>1,350,516</b>	<b>1,305,516</b>	<b>348,535</b>
<b>Capital outlay</b>				
Equipment	-	10,599	10,599	558
<b>Total capital outlay</b>	<b>-</b>	<b>10,599</b>	<b>10,599</b>	<b>558</b>
<b>Miscellaneous</b>				
Miscellaneous expenditures	-	26	26	(950)
<b>Total miscellaneous</b>	<b>-</b>	<b>26</b>	<b>26</b>	<b>(950)</b>
<b>Total administration</b>	<b>980,285</b>	<b>2,272,674</b>	<b>1,292,389</b>	<b>1,230,988</b>

(This schedule is continued on the following pages.)



## CITY OF DARIEN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND (Continued)For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
GENERAL GOVERNMENT (Continued)				
City Council				
Personnel services				
Salaries	\$ 42,750	\$ 42,020	\$ (730)	\$ 36,000
Social security	2,300	2,605	305	2,232
Medicare	575	609	34	522
IMRF	1,950	1,877	(73)	2,091
Total personnel services	47,575	47,111	(464)	40,845
Materials and supplies				
Board and commissions	3,000	833	(2,167)	1,077
Cable operations	2,500	18	(2,482)	329
Employee recognition	9,000	6,744	(2,256)	5,883
Dues and subscriptions	425	77	(348)	77
Liability insurance	60,080	60,188	108	58,770
Public relations	10,100	6,327	(3,773)	5,297
Supplies - office	-	463	463	91
Supplies - other	-	74	74	22
Training and education	500	18	(482)	-
Travel/meetings	950	397	(553)	387
Total materials and supplies	86,555	75,139	(11,416)	71,933
Contractual services				
Consulting/professional	-	15,370	15,370	20,858
Legal fees	-	-	-	500
Tolley contracts	2,200	1,827	(373)	1,844
Total contractual services	2,200	17,197	14,997	23,202
Capital outlay				
Printing and forms	19,165	-	(19,165)	-
Equipment	10,000	10,627	627	8,415
Total capital outlay	29,165	10,627	(18,538)	8,415
Total city council	165,495	150,074	(15,421)	144,395
Community development				
Personnel services				
Salaries	299,000	293,559	(5,441)	241,553
Overtime	1,000	2,611	1,611	1,855
Social security	17,306	16,761	(545)	13,636
Medicare	8,066	4,180	(3,886)	3,439
IMRF	35,000	30,763	(4,237)	30,881
Medical/life insurance	42,700	37,088	(5,612)	35,892
Supplemental pensions	8,400	2,169	(6,231)	2,031
Total personnel services	411,472	387,131	(24,341)	329,287
Materials and supplies				
Boards and commissions	3,200	1,573	(1,627)	1,777
Dues and subscriptions	1,008	933	(75)	367
Liabilities insurance	44,940	30,986	(13,954)	54,465
Maintenance - vehicles	1,500	1,216	(284)	880
Postage/mailings	1,250	1,054	(196)	1,517
Printing and forms	3,330	967	(2,363)	1,727
Public relations	-	-	-	227
Supplies - office	600	434	(166)	452

(This schedule is continued on the following pages.)

## CITY OF DARIEN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND (Continued)For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
GENERAL GOVERNMENT (Continued)				
Community development (Continued)				
Materials and supplies (Continued)				
Supplies - other	\$ -	\$ -	\$ -	\$ 7
Training and educational	1,300	35	(1,265)	29
Travel/meetings	900	370	(530)	506
Telephone	-	-	-	4,872
Gas and oil	1,875	2,089	214	(219)
Total materials and supplies	59,903	39,657	(20,246)	66,607
Contractual services				
Consulting/professional	90,000	79,550	(10,450)	90,038
Consulting/professional reimbursable	100,500	91,154	(9,346)	75,678
Janitorial service	-	-	-	2,184
Total contractual services	190,500	170,704	(19,796)	167,900
Capital outlay				
Equipment	-	-	-	4,000
Total capital outlay	-	-	-	4,000
Total community development	661,875	597,492	(64,383)	567,794
Business administration				
Contractual services				
	-	6,984	6,984	-
Total contractual services	-	6,984	6,984	-
Total business administration	-	6,984	6,984	-
Total general governmnet	1,807,655	3,027,224	1,219,569	1,943,177
HIGHWAYS AND STREETS				
Public works				
Personnel services				
Salaries	751,500	828,622	77,122	792,978
Overtime	43,000	105,936	62,936	100,445
Social security	48,500	56,127	7,627	53,144
Medicare	11,700	13,262	1,562	12,624
IMRF	86,700	96,125	9,425	110,934
Medical/life insurance	87,000	100,529	13,529	94,020
Supplemental pensions	12,000	15,415	3,415	13,568
Total personnel services	1,040,400	1,216,016	175,616	1,177,713
Materials and supplies				
Liability insurance	65,367	71,153	5,786	67,776
Maintenance - building	21,500	31,193	9,693	21,471
Maintenance - equipment	20,350	19,126	(1,224)	20,221
Maintenance - vehicles	21,000	33,260	12,260	28,811
Postage/mailings	800	485	(315)	404
Rent - equipment	23,600	9,858	(13,742)	16,985
Supplies - office	4,200	1,838	(2,362)	3,498
Supplies - operation	-	-	-	39
Supplies - other	35,100	40,448	5,348	41,424
Small tools and equipment	4,750	5,023	273	8,643
Training and education	5,775	3,862	(1,913)	721

(This schedule is continued on the following pages.)

## CITY OF DARIEN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND (Continued)For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
<b>HIGHWAYS AND STREETS (Continued)</b>				
Public works (Continued)				
Materials and supplies (Continued)				
Telephone	\$ 975	\$ 10	\$ (965)	\$ 17,884
Uniforms	5,850	5,316	(534)	5,265
Utilities	3,240	5,300	2,060	3,202
Gas and oil	45,545	68,367	22,822	51,864
Total materials and supplies	258,052	295,239	37,187	288,208
Contractual services				
Consulting/professional	7,000	4,780	(2,220)	1,198
Janitorial services	-	-	-	2,184
Forestry	107,035	97,657	(9,378)	83,885
Tree trim - removal	53,750	98,489	44,739	-
Contractual impact fees	-	-	-	37,463
Sidewalk replacement program	-	21	21	-
Residential concrete program	-	100,124	100,124	-
Street sweeping	25,500	18,788	(6,712)	-
Mosquito abatement	41,000	40,887	(113)	56,783
Drainage projects	18,000	5,989	(12,011)	48,224
Total contractual services	252,285	366,735	114,450	229,737
Capital outlay				
Capital improvements	15,000	16,806	1,806	1,678,301
Equipment	50,000	370,494	320,494	159,973
Total capital outlay	65,000	387,300	322,300	1,838,274
Total public works	1,615,737	2,265,290	649,553	3,533,932
Total highways and streets	1,615,737	2,265,290	649,553	3,533,932
<b>PUBLIC SAFETY</b>				
Police department				
Personnel services				
Salaries	444,008	490,428	46,420	419,829
Salaries - officers	2,977,746	2,969,489	(8,257)	2,831,030
Overtime	462,800	438,820	(23,980)	447,853
Social security	24,000	28,044	4,044	25,735
Medicare	40,000	41,725	1,725	38,868
IMRF	45,000	43,747	(1,253)	47,649
Medical/life insurance	350,000	349,909	(91)	373,299
Police pension	859,300	859,300	-	724,300
Supplemental pensions	56,400	47,660	(8,740)	41,816
Total personnel services	5,259,254	5,269,122	9,868	4,950,379
Materials and supplies				
Animal control	2,000	345	(1,655)	970
Auxiliary police	4,000	456	(3,544)	15,783
Boards and commissions	10,250	4,156	(6,094)	17,646
Dues and subscriptions	6,700	4,952	(1,748)	4,536
Investigation and equipment	49,670	43,164	(6,506)	32,858
Liability insurance	264,450	235,391	(29,059)	203,887
Maintenance - building	20,600	23,160	2,560	12,069

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
PUBLIC SAFETY (Continued)				
Police department (Continued)				
Materials and supplies (Continued)				
Maintenance - equipment	\$ 24,200	\$ 15,272	\$ (8,928)	\$ 21,263
Maintenance - grounds	-	-	-	140
Maintenance - vehicles	26,780	30,825	4,045	29,057
Postage/mailings	4,000	3,434	(566)	4,148
Printing and forms	5,000	3,843	(1,157)	3,403
Prisoner needs	-	37	37	40
Public relations	-	60	60	1,224
Rent - equipment	235,538	231,817	(3,721)	171,336
Supplies - office	9,500	7,041	(2,459)	9,184
Training and education	63,775	42,471	(21,304)	37,965
Travel/meetings	15,300	9,867	(5,433)	10,446
Telephone	15,900	8,933	(6,967)	38,308
Uniforms	68,690	32,891	(35,799)	35,216
Utilities	19,000	18,288	(712)	14,450
Gas and oil	108,000	131,836	23,836	98,542
Total materials and supplies	953,353	848,239	(105,114)	762,471
Contractual services				
Consulting/professional	60,000	28,226	(31,774)	11,106
Darien area dispatch	440,000	420,163	(19,837)	388,995
Dumeg/fiat/child center	27,300	27,300	-	26,300
Janitorial	-	-	-	12,012
SEDCOM	29,402	29,126	(276)	23,315
Total contractual services	556,702	504,815	(51,887)	461,728
Capital outlay				
Equipment	18,100	13,739	(4,361)	47,951
Total capital outlay	18,100	13,739	(4,361)	47,951
Total police department	6,787,409	6,635,915	(151,494)	6,222,529
Total public safety	6,787,409	6,635,915	(151,494)	6,222,529
DEBT SERVICE				
Principal	-	-	-	28,586
Interest and fiscal charges	-	-	-	648
Total debt service	-	-	-	29,234
TOTAL EXPENDITURES	\$ 10,210,801	\$ 11,928,429	\$ 1,717,628	\$ 11,728,872

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
JOINT USE FACILITY FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Final Budget	Actual	Variance Over (Under)	
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 190,638	\$ 190,387	\$ (251)	\$ 191,730
Investment income	140	2,790	2,650	1,651
Total revenues	<u>190,778</u>	<u>193,177</u>	<u>2,399</u>	<u>193,381</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	190,638	165,000	(25,638)	155,000
Interest and fiscal charges	741	26,238	25,497	33,455
Total expenditures	<u>191,379</u>	<u>191,238</u>	<u>(141)</u>	<u>188,455</u>
NET CHANGE IN FUND BALANCE	<u>\$ (601)</u>	1,939	<u>\$ 2,540</u>	4,926
FUND BALANCE, MAY 1		<u>105,958</u>		<u>101,032</u>
FUND BALANCE, APRIL 30		<u>\$ 107,897</u>		<u>\$ 105,958</u>

(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, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Final Budget	Actual	Variance Over (Under)	
<b>REVENUES</b>				
Investment income	\$ 80,000	\$ 19,447	\$ (60,553)	\$ 15,436
Miscellaneous	-	1,099,561	1,099,561	-
Total Revenues	80,000	1,119,008	1,039,008	15,436
<b>EXPENDITURES</b>				
Current				
General government	-	3,331	3,331	-
Capital outlay	1,025,000	1,400,000	375,000	1,324,445
Debt service				
Interest and fiscal charges	-	37,686	37,686	-
Bond issuance costs	-	10,963	10,963	-
Total expenditures	1,025,000	1,451,980	426,980	1,324,445
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(945,000)	(332,972)	612,028	(1,309,009)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued at par	-	1,400,000	1,400,000	-
Discount on bonds issued	-	(5,907)	(5,907)	-
Transfers in	-	-	-	1,346,962
Total other financing sources (uses)	-	1,394,093	1,394,093	1,346,962
NET CHANGE IN FUND BALANCE	\$ (945,000)	1,061,121	\$ 612,028	37,953
FUND BALANCE, MAY 1		37,953		-
FUND BALANCE, APRIL 30		\$ 1,099,074		\$ 37,953

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
REVENUES				
Investment income	-	42,453	\$ 42,453	\$ -
Total Revenues	-	42,453	42,453	-
EXPENDITURES				
Capital outlay	1,265,000	1,151,048	(113,952)	-
Debt service				
Interest and fiscal charges	-	56,333	56,333	-
Bond issuance costs	-	19,781	19,781	-
Total expenditures	1,265,000	1,227,162	(37,838)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,265,000)	(1,184,709)	80,291	-
OTHER FINANCING SOURCES (USES)				
Bonds issued at par	-	2,600,000	2,600,000	-
Premium on bonds issued	-	35,951	35,951	-
Total other financing sources (uses)	-	2,635,951	2,635,951	-
NET CHANGE IN FUND BALANCE	\$ (1,265,000)	1,451,242	\$ 80,291	-
FUND BALANCE, MAY 1		-		-
FUND BALANCE, APRIL 30		\$ 1,451,242		\$ -

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS

April 30, 2008

	Special Revenue			Capital Projects	Total
	Special Service Area	Drug Seizure	D.A.R.E.	Road Improvement	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13,067	\$ 11,516	\$ 9,523	\$ 34,486	\$ 68,592
Other receivables	-	926	-	-	926
<b>TOTAL ASSETS</b>	<b>\$ 13,067</b>	<b>\$ 12,442</b>	<b>\$ 9,523</b>	<b>\$ 34,486</b>	<b>\$ 69,518</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
None	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Reserved for special service area	13,067	-	-	-	13,067
Reserved for public safety	-	12,442	9,523	-	21,965
Unreserved					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	34,486	34,486
<b>Total fund balances</b>	<b>13,067</b>	<b>12,442</b>	<b>9,523</b>	<b>34,486</b>	<b>69,518</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 13,067</b>	<b>\$ 12,442</b>	<b>\$ 9,523</b>	<b>\$ 34,486</b>	<b>\$ 69,518</b>

(See independent auditor's report.)



CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2008

	Special Revenue			Capital Projects	Total
	Special Service Area	Drug Seizure	D.A.R.E.	Road Improvement	
REVENUES					
Taxes	\$ 5,070	\$ -	\$ -	\$ -	\$ 5,070
Contributions	-	-	7,000	-	7,000
Fines and forfeitures	-	4,809	-	-	4,809
Investment income	243	1,996	319	1,618	4,176
Miscellaneous	-	-	1,600	-	1,600
Total revenues	5,313	6,805	8,919	1,618	22,655
EXPENDITURES					
Current					
General government	1,927	-	1,833	-	3,760
Capital outlay	-	-	5,144	-	5,144
Total expenditures	1,927	-	6,977	-	8,904
NET CHANGE IN FUND BALANCES	3,386	6,805	1,942	1,618	13,751
FUND BALANCES, MAY 1	9,681	5,637	7,581	32,868	55,767
FUND BALANCES, APRIL 30	\$ 13,067	\$ 12,442	\$ 9,523	\$ 34,486	\$ 69,518

(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, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
REVENUES				
Taxes	\$ 5,000	\$ 5,070	\$ 70	\$ 6,288
Investment income	-	243	243	128
Total revenues	5,000	5,313	313	6,416
EXPENDITURES				
Current				
Contractual services	5,000	1,927	(3,073)	1,281
Total expenditures	5,000	1,927	(3,073)	1,281
NET CHANGE IN FUND BALANCE	\$ -	3,386	\$ 3,386	5,135
FUND BALANCE, MAY 1		9,681		4,546
FUND BALANCE, APRIL 30		\$ 13,067		\$ 9,681

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
D.A.R.E. FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Original and Final Budget	Actual		
<b>REVENUES</b>				
Contributions	\$ 2,000	\$ 7,000	\$ 5,000	\$ 8,030
Investment income	100	319	219	344
Miscellaneous	-	1,600	1,600	-
Total revenues	<u>2,100</u>	<u>8,919</u>	<u>6,819</u>	<u>8,374</u>
<b>EXPENDITURES</b>				
Current				
General government	2,000	1,833	(167)	10,350
Capital outlay	5,600	5,144	(456)	3,702
Total expenditures	<u>7,600</u>	<u>6,977</u>	<u>(623)</u>	<u>14,052</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,500)</u>	1,942	<u>\$ 7,442</u>	(5,678)
FUND BALANCE, MAY 1		<u>7,581</u>		<u>13,259</u>
FUND BALANCE, APRIL 30		<u>\$ 9,523</u>		<u>\$ 7,581</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
REVENUES				
Contributions	\$ 2,000	\$ -	\$ (2,000)	\$ -
Investment income	-	1,618	1,618	1,057
Total revenues	2,000	1,618	(382)	1,057
EXPENDITURES				
Capital outlay	-	-	-	270,000
Total expenditures	-	-	-	270,000
NET CHANGE IN FUND BALANCE	<u>\$ 2,000</u>	1,618	<u>\$ (382)</u>	(268,943)
FUND BALANCE, MAY 1		<u>32,868</u>		<u>301,811</u>
FUND BALANCE, APRIL 30		<u>\$ 34,486</u>		<u>\$ 32,868</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Final Budget	Actual	Variance Over (Under)	
<b>OPERATING REVENUES</b>				
Charges for services				
Water sales	\$ 2,955,000	\$ 2,854,179	\$ (100,821)	\$ 2,714,580
Inspections/tap on/permits	41,820	33,293	75,113	32,479
Sale of meters	10,000	10,554	20,554	10,611
Other water sales	16,000	10,165	26,165	8,635
Total operating revenues	3,022,820	2,908,191	21,011	2,766,305
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>				
Personnel services				
Salaries	515,000	512,796	(2,204)	496,577
Overtime	50,000	74,948	24,948	75,379
Social security	34,000	33,263	(737)	32,562
Medicare	8,000	8,014	14	7,880
IMRF	62,000	60,270	(1,730)	66,112
Medical/life insurance	94,000	75,634	(18,366)	72,292
Supplemental pensions	8,500	8,308	(192)	7,799
Total personnel services	771,500	773,233	1,733	758,601
Materials and supplies				
Liability insurance	162,260	148,750	(13,510)	150,202
Maintenance - building	27,425	15,107	(12,318)	13,874
Maintenance - equipment	6,100	7,789	1,689	11,966
Maintenance - water system	102,200	74,207	(27,993)	122,093
Postage	7,175	6,018	(1,157)	2,507
Quality controls	7,650	29,813	22,163	299
Service charge	250,000	250,000	-	250,000
Supplies - operation	5,150	2,893	(2,257)	4,510
Training and education	2,735	760	(1,975)	1,585
Telephone	10,500	8,740	(1,760)	13,620
Uniforms	3,150	3,223	73	2,263
Utilities	35,000	40,264	5,264	24,270
Vehicle (gas and oil)	14,400	22,323	7,923	20,557
Total materials and supplies	633,745	609,887	(23,858)	617,746
Contractual				
Audit	11,100	11,100	-	11,180
Consulting/professional	13,200	6,890	(6,310)	(1,491)
Leak detection	18,500	11,946	(6,554)	5,041
Data processing	35,555	42,130	6,575	35,970
Janitorial service	-	3,205	3,205	-
Water tower painting	60,000	18,269	(41,731)	-
Altitude valve	12,000	-	(12,000)	-
Booster pump	170,000	-	(170,000)	-
Scada system	18,500	-	(18,500)	-
Printing and forms	-	34	34	-
DuPage Water Commission	1,350,000	1,100,662	(249,338)	1,107,446
Total contractual	1,688,855	1,194,236	(494,619)	1,158,146

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
<b>OPERATING EXPENSES</b>				
<b>EXCLUDING DEPRECIATION (Continued)</b>				
Capital outlay				
Equipment	\$ 2,351,567	\$ 2,200,138	\$ (151,429)	\$ 2,147,117
Water meters	24,000	25,273	1,273	19,329
Total capital outlay	<u>2,375,567</u>	<u>2,225,411</u>	<u>(150,156)</u>	<u>2,166,446</u>
Total operating expenses excluding depreciation	<u>5,469,667</u>	<u>4,802,767</u>	<u>(666,900)</u>	<u>4,700,939</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(2,446,847)</u>	<u>(1,894,576)</u>	<u>687,911</u>	<u>(1,934,634)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	22,500	92,537	70,037	147,917
Miscellaneous income	-	126,923	126,923	211,405
Interest expense	-	(169,791)	(169,791)	(137,259)
Total nonoperating revenues (expenses)	<u>22,500</u>	<u>49,669</u>	<u>27,169</u>	<u>222,063</u>
<b>NET INCOME (LOSS) BUDGETARY BASIS</b>	<u>\$ (2,424,347)</u>	<u>(1,844,907)</u>	<u>\$ 715,080</u>	<u>(1,712,571)</u>
Adjustments to GAAP basis				
Capitalized assets purchased		2,211,918		2,149,724
Depreciation		<u>(353,199)</u>		<u>(256,502)</u>
Total adjustments to GAAP basis		<u>1,858,719</u>		<u>1,893,222</u>
<b>CHANGE IN NET ASSETS</b>		<u>13,812</u>		<u>180,651</u>
<b>NET ASSETS, MAY 1</b>		6,268,808		6,092,204
Prior period adjustment		<u>-</u>		<u>(4,047)</u>
<b>NET ASSETS, MAY 1, RESTATED</b>		<u>6,268,808</u>		<u>6,088,157</u>
<b>NET ASSETS, APRIL 30</b>		<u>\$ 6,282,620</u>		<u>\$ 6,268,808</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF CHANGES IN NET ASSETS  
POLICE PENSION FUND

For the Year Ended April 30, 2008

	<u>Actual</u>
<b>ADDITIONS</b>	
Contributions	
Employer contributions	\$ 859,300
Employee contributions	<u>352,213</u>
Total contributions	<u>1,211,513</u>
Investment income	
Net depreciation	
in fair value of investments	(184,278)
Interest	<u>778,588</u>
Total investment income	594,310
Less investment expense	<u>(30,562)</u>
Net investment income	<u>563,748</u>
Total additions	<u>1,775,261</u>
<b>DEDUCTIONS</b>	
Pension benefits	726,360
Contractual services	21,873
Administrative expenses	<u>2,423</u>
Total deductions	<u>750,656</u>
<b>NET INCREASE</b>	1,024,605
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
May 1	<u>13,686,771</u>
April 30	<u><u>\$ 14,711,376</u></u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

For the Year Ended April 30, 2008

	Balances May 1	Additions	Deletions	Balances April 30
<b>ALL FUNDS</b>				
ASSETS				
Cash and cash equivalents	\$ 16,058	\$ 2,317	\$ -	\$ 18,375
TOTAL ASSETS	<u>\$ 16,058</u>	<u>\$ 2,317</u>	<u>\$ -</u>	<u>\$ 18,375</u>
LIABILITIES				
Deposits payable	\$ 16,058	\$ 2,317	\$ -	\$ 18,375
TOTAL LIABILITIES	<u>\$ 16,058</u>	<u>\$ 2,317</u>	<u>\$ -</u>	<u>\$ 18,375</u>
<b>IMPACT FEES FUND</b>				
ASSETS				
Cash and cash equivalents	\$ 16,032	\$ 2,317	\$ -	\$ 18,349
TOTAL ASSETS	<u>\$ 16,032</u>	<u>\$ 2,317</u>	<u>\$ -</u>	<u>\$ 18,349</u>
LIABILITIES				
Deposits payable	\$ 16,032	\$ -	\$ -	\$ 16,032
Impact fees payable	-	2,317	-	2,317
TOTAL LIABILITIES	<u>\$ 16,032</u>	<u>\$ 2,317</u>	<u>\$ -</u>	<u>\$ 18,349</u>
<b>DARIEN ESCROW FUND</b>				
ASSETS				
Cash and cash equivalents	\$ 26	\$ -	\$ -	\$ 26
TOTAL ASSETS	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>
LIABILITIES				
Deposits payable	\$ 26	\$ -	\$ -	\$ 26
TOTAL LIABILITIES	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>

(See independent auditor's report.)



CITY OF DARIEN, ILLINOIS  
LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS, SERIES 2000

April 30, 2008

Date of Issue	September 1, 2000
Date of Maturity	January 1, 2010
Authorized Issue	\$ 2,025,000
Interest Rates	4.85% to 5.80%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Bank One

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				July 1	Amount	January 1	Amount
2009	\$ 175,000	\$ 17,552	\$ 192,552	2008	\$ 8,776	2009	\$ 8,776
2010	185,000	9,066	194,066	2009	4,533	2010	4,533
	<u>\$ 360,000</u>	<u>\$ 26,618</u>	<u>\$ 386,618</u>		<u>\$ 13,309</u>		<u>\$ 13,309</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION WATER BONDS, SERIES 2006

April 30, 2008

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Date of Issue	July 1, 2006
Date of Maturity	December 15, 2025
Authorized Issue	\$ 3,900,000
Interest Rates	4.10% to 4.30%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank One

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				June 15	Amount	December 15	Amount
2009	\$ 145,000	\$ 161,124	\$ 306,124	2008	\$ 80,562	2008	\$ 80,562
2010	150,000	155,178	305,178	2009	77,589	2009	77,589
2011	155,000	149,028	304,028	2010	74,514	2010	74,514
2012	165,000	142,674	307,674	2011	71,337	2011	71,337
2013	170,000	135,908	305,908	2012	67,954	2012	67,954
2014	180,000	128,896	308,896	2013	64,448	2013	64,448
2015	185,000	121,472	306,472	2014	60,736	2014	60,736
2016	195,000	113,840	308,840	2015	56,920	2015	56,920
2017	205,000	105,650	310,650	2016	52,825	2016	52,825
2018	215,000	97,040	312,040	2017	48,520	2017	48,520
2019	220,000	88,010	308,010	2018	44,005	2018	44,005
2020	230,000	78,770	308,770	2019	39,385	2019	39,385
2021	240,000	69,110	309,110	2020	34,555	2020	34,555
2022	255,000	59,030	314,030	2021	29,515	2021	29,515
2023	265,000	48,320	313,320	2022	24,160	2022	24,160
2024	275,000	37,058	312,058	2023	18,529	2023	18,529
2025	290,000	25,370	315,370	2024	12,685	2024	12,685
2026	300,000	12,900	312,900	2025	6,450	2025	6,449
	<u>\$ 3,840,000</u>	<u>\$ 1,729,378</u>	<u>\$ 5,569,378</u>		<u>\$ 864,689</u>		<u>\$ 864,688</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2007A

April 30, 2008

Date of Issue	May 15, 2007
Date of Maturity	December 15, 2011
Authorized Issue	\$ 1,400,000
Interest Rates	4.875% to 5.000%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Trust Company, N.A.

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				June 15	Amount	December 15	Amount
2009	\$ 320,000	\$ 69,575	\$ 389,575	2008	\$ 34,788	2008	\$ 34,788
2010	340,000	53,575	393,575	2009	26,788	2009	26,788
2011	360,000	37,000	397,000	2010	18,500	2010	18,500
2012	380,000	19,000	399,000	2011	9,500	2011	9,500
	<u>\$ 1,400,000</u>	<u>\$ 179,150</u>	<u>\$ 1,579,150</u>		<u>\$ 89,576</u>		<u>\$ 89,576</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS, SERIES 2007B

April 30, 2008

Date of Issue	May 15, 2007
Date of Maturity	December 15, 2017
Authorized Issue	\$ 2,600,000
Interest Rates	4.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Trust Company, N.A.

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				June 15	Amount	December 15	Amount
2009	\$ -	\$ 104,000	\$ 104,000	2008	\$ 52,000	2008	\$ 52,000
2010	-	104,000	104,000	2009	52,000	2009	52,000
2011	-	104,000	104,000	2010	52,000	2010	52,000
2012	-	104,000	104,000	2011	52,000	2011	52,000
2013	390,000	104,000	494,000	2012	52,000	2012	52,000
2014	410,000	88,400	498,400	2013	44,200	2013	44,200
2015	425,000	72,000	497,000	2014	36,000	2014	36,000
2016	440,000	55,000	495,000	2015	27,500	2015	27,500
2017	460,000	37,400	497,400	2016	18,700	2016	18,700
2018	475,000	19,000	494,000	2017	9,500	2017	9,500
	<u>\$ 2,600,000</u>	<u>\$ 791,800</u>	<u>\$ 3,391,800</u>		<u>\$ 395,900</u>		<u>\$ 395,900</u>

(See independent auditor's report.)