

CITY OF DARIEN, ILLINOIS  
ANNUAL FINANCIAL REPORT  
For the Year Ended  
April 30, 2011

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, 2011

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MAYOR

Kathleen Moesle Weaver

CITY COUNCIL

Halil Avcı  
Ted Schauer  
Joerg Seifert  
John F. Poteraske, Jr.  
Tina Beilke  
Joseph A. Marchese  
Sylvia McIvor

CITY TREASURER

Michael J. Coren

CITY CLERK

Joanne Ragona

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, 2011, 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, 2011, 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 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 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 stated in all material respects in relation to the basic financial statements taken as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements that collectively comprise the City of Darien, Illinois' basic financial statements as of and for the year ended April 30, 2010 (none of which is presented herein), and we expressed unqualified opinions on those basic financial statements. Those audits were conducted for the purposes of forming opinions on those basic financial statement taken as a whole. The 2010 supplementary information is presented for additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements, and in our opinion, the 2010 supplementary information is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "J. L. LLP". The signature is written in a cursive, flowing style.

Aurora, Illinois  
August 15, 2011

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2011***

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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, 2011. 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 \$ 21.9 million (net assets).
- ❑ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4.70 million, an increase of \$.90 million in comparison with the prior year. The increase in fund balance was from increased revenue from various tax line items as well as decreased spending. Approximately \$4.55 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 \$ 4.4 million, or 42 percent of the total General Fund expenditures.
- ❑ The City's total debt decreased by \$600 thousand during the current year to \$9.1 million. The City's debt increased by \$235 thousand due to compensated absences and net pension obligations and was reduced by payments of \$833 thousand.

***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

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2011***

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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 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.

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2011***

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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 nine individual governmental funds and merged two funds with little activity into the general fund. The Joint Use Facility Fund and DARE Fund were merged in to the General Fund this year. 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, 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.

**CITY OF DARIEN**  
**Management's Discussion and Analysis**  
**For the Year Ended April 30, 2011**

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**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, 2011</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>2011</u></b>         | <b><u>2010</u></b> | <b><u>Change</u></b> | <b><u>2011</u></b>          | <b><u>2010</u></b> | <b><u>Change</u></b> | <b><u>2011</u></b>       | <b><u>2010</u></b> | <b><u>Change</u></b> |
| Current and other assets                           | 7.43                       | 6.79               | .64                  | 2.28                        | \$1.79             | .49                  | 9.71                     | 8.58               | 1.13                 |
| Capital assets                                     | 17.15                      | 17.90              | (.75)                | 7.42                        | 7.76               | (.34)                | 24.57                    | 25.66              | (1.09)               |
| <b>Total Assets</b>                                | <b>24.58</b>               | <b>24.69</b>       | <b>(.11)</b>         | <b>9.70</b>                 | <b>9.55</b>        | <b>.15</b>           | <b>34.28</b>             | <b>34.24</b>       | <b>.04</b>           |
| Long-term liabilities                              | 4.98                       | 5.48               | (.50)                | 3.23                        | 3.39               | (.16)                | 8.21                     | 8.87               | (.66)                |
| Other liabilities                                  | 3.46                       | 3.76               | (.30)                | .62                         | .56                | .06                  | 4.08                     | 4.32               | (.24)                |
| <b>Total Liabilities</b>                           | <b>8.44</b>                | <b>9.24</b>        | <b>(.80)</b>         | <b>3.85</b>                 | <b>3.95</b>        | <b>(.10)</b>         | <b>12.29</b>             | <b>13.19</b>       | <b>(.90)</b>         |
| <i>Net assets:</i>                                 |                            |                    |                      |                             |                    |                      |                          |                    |                      |
| Invested in capital assets,<br>net of related debt | 12.03                      | 12.16              | (.13)                | 4.04                        | 4.23               | (.19)                | 16.06                    | 16.39              | (.33)                |
| Restricted   | .10                        | .05                | .05                  | 0.00                        | 0.00               | 0.00                 | .10                      | .05                | .05                  |
| Unrestricted                                       | 4.01                       | 3.24               | .77                  | 1.81                        | 1.37               | .44                  | 5.82                     | 4.61               | 1.21                 |
| <b>Total Net Assets</b>                            | <b>16.14</b>               | <b>15.45</b>       | <b>.69</b>           | <b>5.85</b>                 | <b>5.60</b>        | <b>.25</b>           | <b>21.98</b>             | <b>21.05</b>       | <b>.93</b>           |

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2011***

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**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.

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 \$.93 million from \$21.05 million to \$21.98 million. The City of Darien has a goal to maintain a specific level of fund balance and when it is projected that the amount is increasing, fund balance is used to cover expenditures rather than raise revenue. The City of Darien total assets equal \$34.28 million. The City of Darien total liabilities equal \$12.29 million.

The City of Darien's assessed property tax rate was .2441. The City of Darien's portion of a resident's tax bill is small percentage of their total tax bill. The City of Darien's property taxes remain relatively lower than other municipalities within DuPage County.

A portion of the net 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 \$5.82 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, 2011**

| <b>Condensed Statement of Activities</b>                         |                            |              |               |                             |             |               |                          |              |               |
|--|----------------------------|--------------|---------------|-----------------------------|-------------|---------------|--------------------------|--------------|---------------|
| <b>As of April 30, 2011</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>2011</u>                | <u>2010</u>  | <u>Change</u> | <u>2011</u>                 | <u>2010</u> | <u>Change</u> | <u>2011</u>              | <u>2010</u>  | <u>Change</u> |
| <b>Revenues:</b>   |                            |              |               |                             |             |               |                          |              |               |
| <i>Program Revenues:</i>   |                            |              |               |                             |             |               |                          |              |               |
| Charges for Services   | 1.68                       | 1.63         | .05           | 4.55                        | 3.50        | 1.05          | 6.23                     | 5.13         | 1.10          |
| Operating Grants and Contributions                               | .66                        | 0.70         | (.46)         | -                           | -           | -             | .66                      | 0.70         | (.04)         |
| <i>General Revenues:</i>   |                            |              |               |                             |             |               |                          |              |               |
| Property taxes   | 2.31                       | 2.26         | .05           | -                           | -           | -             | 2.31                     | 2.26         | .05           |
| Other Taxes  | 9.05                       | 7.65         | 1.40          | -                           | -           | -             | 9.05                     | 7.65         | 1.40          |
| Other General Revenues   | .50                        | .46          | .04           | .02                         | .17         | (.15)         | .52                      | .63          | .11           |
| <b>Total Revenues</b>  | <b>14.20</b>               | <b>12.70</b> | <b>1.08</b>   | <b>4.57</b>                 | <b>3.67</b> | <b>.90</b>    | <b>18.77</b>             | <b>16.37</b> | <b>2.40</b>   |
| <b>Expenses:</b>   |                            |              |               |                             |             |               |                          |              |               |
| Administration   | 1.56                       | 1.80         | (.24)         | -                           | -           | -             | 1.56                     | 1.80         | (.24)         |
| Public Works   | 2.27                       | 2.80         | (.53)         | -                           | -           | -             | 2.27                     | 2.80         | (.53)         |
| Public Safety  | 9.55                       | 9.30         | .25           | -                           | -           | -             | 9.55                     | 9.30         | .25           |
| Interest and Fees  | .14                        | .24          | (.10)         | -                           | -           | -             | .14                      | .24          | (.10)         |
| Water  | -                          | -            | -             | 4.32                        | 3.97        | .35           | 4.32                     | 3.99         | .04           |
| <b>Total Expenses</b>  | <b>13.52</b>               | <b>14.14</b> | <b>(.62)</b>  | <b>4.32</b>                 | <b>3.97</b> | <b>.35</b>    | <b>17.84</b>             | <b>18.13</b> | <b>(.29)</b>  |
| Increase (Decrease) in Net Assets Before Prior Period Adjustment | .68                        | (1.43)       | 2.11          | .25                         | (.30)       | .55           | .93                      | (1.75)       | 2.68          |
| Prior Period Adjustment  | -                          | (.17)        | .17           | -                           | -           | -             | -                        | (.17)        | (.17)         |
| Change in Net Assets   | .68                        | (1.60)       | 2.28          | .25                         | (.30)       | .55           | .93                      | (1.80)       | 2.73          |
| Net Assets, Beginning of Year                                    | 15.46                      | 17.06        | 1.60          | 5.60                        | 5.90        | (.30)         | 21.05                    | 22.96        | (1.90)        |
| <b>Net Assets, End of Year</b>                                   | <b>16.14</b>               | <b>15.46</b> | <b>.68</b>    | <b>5.85</b>                 | <b>5.60</b> | <b>.25</b>    | <b>21.98</b>             | <b>21.04</b> | <b>(1.92)</b> |

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2011***

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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.

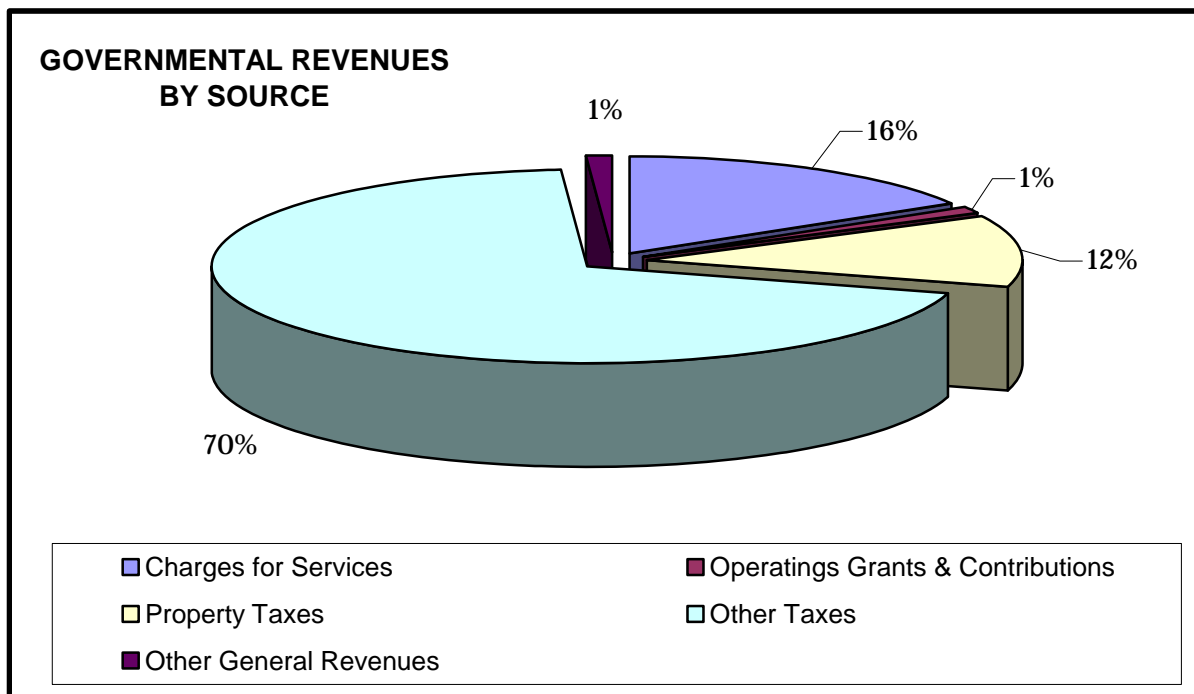
**CITY OF DARIEN**  
**Management's Discussion and Analysis**  
**For the Year Ended April 30, 2011**

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**Current Year Impacts**

The Governmental Activities experienced an increase in revenue of \$1.08 million and a decrease in spending resulted in an increase in net assets of \$.68 million compared to total net assets of \$15.46 million in the prior fiscal year.

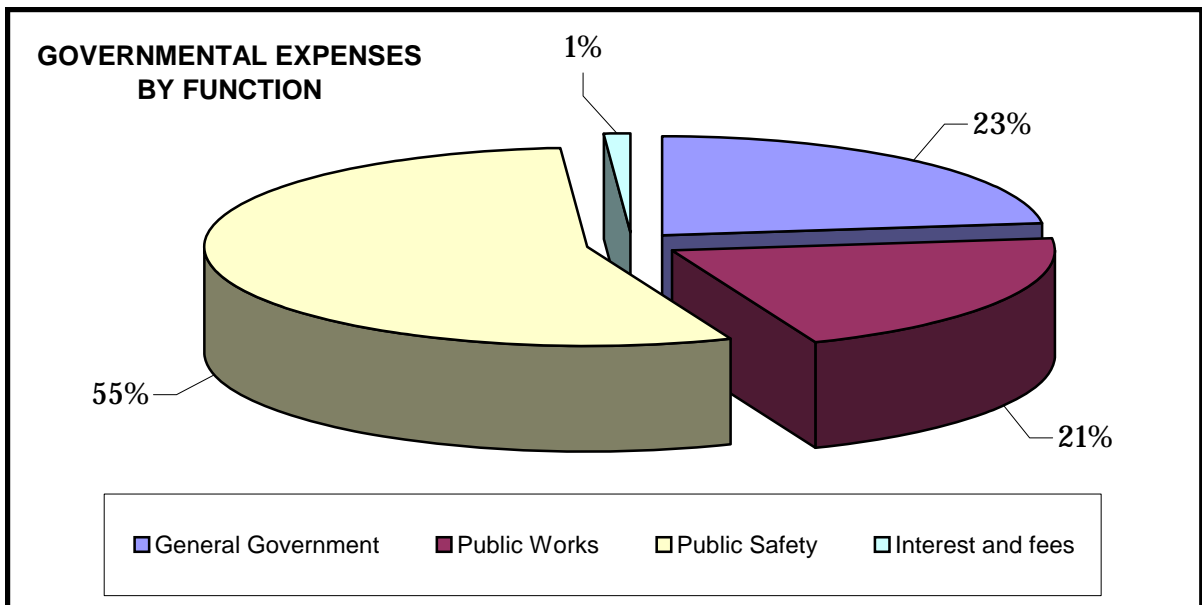
**GOVERNMENTAL ACTIVITIES**



**Revenues**

The City of Darien experienced an increase in total revenue for this fiscal year. This increase in revenues amounted to \$2.40 million. (see page 6 of MD&A) The increase in revenues was due partially to utility tax revenue rates that were increased towards the end of the year as well as other revenues that outpaced the budgeted amounts.

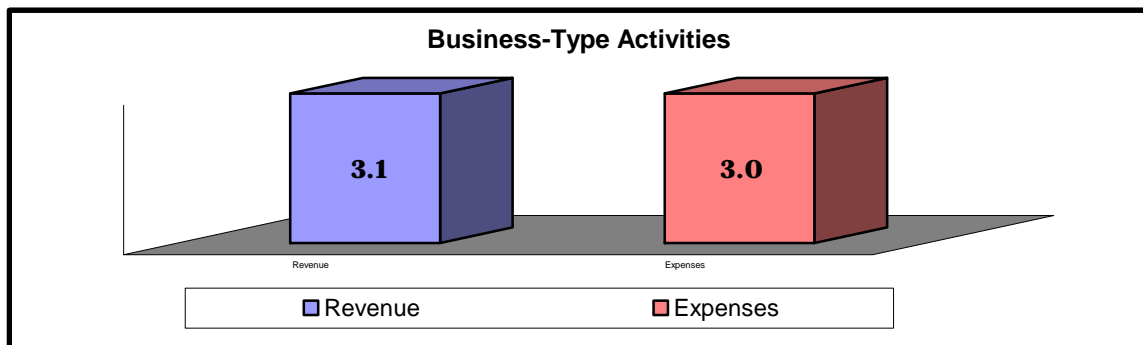
**CITY OF DARIEN**  
**Management's Discussion and Analysis**  
**For the Year Ended April 30, 2011**



**Expenses**

The City of Darien's overall expenses in the current fiscal year decreased over the previous year, \$30 thousand.

**Business Type Activities**



The Business-Type activity of the City of Darien includes the Water Department. The Water Department serves the city residents and businesses; Pricing of water is based on 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 \$.90 million in comparison to the prior year, due to increased demand by consumers and the addition of new customers that were added on to the system.

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2011***

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The City sets a goal of transferring \$250 thousand from its Water Department to the General Fund. Operating expenses increased \$35 thousand for this fiscal year for various reasons including personnel costs. The increase was also the result of increases in contractual and material supply expenses for the water system as well as the additional customers and the increased water rates from the City of Chicago.

***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, 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 \$4.69 million; an increase of \$.88 million over fiscal 2010

The fund balance of the City of Darien's general fund increased by \$1.2 million to \$4.46 million during the current fiscal year. (see page 42 of Financial Statements)

***GENERAL FUND BUDGETARY HIGHLIGHTS***

Over the course of the year 2011 the original budget was not amended.

The actual expenditures for fiscal year 2011 were less than budgeted amounts by \$872 thousand due to reductions in employees, eliminating payroll increases and a revision of the budget due to concern over anticipated revenues. (see page 56 of Financial Statements)

***CAPITAL ASSET AND DEBT ADMINISTRATION***

***Capital assets***

At the end of fiscal 2011, the City of Darien had total capital assets (net of accumulated depreciation) of \$24.57 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 decrease in the City's capital assets for the current year was \$1.09 million. For more detailed information see note 4. Capital Assets, page 29.

(See Independent Auditor's Report)

***CITY OF DARIEN***  
***Management's Discussion and Analysis***  
***For the Year Ended April 30, 2011***

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**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 \$5.70 million. The City began the fiscal year with a balance of \$6.15 million in debt, and did not issue any new debt.

In the City's business-type activities a total debt of \$3.40 million is reported. Debt was reduced in the City business-type activity during 2011 by \$140 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 for the most recent period available for this year, is 9.8% 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 and benefits. 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 include increases in water rates charged, and the general state of the economy. 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

(See Independent Auditor's Report)  
MD&A 11

## CITY OF DARIEN, ILLINOIS

## STATEMENT OF NET ASSETS

April 30, 2011

|  | Primary Government         |                             |                      |
|--|----------------------------|-----------------------------|----------------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total                |
| <b>ASSETS</b>  |                            |                             |                      |
| Cash and cash equivalents  | \$ 3,017,395               | \$ 1,485,185                | \$ 4,502,580         |
| Receivables (net, where applicable,<br>of allowances for uncollectibles) |                            |                             |                      |
| Property taxes   | 2,097,726                  | -                           | 2,097,726            |
| Accounts   | -                          | 766,942                     | 766,942              |
| Intergovernmental  | 1,878,218                  | -                           | 1,878,218            |
| Other  | 325,276                    | -                           | 325,276              |
| Net pension asset  | 64,073                     | -                           | 64,073               |
| Prepays  | -                          | 5,033                       | 5,033                |
| Unamortized bond issuance costs  | 16,522                     | 27,744                      | 44,266               |
| Inventories  | 30,679                     | -                           | 30,679               |
| Capital assets not being depreciated                                     | 7,313,336                  | 100,000                     | 7,413,336            |
| Capital assets being depreciated   | 9,834,373                  | 7,318,092                   | 17,152,465           |
| <b>Total assets</b>  | <b>24,577,598</b>          | <b>9,702,996</b>            | <b>34,280,594</b>    |
| <b>LIABILITIES</b>   |                            |                             |                      |
| Accounts payable   | 217,706                    | 384,611                     | 602,317              |
| Accrued payroll  | 241,204                    | 19,965                      | 261,169              |
| Accrued interest payable   | 77,892                     | 53,307                      | 131,199              |
| Unearned revenue   | 2,097,726                  | -                           | 2,097,726            |
| Deposits payable   | 95,541                     | -                           | 95,541               |
| Other payables   | 807                        | -                           | 807                  |
| Darien Helping Darien Fund   | 1,182                      | -                           | 1,182                |
| DTC maintenance escrow   | 10,000                     | -                           | 10,000               |
| Noncurrent liabilities   |                            |                             |                      |
| Due within one year  | 716,993                    | 167,344                     | 884,337              |
| Due in more than one year  | 4,981,785                  | 3,230,869                   | 8,212,654            |
| <b>Total liabilities</b>   | <b>8,440,836</b>           | <b>3,856,096</b>            | <b>12,296,932</b>    |
| <b>NET ASSETS</b>  |                            |                             |                      |
| Invested in capital assets,<br>net of related debt                       | 12,025,043                 | 4,039,500                   | 16,064,543           |
| Restricted for   |                            |                             |                      |
| Special service area   | 8,925                      | -                           | 8,925                |
| Public safety  | 11,044                     | -                           | 11,044               |
| Highways and streets   | 80,990                     | -                           | 80,990               |
| Debt service   | 2,202                      | -                           | 2,202                |
| Unrestricted   | 4,008,558                  | 1,807,400                   | 5,815,958            |
| <b>TOTAL NET ASSETS</b>  | <b>\$ 16,136,762</b>       | <b>\$ 5,846,900</b>         | <b>\$ 21,983,662</b> |

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2011

| FUNCTIONS/PROGRAMS                               | Expenses             | Program Revenues        |                     |                   |
|--|----------------------|-------------------------|---------------------|-------------------|
|  |                      | Charges<br>for Services | Operating<br>Grants | Capital<br>Grants |
| <b>PRIMARY GOVERNMENT</b>                        |                      |                         |                     |                   |
| Governmental Activities                          |                      |                         |                     |                   |
| General government                               | \$ 1,563,794         | \$ 1,151,469            | \$ -                | \$ -              |
| Highways and streets                             | 2,271,023            | 374,848                 | 613,865             | 24,177            |
| Public safety                                    | 9,547,463            | 156,810                 | 8,117               | -                 |
| Interest and fiscal charges on<br>long-term debt | 138,837              | -                       | -                   | -                 |
| Total governmental activities                    | 13,521,117           | 1,683,127               | 621,982             | 24,177            |
| Business-Type Activities                         |                      |                         |                     |                   |
| Water operations                                 | 4,317,855            | 4,549,023               | -                   | -                 |
| Total business-type activities                   | 4,317,855            | 4,549,023               | -                   | -                 |
| <b>TOTAL PRIMARY GOVERNMENT</b>                  | <b>\$ 17,838,972</b> | <b>\$ 6,232,150</b>     | <b>\$ 621,982</b>   | <b>\$ 24,177</b>  |



|                      | Net (Expense) Revenue and Change in Net Assets |                             |               |
|----------------------|--|-----------------------------|---------------|
|                      | Primary Government                             |                             |               |
|                      | Governmental<br>Activities                     | Business-Type<br>Activities | Total         |
|                      | \$ (412,325)                                   | \$ -                        | \$ (412,325)  |
|                      | (1,258,133)                                    | -                           | (1,258,133)   |
|                      | (9,382,536)                                    | -                           | (9,382,536)   |
|                      | (138,837)                                      | -                           | (138,837)     |
|                      | (11,191,831)                                   | -                           | (11,191,831)  |
|                      | -  | 231,168                     | 231,168       |
|                      | -  | 231,168                     | 231,168       |
|                      | (11,191,831)                                   | 231,168                     | (10,960,663)  |
| General Revenues     |  |                             |               |
| Taxes                |  |                             |               |
| Property             | 2,314,509                                      | -                           | 2,314,509     |
| Replacement          | 6,965  | -                           | 6,965         |
| Income               | 1,841,183                                      | -                           | 1,841,183     |
| Sales                | 4,582,422                                      | -                           | 4,582,422     |
| Local use            | 357,258  | -                           | 357,258       |
| Telecommunications   | 826,674  | -                           | 826,674       |
| Utility              | 1,120,830                                      | -                           | 1,120,830     |
| Amusement            | 104,205  | -                           | 104,205       |
| Hotel/motel          | 33,543   | -                           | 33,543        |
| Road and bridge      | 181,771  | -                           | 181,771       |
| Investment income    | 24,686   | 14,742                      | 39,428        |
| Miscellaneous        | 478,119  | 1,722                       | 479,841       |
| Total                | 11,872,165                                     | 16,464                      | 11,888,629    |
| CHANGE IN NET ASSETS | 680,334  | 247,632                     | 927,966       |
| NET ASSETS, MAY 1    | 15,456,428                                     | 5,599,268                   | 21,055,696    |
| NET ASSETS, APRIL 30 | \$ 16,136,762                                  | \$ 5,846,900                | \$ 21,983,662 |

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2011

|  | General             | Motor Fuel<br>Tax | Capital<br>Improvements | Debt<br>Service   | Nonmajor         | Total               |
|--|---------------------|-------------------|-------------------------|-------------------|------------------|---------------------|
| ASSETS   |                     |                   |                         |                   |                  |                     |
| Cash and cash equivalents  | \$ 2,815,838        | \$ 32,296         | \$ 141,970              | \$ 2,202          | \$ 25,089        | \$ 3,017,395        |
| Receivables (net, where applicable,<br>of allowances for uncollectibles) |                     |                   |                         |                   |                  |                     |
| Property taxes   | 1,994,384           | -                 | -                       | 103,342           | -                | 2,097,726           |
| Intergovernmental  | 1,872,472           | 48,739            | -                       | -                 | -                | 1,921,211           |
| Other  | 281,357             | -                 | -                       | -                 | 926              | 282,283             |
| Inventory  | 30,679              | -                 | -                       | -                 | -                | 30,679              |
| <b>TOTAL ASSETS</b>  | <b>\$ 6,994,730</b> | <b>\$ 81,035</b>  | <b>\$ 141,970</b>       | <b>\$ 105,544</b> | <b>\$ 26,015</b> | <b>\$ 7,349,294</b> |

|  | General             | Motor Fuel<br>Tax | Capital<br>Improvements | Debt<br>Service   | Nonmajor         | Total               |
|--|---------------------|-------------------|-------------------------|-------------------|------------------|---------------------|
| <b>LIABILITIES AND FUND BALANCES</b>           |                     |                   |                         |                   |                  |                     |
| <b>LIABILITIES</b>                             |                     |                   |                         |                   |                  |                     |
| Accounts payable                               | \$ 190,202          | \$ 45             | \$ 27,277               | \$ -              | \$ 182           | \$ 217,706          |
| Accrued payroll                                | 241,204             | -                 | -                       | -                 | -                | 241,204             |
| Deferred revenue                               | 1,994,384           | -                 | -                       | 103,342           | -                | 2,097,726           |
| Deposits payable                               | 95,541              | -                 | -                       | -                 | -                | 95,541              |
| Other payables                                 | 807                 | -                 | -                       | -                 | -                | 807                 |
| Darien Helping Darien Fund                     | 1,182               | -                 | -                       | -                 | -                | 1,182               |
| DTC maintenance escrow                         | 10,000              | -                 | -                       | -                 | -                | 10,000              |
| <b>Total liabilities</b>                       | <b>2,533,320</b>    | <b>45</b>         | <b>27,277</b>           | <b>103,342</b>    | <b>182</b>       | <b>2,664,166</b>    |
| <b>FUND BALANCES</b>                           |                     |                   |                         |                   |                  |                     |
| Reserved for inventory                         | 30,679              | -                 | -                       | -                 | -                | 30,679              |
| Reserved for special service area              | -                   | -                 | -                       | -                 | 8,925            | 8,925               |
| Reserved for public safety                     | -                   | -                 | -                       | -                 | 11,044           | 11,044              |
| Reserved for highways and streets              | -                   | 80,990            | -                       | -                 | -                | 80,990              |
| Reserved for debt service                      | -                   | -                 | -                       | 2,202             | -                | 2,202               |
| Unreserved                                     |                     |                   |                         |                   |                  |                     |
| General Fund                                   | 4,430,731           | -                 | -                       | -                 | -                | 4,430,731           |
| Special Revenue Funds                          | -                   | -                 | -                       | -                 | -                | -                   |
| Capital Projects Funds                         | -                   | -                 | 114,693                 | -                 | 5,864            | 120,557             |
| <b>Total fund balances</b>                     | <b>4,461,410</b>    | <b>80,990</b>     | <b>114,693</b>          | <b>2,202</b>      | <b>25,833</b>    | <b>4,685,128</b>    |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 6,994,730</b> | <b>\$ 81,035</b>  | <b>\$ 141,970</b>       | <b>\$ 105,544</b> | <b>\$ 26,015</b> | <b>\$ 7,349,294</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, 2011

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|   |                      |
|---|----------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS   | \$ 4,685,128         |
| Amounts reported for governmental activities in the<br>statement of net assets are different because:   |                      |
| Capital assets used in governmental activities are not financial<br>resources and, therefore, are not reported in the governmental funds  | 17,147,709           |
| Net pension asset is shown as an asset on the statement of net assets   | 64,073               |
| Long-term liabilities are not due and payable in the current period<br>and, therefore, are not reported in the governmental funds   |                      |
| Bonds payable   | (4,970,000)          |
| Notes payable   | (130,970)            |
| Compensated absences payable  | (540,162)            |
| Net pension obligation  | (35,950)             |
| Unamortized premiums on long-term debt are other financing sources in<br>governmental funds in the year of issuance but are capitalized and<br>amortized on the statement of net assets | (22,878)             |
| Unamortized discounts on long-term debt are other financing uses in<br>governmental funds in the year of issuance but are capitalized and<br>amortized on the statement of net assets   | 1,182                |
| Deferred charges from bond issues are shown as an<br>asset on the statement of net assets but expensed in<br>the period in governmental funds   |                      |
| Unamortized bond issuance costs   | 16,522               |
| Accrued interest payable is not recorded in governmental<br>funds but is recorded on the statement of net assets  | (77,892)             |
| NET ASSETS OF GOVERNMENTAL ACTIVITIES   | <u>\$ 16,136,762</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, 2011

|  | General           | Motor Fuel<br>Tax | Capital<br>Improvements | Debt<br>Service | Nonmajor     | Total             |
|--|-------------------|-------------------|-------------------------|-----------------|--------------|-------------------|
| <b>REVENUES</b>  |                   |                   |                         |                 |              |                   |
| Taxes  | \$ 4,275,179      | \$ -              | \$ 200,770              | \$ 105,414      | \$ 7,133     | \$ 4,588,496      |
| Licenses and permits   | 1,007,928         | -                 | -                       | -               | -            | 1,007,928         |
| Intergovernmental  | 6,791,945         | 613,865           | 24,177                  | -               | -            | 7,429,987         |
| Charges for services   | 3,875             | -                 | -                       | -               | -            | 3,875             |
| Investment income  | 18,675            | 676               | 4,639                   | 129             | 567          | 24,686            |
| Miscellaneous  | 1,043,927         | 102,552           | -                       | -               | -            | 1,146,479         |
| <b>Total revenues</b>  | <b>13,141,529</b> | <b>717,093</b>    | <b>229,586</b>          | <b>105,543</b>  | <b>7,700</b> | <b>14,201,451</b> |
| <b>EXPENDITURES</b>  |                   |                   |                         |                 |              |                   |
| Current  |                   |                   |                         |                 |              |                   |
| General government   | 1,516,220         | -                 | -                       | -               | -            | 1,516,220         |
| Highways and streets   | 1,488,535         | 587,359           | -                       | -               | -            | 2,075,894         |
| Public safety  | 6,780,838         | -                 | -                       | -               | -            | 6,780,838         |
| Capital outlay   | -                 | -                 | 2,102,673               | -               | -            | 2,102,673         |
| Debt service   |                   |                   |                         |                 |              |                   |
| Principal  | 494,146           | -                 | 120,000                 | -               | -            | 614,146           |
| Interest and fiscal charges                                  | 49,105            | -                 | 80,769                  | 104,000         | -            | 233,874           |
| <b>Total expenditures</b>                                    | <b>10,328,844</b> | <b>587,359</b>    | <b>2,303,442</b>        | <b>104,000</b>  | <b>-</b>     | <b>13,323,645</b> |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>2,812,685</b>  | <b>129,734</b>    | <b>(2,073,856)</b>      | <b>1,543</b>    | <b>7,700</b> | <b>877,806</b>    |

|                                      | General      | Motor Fuel<br>Tax | Capital<br>Improvements | Debt<br>Service | Nonmajor  | Total        |
|--------------------------------------|--------------|-------------------|-------------------------|-----------------|-----------|--------------|
| OTHER FINANCING SOURCES (USES)       |              |                   |                         |                 |           |              |
| Transfers in                         | \$ -         | \$ -              | \$ 1,673,285            | \$ -            | \$ -      | \$ 1,673,285 |
| Transfers (out)                      | (1,600,000)  | -                 | -                       | (43,285)        | (30,000)  | (1,673,285)  |
| Total other financing sources (uses) | (1,600,000)  | -                 | 1,673,285               | (43,285)        | (30,000)  | -            |
| NET CHANGE IN FUND BALANCES          | 1,212,685    | 129,734           | (400,571)               | (41,742)        | (22,300)  | 877,806      |
| FUND BALANCES (DEFICIT), MAY 1       | 3,248,725    | (48,744)          | 515,264                 | 43,944          | 48,133    | 3,807,322    |
| FUND BALANCES, APRIL 30              | \$ 4,461,410 | \$ 80,990         | \$ 114,693              | \$ 2,202        | \$ 25,833 | \$ 4,685,128 |

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, 2011

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|  |                   |
|--|-------------------|
| NET CHANGE IN FUND BALANCES -<br>TOTAL GOVERNMENTAL FUNDS  | \$ 877,806        |
| Amounts reported for governmental activities in the statement of<br>activities are different because:  |                   |
| Some expenses in the statement of activities (e.g., depreciation) do not<br>require the use of current financial resources and, therefore, are not<br>reported as expenditures in governmental funds | (754,432)         |
| The repayment of the principal portion long-term debt is reported as<br>an expenditure when due in governmental funds but as a reduction of<br>principal outstanding in the statement of activities  | 614,146           |
| The change in accrued interest payable on long-term debt is reported<br>as an expense on the statement of activities   | 94,221            |
| Certain costs associated with the issuances of bonds are deferred and amortized<br>over the life of the bonds on the statement of activities:  |                   |
| Amortization of issuance costs   | (1,271)           |
| Discount on issuance   | (1,182)           |
| Premium on issuance  | 3,269             |
| The change in compensated absences payable is shown as an expense<br>on the statement of activities  | (127,141)         |
| The change in the net pension obligation is shown as an expense<br>on the statement of activities  | (35,950)          |
| The change in the net pension asset is shown as a reduction of expense<br>on the statement of activities   | <u>10,868</u>     |
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES  | <u>\$ 680,334</u> |

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS

April 30, 2011

|  | Business-Type<br>Activities<br>Water<br>Operations |
|--|--|
| <b>CURRENT ASSETS</b>  |  |
| Cash and cash equivalents  | \$ 1,485,185                                       |
| Receivables (net, where applicable,<br>of allowances for uncollectibles) |  |
| Water - billed   | 12,172   |
| Water - unbilled   | 754,770  |
| Prepaid expenses   | 5,033  |
| Total current assets   | 2,257,160  |
| <b>NONCURRENT ASSETS</b>   |  |
| Unamortized bond issuance costs  | 27,744   |
| Capital assets   |  |
| Assets not being depreciated   | 100,000  |
| Assets being depreciated   |  |
| Cost   | 15,481,351   |
| Accumulated depreciation   | (8,163,259)  |
| Net capital assets being depreciated                                     | 7,318,092  |
| Net capital assets   | 7,418,092  |
| Total noncurrent assets  | 7,445,836  |
| Total assets   | 9,702,996  |
| <b>CURRENT LIABILITIES</b>   |  |
| Accounts payable   | 384,611  |
| Accrued payroll  | 19,965   |
| Accrued interest payable   | 53,307   |
| Bonds payable  | 165,000  |
| Compensated absences payable   | 2,344  |
| Total current liabilities  | 625,227  |
| <b>LONG-TERM LIABILITIES</b>   |  |
| Bonds payable  | 3,225,000  |
| Unamortized bond discount  | (11,408)   |
| Compensated absences payable   | 13,283   |
| Net pension obligation   | 3,994  |
| Total long-term liabilities  | 3,230,869  |
| Total liabilities  | 3,856,096  |
| <b>NET ASSETS</b>  |  |
| Invested in capital assets, net of related debt                          | 4,039,500  |
| Unrestricted   | 1,807,400  |
| TOTAL NET ASSETS   | \$ 5,846,900                                       |

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, 2011

|  | Business-Type<br>Activities |
|--|-----------------------------|
|  | <u>Water</u>                |
|  | <u>Operations</u>           |
| OPERATING REVENUES                                 |                             |
| Water sales  | \$ 4,518,645                |
| Inspections/tap on/permits                         | 18,850                      |
| Sale of meters                                     | 2,332                       |
| Other water sales                                  | <u>9,196</u>                |
| Total operating revenues                           | <u>4,549,023</u>            |
| OPERATING EXPENSES                                 |                             |
| EXCLUDING DEPRECIATION                             |                             |
| Personnel services                                 | 653,430                     |
| Materials and supplies                             | 658,552                     |
| Contractual services                               | 2,391,781                   |
| Capital related - uncapitalized                    | <u>124,599</u>              |
| Total operating expenses excluding<br>depreciation | <u>3,828,362</u>            |
| OPERATING INCOME BEFORE<br>DEPRECIATION            | 720,661                     |
| DEPRECIATION                                       | <u>348,741</u>              |
| OPERATING INCOME                                   | <u>371,920</u>              |
| NONOPERATING REVENUES (EXPENSES)                   |                             |
| Investment income                                  | 14,742                      |
| Miscellaneous income                               | 1,722                       |
| Interest expense                                   | <u>(140,752)</u>            |
| Total nonoperating revenues (expenses)             | <u>(124,288)</u>            |
| CHANGE IN NET ASSETS                               | 247,632                     |
| NET ASSETS, MAY 1                                  | <u>5,599,268</u>            |
| NET ASSETS, APRIL 30                               | <u>\$ 5,846,900</u>         |

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2011

|   | <u>Business-Type<br/>Activities<br/>Water<br/>Operations</u> |
|---|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |
| Receipts from customers and users   | \$ 4,576,113   |
| Payments to suppliers   | (3,113,407)  |
| Payments to employees   | <u>(642,487)</u>   |
| Net cash from operating activities  | <u>820,219</u>   |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>                                    |  |
| None  | <u>-</u>   |
| Net cash from noncapital financing activities   | <u>-</u>   |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>                           |  |
| Principal payments  | (155,000)  |
| Interest and fiscal charges   | (149,455)  |
| Miscellaneous receipts  | <u>1,722</u>   |
| Net cash from capital and related financing activities  | <u>(302,733)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |  |
| Interest received   | <u>14,742</u>  |
| Net cash from investing activities  | <u>14,742</u>  |
| <b>NET INCREASE IN CASH AND<br/>CASH EQUIVALENTS</b>  | 532,228  |
| <b>CASH AND CASH EQUIVALENTS, MAY 1</b>   | <u>952,957</u>   |
| <b>CASH AND CASH EQUIVALENTS, APRIL 30</b>  | <u><u>\$ 1,485,185</u></u>                                   |
| <b>RECONCILIATION OF OPERATING INCOME<br/>TO NET CASH FLOWS FROM<br/>OPERATING ACTIVITIES</b> |  |
| Operating income  | \$ 371,920   |
| Adjustments to reconcile operating income<br>to net cash from operating activities            |  |
| Depreciation  | 348,741  |
| Changes in assets and liabilities   |  |
| Accounts receivable   | 27,090   |
| Accounts payable  | 61,525   |
| Accrued payroll   | 2,842  |
| Compensated absences payable  | 4,107  |
| Net pension obligation  | <u>3,994</u>   |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>   | <u><u>\$ 820,219</u></u>                                     |

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

April 30, 2011

|  | Pension<br>Trust Fund       | Agency           |
|--|-----------------------------|------------------|
| <b>ASSETS</b>  |                             |                  |
| Cash and cash equivalents                                | \$ 1,957,200                | \$ 12,880        |
| Investments  |                             |                  |
| U.S. Treasury obligations                                | 1,337,590                   | -                |
| Annuities  | 53,046                      | -                |
| U.S. agency obligations                                  | 7,353,407                   | -                |
| Money market mutual funds                                | 362,156                     | -                |
| Municipal bonds  | 863,996                     | -                |
| Equity mutual funds                                      | 6,816,843                   |                  |
| Receivables  |                             |                  |
| Accrued interest   | 116,616                     | -                |
| Prepaid expenses   | 3,566                       | -                |
|  | <u>18,864,420</u>           | <u>\$ 12,880</u> |
| <b>LIABILITIES</b>                                       |                             |                  |
| Accounts payable   | 5,057                       | \$ -             |
| Due to others  | -                           | 10,537           |
| Impact fees payable                                      | -                           | 2,317            |
| Deposits payable   | -                           | 26               |
|  | <u>5,057</u>                | <u>\$ 12,880</u> |
| <b>NET ASSETS HELD IN TRUST FOR<br/>PENSION BENEFITS</b> | <u><u>\$ 18,859,363</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, 2011

|  |                      |
|--|----------------------|
| <b>ADDITIONS</b>   |                      |
| Contributions  |                      |
| Employer   | \$ 1,113,781         |
| Employee   | 369,341              |
|  | <u>1,483,122</u>     |
| Total contributions                                      |                      |
|  | <u>1,483,122</u>     |
| Investment income  |                      |
| Net appreciation in<br>fair value of investments         | 999,736              |
| Interest   | 561,376              |
|  | <u>1,561,112</u>     |
| Total investment income                                  |                      |
|  | <u>1,561,112</u>     |
| Less investment expense                                  | (47,086)             |
|  | <u>(47,086)</u>      |
| Net investment income                                    |                      |
|  | <u>1,514,026</u>     |
| Total additions  |                      |
|  | <u>2,997,148</u>     |
| <b>DEDUCTIONS</b>  |                      |
| Pension benefits   | 976,616              |
| Contractual services                                     | 16,593               |
| Administrative expenses                                  | 10,695               |
|  | <u>1,003,904</u>     |
| Total deductions   |                      |
|  | <u>1,003,904</u>     |
| <b>NET INCREASE</b>                                      | <b>1,993,244</b>     |
| <b>NET ASSETS HELD IN TRUST<br/>FOR PENSION BENEFITS</b> |                      |
| May 1  | <u>16,866,119</u>    |
| April 30   | <u>\$ 18,859,363</u> |

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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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, 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. PPERS is reported as a pension trust fund.

Darien Area Dispatch Center

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. During fiscal 2012, the Dispatch Center will be dissolved.

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 nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 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 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, income 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 unearned/deferred revenue on its financial statements. Unearned/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned/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 unearned/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's policy allows for a bonus to be paid for those employees who have not used sick days in the given year. Accumulated amounts are paid out at retirement at a rate of 50% of the employee's current hourly salary rate.

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

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund financial statements. Bond premiums and discounts, 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 (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, 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, 2011:

| Investment Type | Fair Value       | Investment Maturities in Years |             |             |                 |
|-----------------|------------------|--------------------------------|-------------|-------------|-----------------|
|                 |                  | Less than 1                    | 1-5         | 6-10        | Greater than 10 |
| Illinois Funds  | \$ 9             | \$ 9                           | \$ -        | \$ -        | \$ -            |
| IMET            | 51,929           | 51,929                         | -           | -           | -               |
| <b>TOTAL</b>    | <b>\$ 51,938</b> | <b>\$ 51,938</b>               | <b>\$ -</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 (DVP) 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 ILCS. 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.

Investments

The following table presents the investments and maturities of the Police Pension Fund’s debt securities as of April 30, 2011:

| Investment Type           | Fair Value          | Investment Maturities in Years |                     |                     |                     |
|---------------------------|---------------------|--------------------------------|---------------------|---------------------|---------------------|
|                           |                     | Less than 1                    | 1-5                 | 6-10                | Greater than 10     |
| U.S. Treasury obligations | \$ 1,337,590        | \$ 135,764                     | \$ 358,752          | \$ 843,074          | \$ -                |
| U.S. agency obligations   | 7,353,407           | 306,612                        | 2,743,014           | 2,672,453           | 1,631,328           |
| Money market mutual funds | 362,156             | 362,156                        | -                   | -                   | -                   |
| Municipal bonds           | 863,996             | -                              | 337,519             | 449,677             | 76,800              |
| <b>TOTAL</b>              | <b>\$ 9,917,149</b> | <b>\$ 804,532</b>              | <b>\$ 3,439,285</b> | <b>\$ 3,965,204</b> | <b>\$ 1,708,128</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 U.S. agency obligations. The U.S. Treasury and U.S. agency obligations are rated AAA. Money market mutual funds and municipal bonds are unrated.

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 (DVP) 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, 2011, the Police Pension Fund has greater than 5% of its portfolio invested in U.S. Treasury obligations (7.96%), U.S. agency obligations (39.23%), equity mutual funds (36.37%), and negotiable CDs (10.44%).

3. RECEIVABLES

a. Property Taxes

Property taxes for 2010 attached as an enforceable lien on January 1, 2010, 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, 2011, and are payable in two installments, on or about June 1, 2011 and September 1, 2011. 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 2010 tax levy is intended to fund expenditures for the 2011-2012 fiscal year, these taxes are deferred as of April 30, 2011.

The 2011 tax levy, which attached as an enforceable lien on property as of January 1, 2011, has not been recorded as a receivable as of April 30, 2011 as the tax has not yet been levied by the City and will not be levied until December 2011 and, therefore, the levy is not measurable at April 30, 2011.



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

3. RECEIVABLES (Continued)

b. Due from Other Governments and Other Receivables

|                                      | General             | Motor<br>Fuel Tax | Nonmajor<br>Governmental | Total               |
|--------------------------------------|---------------------|-------------------|--------------------------|---------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>       |                     |                   |                          |                     |
| Due from other governments           |                     |                   |                          |                     |
| Sales tax                            | \$ 1,052,923        | \$ -              | \$ -                     | \$ 1,052,923        |
| Local use tax                        | 77,538              | -                 | -                        | 77,538              |
| Income tax                           | 472,305             | -                 | -                        | 472,305             |
| Motor fuel tax                       | -                   | 48,739            | -                        | 48,739              |
| Telecommunications tax               | 226,712             | -                 | -                        | 226,712             |
| Total due from other government      | 1,829,478           | 48,739            | -                        | 1,878,218           |
| Other receivables                    |                     |                   |                          |                     |
| Franchise fees                       | 75,961              | -                 | -                        | 75,961              |
| Hotel/motel tax                      | 2,957               | -                 | -                        | 2,957               |
| Amusement tax                        | 9,449               | -                 | -                        | 9,449               |
| Utility tax                          | 42,993              | -                 | -                        | 42,993              |
| Paypal                               | 39                  | -                 | -                        | 39                  |
| Deposit with IPBC terminal reserve   | 132,245             | -                 | -                        | 132,245             |
| Accounts                             | 47,782              | -                 | -                        | 47,782              |
| Miscellaneous                        | 12,925              | -                 | 926                      | 13,850              |
| Total other receivables              | 324,350             | -                 | 926                      | 325,276             |
| <b>TOTAL GOVERNMENTAL ACTIVITIES</b> | <b>\$ 2,153,828</b> | <b>\$ 48,739</b>  | <b>\$ 926</b>            | <b>\$ 2,203,494</b> |

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2011 was as follows:

|   | Balances<br>May 1    | Increases           | Decreases   | Balances<br>April 30 |
|---|----------------------|---------------------|-------------|----------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>              |                      |                     |             |                      |
| Capital assets not being depreciated        |                      |                     |             |                      |
| Land  | \$ 7,313,336         | \$ -                | \$ -        | \$ 7,313,336         |
| Total capital assets not being depreciated  | 7,313,336            | -                   | -           | 7,313,336            |
| Capital assets being depreciated            |                      |                     |             |                      |
| Buildings and improvements                  | 5,981,225            | -                   | -           | 5,981,225            |
| Machinery, vehicles, and equipment          | 1,854,551            | -                   | -           | 1,854,551            |
| Infrastructure                              | 12,768,226           | -                   | -           | 12,768,226           |
| Total capital assets being depreciated      | 20,604,002           | -                   | -           | 20,604,002           |
| Less accumulated depreciation for           |                      |                     |             |                      |
| Buildings and improvements                  | 2,216,923            | 119,624             | -           | 2,336,547            |
| Machinery, vehicles, and equipment          | 1,061,877            | 125,586             | -           | 1,187,463            |
| Infrastructure                              | 6,736,397            | 509,222             | -           | 7,245,619            |
| Total accumulated depreciation              | 10,015,197           | 754,432             | -           | 10,769,629           |
| Total capital assets being depreciated, net | 10,588,805           | (754,432)           | -           | 9,834,373            |
| <b>GOVERNMENTAL ACTIVITIES</b>              |                      |                     |             |                      |
| <b>CAPITAL ASSETS, NET</b>                  | <b>\$ 17,902,141</b> | <b>\$ (754,432)</b> | <b>\$ -</b> | <b>\$ 17,147,709</b> |

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        | 61,721         |
| Highways and streets | <u>641,677</u> |

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 754,432

|   | Balances<br>May 1   | Increases           | Decreases   | Balances<br>April 30 |
|---|---------------------|---------------------|-------------|----------------------|
| <b>BUSINESS-TYPE ACTIVITIES</b>             |                     |                     |             |                      |
| Capital assets not being depreciated        |                     |                     |             |                      |
| Land  | \$ 100,000          | \$ -                | \$ -        | \$ 100,000           |
| Total capital assets not being depreciated  | <u>100,000</u>      | -                   | -           | <u>100,000</u>       |
| Capital assets being depreciated            |                     |                     |             |                      |
| Buildings and improvements                  | 6,664,045           | -                   | -           | 6,664,045            |
| Machinery and equipment                     | 832,615             | -                   | -           | 832,615              |
| Infrastructure                              | 7,984,691           | -                   | -           | 7,984,691            |
| Total capital assets being depreciated      | <u>15,481,351</u>   | -                   | -           | <u>15,481,351</u>    |
| Less accumulated depreciation for           |                     |                     |             |                      |
| Buildings and improvements                  | 2,102,155           | 200,112             | -           | 2,302,267            |
| Machinery and equipment                     | 827,420             | 696                 | -           | 828,116              |
| Infrastructure                              | 4,884,943           | 147,933             | -           | 5,032,876            |
| Total accumulated depreciation              | <u>7,814,518</u>    | <u>348,741</u>      | -           | <u>8,163,259</u>     |
| Total capital assets being depreciated, net | <u>7,666,833</u>    | <u>(348,741)</u>    | -           | <u>7,318,092</u>     |
| <b>BUSINESS-TYPE ACTIVITIES</b>             |                     |                     |             |                      |
| <b>CAPITAL ASSETS, NET</b>                  |                     |                     |             |                      |
|   | <u>\$ 7,766,833</u> | <u>\$ (348,741)</u> | <u>\$ -</u> | <u>\$ 7,418,092</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 by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The City is aware of no additional contributions due to IRMA as of April 30, 2011.

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, 2011 is as follows:

Governmental Activities

| Issue   | Fund Debt Retired by | Balances May 1      | Issuances   | Retirements       | Balances April 30   | Due Within One Year |
|---|----------------------|---------------------|-------------|-------------------|---------------------|---------------------|
| \$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. | General              | \$ 740,000          | \$ -        | \$ 360,000        | \$ 380,000          | \$ 380,000          |
| \$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           | -                   |
| \$2,370,000 General Obligation Bonds, Series 2008 are due in annual installments (beginning January 1, 2009) ranging from \$115,000 to \$190,000 with interest from 3.50% to 4.00%. The last payment due is January 1, 2024.                | Capital Improvement  | 2,110,000           | -           | 120,000           | 1,990,000           | 125,000             |
| <b>TOTAL GOVERNMENTAL BONDED DEBT</b>   |                      | <b>\$ 5,450,000</b> | <b>\$ -</b> | <b>\$ 480,000</b> | <b>\$ 4,970,000</b> | <b>\$ 505,000</b>   |

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                | \$ 3,545,000        | \$ -        | \$ 155,000        | \$ 3,390,000        | \$ 165,000          |
| <b>TOTAL BUSINESS-TYPE BONDED DEBT</b>   |                      | <b>\$ 3,545,000</b> | <b>\$ -</b> | <b>\$ 155,000</b> | <b>\$ 3,390,000</b> | <b>\$ 165,000</b>   |

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

6. LONG-TERM DEBT (Continued)

b. Installment Contracts

- 1) 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.
- 2) On November 1, 2008, the City entered into an installment contract to finance the purchase of public works vehicles and equipment in the amount of \$235,958 with an interest rate of 3.75%.

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

| Fiscal Year  | Governmental Activities<br>General Obligation Bonds |                     |                     | Business-Type Activities<br>General Obligation Bonds |                     |                     |
|--------------|---|---------------------|---------------------|--|---------------------|---------------------|
|              | Principal   | Interest            | Total               | Principal  | Interest            | Total               |
| 2012         | \$ 505,000  | \$ 199,569          | \$ 704,569          | \$ 165,000   | \$ 142,674          | \$ 307,674          |
| 2013         | 520,000   | 176,194             | 696,194             | 170,000  | 135,908             | 305,908             |
| 2014         | 545,000   | 155,719             | 700,719             | 180,000  | 128,896             | 308,896             |
| 2015         | 565,000   | 134,256             | 699,256             | 185,000  | 121,472             | 306,472             |
| 2016         | 585,000   | 112,006             | 697,006             | 195,000  | 113,840             | 308,840             |
| 2017         | 615,000   | 88,969              | 703,969             | 205,000  | 105,650             | 310,650             |
| 2018         | 635,000   | 64,563              | 699,563             | 215,000  | 97,040              | 312,040             |
| 2019         | 165,000   | 39,363              | 204,363             | 220,000  | 88,010              | 308,010             |
| 2020         | 170,000   | 32,969              | 202,969             | 230,000  | 78,770              | 308,770             |
| 2021         | 175,000   | 26,381              | 201,381             | 240,000  | 69,110              | 309,110             |
| 2022         | 185,000   | 19,600              | 204,600             | 255,000  | 59,030              | 314,030             |
| 2023         | 190,000   | 12,200              | 202,200             | 265,000  | 48,320              | 313,320             |
| 2024         | 115,000   | 4,600               | 119,600             | 275,000  | 37,058              | 312,058             |
| 2025         | -   | -                   | -                   | 290,000  | 25,370              | 315,370             |
| 2026         | -   | -                   | -                   | 300,000  | 12,900              | 312,900             |
| <b>TOTAL</b> | <b>\$ 4,970,000</b>                                 | <b>\$ 1,066,389</b> | <b>\$ 6,036,389</b> | <b>\$ 3,390,000</b>                                  | <b>\$ 1,264,048</b> | <b>\$ 4,654,048</b> |

| Fiscal Year  | Governmental Activities<br>Installment Contract - 2007 |                 |                  | Governmental Activities<br>Installment Contract - 2008 |                 |                  |
|--------------|--|-----------------|------------------|--|-----------------|------------------|
|              | Principal  | Interest        | Total            | Principal  | Interest        | Total            |
| 2012         | \$ 73,009  | \$ 4,030        | \$ 77,039        | \$ 57,960  | \$ 2,174        | \$ 60,134        |
| <b>TOTAL</b> | <b>\$ 73,009</b>                                       | <b>\$ 4,030</b> | <b>\$ 77,039</b> | <b>\$ 57,960</b>                                       | <b>\$ 2,174</b> | <b>\$ 60,134</b> |

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

6. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities during fiscal year 2011:

|   | Balances<br>May 1   | Additions         | Reductions        | Balances<br>April 30 | Due Within<br>One Year |
|---|---------------------|-------------------|-------------------|----------------------|------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>            |                     |                   |                   |                      |                        |
| General obligation bonds                  | \$ 5,450,000        | \$ -              | \$ 480,000        | \$ 4,970,000         | \$ 505,000             |
| Installment contract - 2007               | 152,255             | -                 | 79,246            | 73,009               | 73,009                 |
| Installment contract - 2008               | 112,861             | -                 | 54,900            | 57,961               | 57,960                 |
| Unamortized bond discount                 | (2,364)             | -                 | (1,182)           | (1,182)              | -                      |
| Unamortized bond premium                  | 26,147              | -                 | 3,269             | 22,878               | -                      |
| Compensated absences payable*             | 413,021             | 189,094           | 61,953            | 540,162              | 81,024                 |
| Net pension obligation*                   | -                   | 35,950            | -                 | 35,950               | -                      |
| <b>TOTAL GOVERNMENTAL<br/>ACTIVITIES</b>  | <b>\$ 6,151,920</b> | <b>\$ 225,044</b> | <b>\$ 678,186</b> | <b>\$ 5,698,778</b>  | <b>\$ 716,993</b>      |
| <b>BUSINESS-TYPE ACTIVITIES</b>           |                     |                   |                   |                      |                        |
| General obligation bonds                  | \$ 3,545,000        | \$ -              | \$ 155,000        | \$ 3,390,000         | \$ 165,000             |
| Unamortized bond discount                 | (12,197)            | -                 | (789)             | (11,408)             | -                      |
| Compensated absences payable              | 11,520              | 5,835             | 1,728             | 15,627               | 2,344                  |
| Net pension obligation                    | -                   | 3,994             | -                 | 3,994                | -                      |
| <b>TOTAL BUSINESS-TYPE<br/>ACTIVITIES</b> | <b>\$ 3,544,323</b> | <b>\$ 9,829</b>   | <b>\$ 155,939</b> | <b>\$ 3,398,213</b>  | <b>\$ 167,344</b>      |

\*The General Fund has typically been used to liquidate the compensated absences liability and the net pension obligation.

e. Line of Credit

On February 18, 2010, the City entered into a line of credit to cover any shortfalls in cash. The maximum amount that can be drawn down is \$1,250,000. Amounts drawn under the line of credit at April 30, 2011 totaled \$0. The line of credit was not used in fiscal year 2011.

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

7. INDIVIDUAL FUND DISCLOSURES

Transfers between funds at April 30, 2011 consist of the following:

| Fund                  | Transfers In        | Transfers Out       |
|-----------------------|---------------------|---------------------|
| General               | \$ -                | \$ 1,600,000        |
| Capital Improvements  | 1,673,285           | -                   |
| Debt Service          | -                   | 43,285              |
| Nonmajor Governmental | -                   | 30,000              |
| <b>TOTAL</b>          | <b>\$ 1,673,285</b> | <b>\$ 1,673,285</b> |

The purpose of the transfers are as follows:

- \$1,600,000, \$43,285, and \$30,000 transferred from the General Fund, Debt Service Fund, and a Nonmajor Governmental Fund, respectively, to the Capital Improvements Fund for capital projects. These transfers will not be repaid.

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<br>Year<br>Ending<br>April 30, | Amount     |
|---------------------------------------|------------|
| 2012                                  | \$ 277,704 |
| 2013                                  | 277,704    |
| 2014                                  | 277,704    |
| 2015                                  | 277,704    |
| 2016                                  | 277,704    |

These amounts have been calculated using the City's current allocation percentage of 3.89%. 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 ILCS 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. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 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.



10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

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 IMRF as specified by statute. The employer required contribution for the calendar year ended December 31, 2010 was 11.93% of covered payroll. The City's contribution for the calendar year 2010 was 10.81% of covered payroll.

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, 2011, the Police Pension Plan membership consisted of:

|  |                  |
|--|------------------|
| Retirees and beneficiaries currently receiving benefits              | 16               |
| Terminated employees entitled to benefits but not yet receiving them | -                |
| Current employees  |                  |
| Vested   | 28               |
| Nonvested  | 8                |
|  | <hr/>            |
| TOTAL  | <u><u>52</u></u> |

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired as a police officer prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary and the administrative costs. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan. For the year ended April 30, 2011, the City's contribution was 36.0% of covered payroll.

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.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

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<br>Municipal<br>Retirement | Police<br>Pension               |
|--|-------------------------------------|---------------------------------|
| Actuarial valuation date   | December 31, 2008                   | April 30, 2010                  |
| Actuarial cost method  | Entry-age Normal                    | Entry-age Normal                |
| Asset valuation method   | 5 Year Smoothed<br>Market           | Market                          |
| Amortization method  | Level Percentage<br>of Payroll      | Level Percentage<br>of Payroll  |
| Amortization period  | 30 Years, Open                      | 23 Years, Closed                |
| Significant actuarial assumptions                                |                                     |                                 |
| a) Rate of return on<br>present and future assets                | 7.50%<br>Compounded<br>Annually     | 7.00%<br>Compounded<br>Annually |
| b) Projected salary increase -<br>attributable to inflation      | 4.00%<br>Compounded<br>Annually     | 5.50%<br>Compounded<br>Annually |
| c) Additional projected<br>salary increases -<br>seniority/merit | .40% to 10.00%                      | N/A                             |
| d) Postretirement 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.

|                               | For<br>Fiscal<br>Year | Illinois<br>Municipal<br>Retirement | Police<br>Pension |
|-------------------------------|-----------------------|-------------------------------------|-------------------|
| Annual pension cost<br>(APC)  | 2009                  | \$ 306,740                          | \$ 927,253        |
|                               | 2010                  | 303,386                             | 938,901           |
|                               | 2011                  | 365,099                             | 1,102,913         |
| Actual contribution           | 2009                  | \$ 306,740                          | \$ 937,066        |
|                               | 2010                  | 303,386                             | 949,373           |
|                               | 2011                  | 335,252                             | 1,113,781         |
| Percentage of APC contributed | 2009                  | 100.00%                             | 101.31%           |
|                               | 2010                  | 100.00%                             | 101.12%           |
|                               | 2011                  | 91.82%                              | 100.99%           |
| NPO (asset)                   | 2009                  | \$ -                                | \$ (42,733)       |
|                               | 2010                  | -                                   | (53,205)          |
|                               | 2011                  | 39,944                              | (64,073)          |

The NPO (asset) as of April 30, 2011 has been calculated as follows:

|   | Illinois<br>Municipal<br>Retirement | Police<br>Pension |
|---|-------------------------------------|-------------------|
| Annual required contribution                          | \$ 364,883                          | \$ 1,103,909      |
| Interest on net pension obligation                    | 757                                 | (3,724)           |
| Adjustment to annual required contributions           | (541)                               | 2,728             |
| Annual pension cost                                   | 365,099                             | 1,102,913         |
| Contributions made                                    | 335,252                             | 1,113,781         |
| Increase (decrease) in net pension obligation (asset) | 29,847                              | (10,868)          |
| Net pension obligation (asset), beginning of year     | 10,097                              | (53,205)          |
| NET PENSION OBLIGATION (ASSET),<br>END OF YEAR        | \$ 39,944                           | \$ (64,073)       |

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Funded Status

The funded status of the plans as of April 30, 2011 were as follows:

|   | Illinois<br>Municipal<br>Retirement | Police<br>Pension |
|---|-------------------------------------|-------------------|
|   | December 31, 2010                   | April 30, 2011    |
| Actuarial valuation date                          |                                     |                   |
| Actuarial accrued liability (AAL)                 | \$ 8,800,442                        | \$ 31,056,795     |
| Actuarial value of plan assets                    | 6,345,481                           | 18,838,718        |
| Unfunded actuarial accrued liability (UAAL)       | 2,454,961                           | 12,218,077        |
| Funded ratio (actuarial value of plan assets/AAL) | 72.10%                              | 60.66%            |
| Covered payroll (active plan members)             | \$ 2,962,084                        | \$ 3,089,788      |
| UAAL as a percentage of covered payroll           | 82.88%                              | 395.43%           |

The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 10.c.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AALs for benefits.

See schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plan.

11. LEASE AGREEMENTS

On August 21, 2006, the City entered into 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.

As of April 30, 2011, the City has rental agreements with seven retailers for the rental of business space of the strip mall property at 7515 South Cass. The seven retailers will pay the City a combined total of \$13,300 on a month-to-month basis.

12. OTHER POSTEMPLOYMENT BENEFITS

The City allows employees, who retire through one of the City's two pension plans disclosed in Note 10, the option to continue in the City's health insurance plan as required by ILCS, but the retiree pays the full premium for the health insurance. This has not created an implicit subsidy as defined by GASB Statement No. 45 (GASB S-45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as the City's health insurance plan is considered a community rated plan. In addition, the City has no explicit subsidy as defined in GASB S-45.

**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, 2011  
(With Prior Year Actual)

|  | 2011                            |                     | Variance<br>Over<br>(Under) | 2010<br>Actual      |
|--|---------------------------------|---------------------|-----------------------------|---------------------|
|  | Original<br>and Final<br>Budget | Actual              |                             |                     |
| <b>REVENUES</b>  |                                 |                     |                             |                     |
| Taxes  | \$ 4,069,724                    | \$ 4,275,179        | \$ 205,455                  | \$ 3,324,176        |
| Licenses, permits, and fees                                  | 894,893                         | 1,007,928           | 113,035                     | 978,015             |
| Intergovernmental  | 6,454,155                       | 6,791,945           | 337,790                     | 6,301,760           |
| Charges for services   | -                               | 3,875               | 3,875                       | 2,250               |
| Investment income  | 50,000                          | 18,675              | (31,325)                    | 51,142              |
| Miscellaneous  | 704,809                         | 1,043,927           | 339,118                     | 1,020,326           |
| <b>Total revenues</b>  | <b>12,173,581</b>               | <b>13,141,529</b>   | <b>967,948</b>              | <b>11,677,669</b>   |
| <b>EXPENDITURES</b>  |                                 |                     |                             |                     |
| Current  |                                 |                     |                             |                     |
| General government   | 1,662,214                       | 1,516,220           | (145,994)                   | 1,696,027           |
| Highways and streets   | 1,655,358                       | 1,488,535           | (166,823)                   | 2,125,453           |
| Public safety  | 7,486,847                       | 6,780,838           | (706,009)                   | 6,973,226           |
| Debt service   |                                 |                     |                             |                     |
| Principal  | 347,895                         | 494,146             | 146,251                     | 472,915             |
| Interest   | 49,105                          | 49,105              | -                           | 53,575              |
| <b>Total expenditures</b>                                    | <b>11,201,419</b>               | <b>10,328,844</b>   | <b>(872,575)</b>            | <b>11,321,196</b>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>972,162</b>                  | <b>2,812,685</b>    | <b>1,840,523</b>            | <b>356,473</b>      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                 |                     |                             |                     |
| Transfers in (out)   | (1,600,000)                     | (1,600,000)         | -                           | 13,187              |
| <b>Total other financing sources (uses)</b>                  | <b>(1,600,000)</b>              | <b>(1,600,000)</b>  | <b>-</b>                    | <b>13,187</b>       |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <b>\$ (627,838)</b>             | <b>1,212,685</b>    | <b>\$ 1,840,523</b>         | <b>369,660</b>      |
| <b>FUND BALANCE, MAY 1</b>                                   |                                 | <b>3,248,725</b>    |                             | <b>2,879,065</b>    |
| <b>FUND BALANCE, APRIL 30</b>                                |                                 | <b>\$ 4,461,410</b> |                             | <b>\$ 3,248,725</b> |

(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, 2011  
(With Prior Year Actual)

|                                  | 2011                            |                  |                             | 2010<br>Actual     |
|----------------------------------|---------------------------------|------------------|-----------------------------|--------------------|
|                                  | Original<br>and Final<br>Budget | Actual           | Variance<br>Over<br>(Under) |                    |
| <b>REVENUES</b>                  |                                 |                  |                             |                    |
| Intergovernmental                |                                 |                  |                             |                    |
| MFT allotment                    | \$ 630,000                      | \$ 613,865       | \$ (16,135)                 | \$ 612,429         |
| Investment income                | -                               | 676              | 676                         | 703                |
| Miscellaneous                    | -                               | 102,552          | 102,552                     | 1,668              |
| Total revenues                   | <u>630,000</u>                  | <u>717,093</u>   | <u>87,093</u>               | <u>614,800</u>     |
| <b>EXPENDITURES</b>              |                                 |                  |                             |                    |
| Highways and streets             |                                 |                  |                             |                    |
| Contractual                      | -                               | -                | -                           | (6,513)            |
| Commodities                      | 238,165                         | 292,359          | 54,194                      | 263,209            |
| Wages                            | 295,000                         | 295,000          | -                           | 295,000            |
| Total expenditures               | <u>533,165</u>                  | <u>587,359</u>   | <u>54,194</u>               | <u>551,696</u>     |
| NET CHANGE IN FUND BALANCE       | <u>\$ 96,835</u>                | <u>129,734</u>   | <u>\$ 32,899</u>            | <u>63,104</u>      |
| FUND BALANCE (DEFICIT), MAY 1    |                                 | <u>(48,744)</u>  |                             | <u>(111,848)</u>   |
| FUND BALANCE (DEFICIT), APRIL 30 |                                 | <u>\$ 80,990</u> |                             | <u>\$ (48,744)</u> |

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2011

| Actuarial<br>Valuation<br>Date<br>December 31 | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry-Age | (3)<br>Funded<br>Ratio<br>(1) / (2) | (4)<br>Unfunded<br>(Overfunded)<br>AAL<br>(UAAL)<br>(OAAL)<br>(2) - (1) | (5)<br>Covered<br>Payroll | UAAL<br>(OAAL)<br>as a<br>Percentage<br>of Covered<br>Payroll<br>(4) / (5) |
|---|--|--|-------------------------------------|---|---------------------------|--|
| 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%   |
| 2008  | 6,094,965                              | 8,110,781  | 75.15%                              | 2,015,816   | 3,101,518                 | 64.99%   |
| 2009  | 5,596,856                              | 8,049,960  | 69.53%                              | 2,453,104   | 3,169,693                 | 77.39%   |
| 2010  | 6,345,481                              | 8,800,442  | 72.10%                              | 2,454,961   | 2,962,084                 | 82.88%   |

(See independent auditor's report.)

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

For the Year Ended April 30, 2011

| Actuarial<br>Valuation<br>Date<br>April 30 | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry-Age | (3)<br>Funded<br>Ratio<br>(1) / (2) | (4)<br>Unfunded<br>AAL<br>(UAAL)<br>(2) - (1) | (5)<br>Covered<br>Payroll | UAAL<br>as a<br>Percentage<br>of Covered<br>Payroll<br>(4) / (5) |
|--|--|--|-------------------------------------|---|---------------------------|--|
| 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%  |
| 2008                                       | 14,711,377                             | 26,025,510   | 56.53%                              | 11,314,133                                    | 2,839,516                 | 398.45%  |
| 2009                                       | 14,488,861                             | 28,067,625   | 51.62%                              | 13,578,764                                    | 3,059,620                 | 443.81%  |
| 2010                                       | 16,866,119                             | 30,626,124   | 55.07%                              | 13,760,005                                    | 3,282,075                 | 419.25%  |
| 2011                                       | 18,838,718                             | 31,056,795   | 60.66%                              | 12,218,077                                    | 3,089,788                 | 395.43%  |

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2011

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| <u>Fiscal<br/>Year</u> | <u>Employer<br/>Contributions</u> | <u>Annual<br/>Required<br/>Contribution<br/>(ARC)</u> | <u>Percentage<br/>Contributed</u> |
|------------------------|-----------------------------------|---|-----------------------------------|
| 2006                   | \$ 325,930                        | \$ 325,930  | 100.00%                           |
| 2007                   | 363,865                           | 363,865   | 100.00%                           |
| 2008                   | 371,672                           | 371,672   | 100.00%                           |
| 2009                   | 306,740                           | 306,740   | 100.00%                           |
| 2010                   | 303,386                           | 303,386   | 100.00%                           |
| 2011                   | 335,252                           | 364,883   | 91.88%                            |

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

For the Year Ended April 30, 2011

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| Fiscal<br>Year | Employer<br>Contributions | Annual<br>Required<br>Contribution<br>(ARC) | Percentage<br>Contributed |
|----------------|---------------------------|---|---------------------------|
| 2006           | \$ 663,162                | \$ 663,637                                  | 99.93%                    |
| 2007           | 724,300                   | 724,265                                     | 100.00%                   |
| 2008           | 859,300                   | 807,108                                     | 106.47%                   |
| 2009           | 937,066                   | 927,983                                     | 100.98%                   |
| 2010           | 949,373                   | 939,778                                     | 101.02%                   |
| 2011           | 1,113,781                 | 1,103,909                                   | 100.89%                   |

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2011

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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 Fund, it is not legally required to do so, budget to actual schedules are not presented for the Drug Seizure Fund.

Prior to April 30, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Formal budgetary 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 Administrator is authorized to transfer budget amounts between departments within any fund; however, the City Council must approve revisions that alter the total expenditures of any fund.

2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

| Fund           | Budget     | Actual     |
|----------------|------------|------------|
| Motor Fuel Tax | \$ 533,165 | \$ 587,359 |

## **MAJOR GOVERNMENTAL FUNDS**

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

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

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

## CITY OF DARIEN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUNDFor the Year Ended April 30, 2011  
(With Prior Year Actual)

|  | 2011                            |                  |                             | 2010<br>Actual   |
|--|---------------------------------|------------------|-----------------------------|------------------|
|  | Original and<br>Final<br>Budget | Actual           | Variance<br>Over<br>(Under) |                  |
| <b>TAXES</b>                             |                                 |                  |                             |                  |
| Property taxes - current                 | \$ 1,981,909                    | \$ 2,001,191     | \$ 19,282                   | \$ 1,949,301     |
| Road and bridge tax                      | 181,779                         | 181,771          | (8)                         | 182,241          |
| Municipal utility tax                    | 1,032,640                       | 1,120,830        | 88,190                      | 716,705          |
| Telecommunication tax                    | 715,964                         | 826,674          | 110,710                     | 330,075          |
| Amusement tax                            | 105,840                         | 104,205          | (1,635)                     | 107,465          |
| Hotel/motel tax                          | 45,982                          | 33,543           | (12,439)                    | 31,916           |
| Replacement tax                          | 5,610                           | 6,965            | 1,355                       | 6,473            |
| <b>Total taxes</b>                       | <b>4,069,724</b>                | <b>4,275,179</b> | <b>205,455</b>              | <b>3,324,176</b> |
| <b>LICENSES, PERMITS, AND FEES</b>       |                                 |                  |                             |                  |
| Business licenses                        | 44,000                          | 40,110           | (3,890)                     | 39,327           |
| Liquor licenses                          | 39,979                          | 45,650           | 5,671                       | 44,895           |
| Contractors licenses                     | 15,000                          | 21,090           | 6,090                       | 19,500           |
| Court fines                              | 156,825                         | 169,576          | 12,751                      | 175,611          |
| Ordinance fines                          | 35,733                          | 38,258           | 2,525                       | 37,656           |
| Building permits and fees                | 85,000                          | 131,982          | 46,982                      | 98,319           |
| Cable TV franchise fees                  | 239,904                         | 297,317          | 57,413                      | 270,971          |
| PEG fees AT&T                            | -                               | 10,811           | 10,811                      | 6,998            |
| NICOR franchise fees                     | 40,800                          | 40,985           | 185                         | 45,348           |
| Public hearing fees                      | 4,998                           | 6,804            | 1,806                       | 6,797            |
| Elevator inspections                     | 3,500                           | 5,087            | 1,587                       | 4,755            |
| Public improvement permit fees           | 3,742                           | 5,150            | 1,408                       | 7,075            |
| Engineering fee reimbursements           | 56,412                          | 53,387           | (3,025)                     | 48,464           |
| Legal fee reimbursements                 | 500                             | -                | (500)                       | 2,450            |
| DUI technology fines                     | 10,000                          | 3,353            | (6,647)                     | 11,134           |
| Police special service                   | 158,000                         | 137,570          | (20,430)                    | 151,947          |
| Stormwater management fees               | 500                             | 798              | 298                         | 6,768            |
| <b>Total licenses, permits, and fees</b> | <b>894,893</b>                  | <b>1,007,928</b> | <b>113,035</b>              | <b>978,015</b>   |
| <b>INTERGOVERNMENTAL</b>                 |                                 |                  |                             |                  |
| State income taxes                       | 1,818,355                       | 1,841,183        | 22,828                      | 1,875,593        |
| Local use tax                            | 265,000                         | 357,258          | 92,258                      | 258,621          |
| Sales tax                                | 4,360,800                       | 4,582,422        | 221,622                     | 4,152,267        |
| DADC administrative fees                 | 10,000                          | 10,001           | 1                           | 10,833           |
| Drug seizure receipts                    | -                               | 1,081            | 1,081                       | 4,446            |
| <b>Total intergovernmental</b>           | <b>6,454,155</b>                | <b>6,791,945</b> | <b>337,790</b>              | <b>6,301,760</b> |
| <b>CHARGES FOR SERVICES</b>              |                                 |                  |                             |                  |
| Inspection/tap on/permits                | -                               | 3,875            | 3,875                       | 2,250            |
| <b>Total charges for services</b>        | <b>-</b>                        | <b>3,875</b>     | <b>3,875</b>                | <b>2,250</b>     |
| <b>INVESTMENT INCOME</b>                 |                                 |                  |                             |                  |
| Investment income                        | 50,000                          | 18,675           | (31,325)                    | 51,142           |
| <b>Total investment income</b>           | <b>50,000</b>                   | <b>18,675</b>    | <b>(31,325)</b>             | <b>51,142</b>    |

(This schedule is continued on the following page.)



CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2011  
(With Prior Year Actual)

|                                    | 2011                            |               |                             | 2010<br>Actual |
|------------------------------------|---------------------------------|---------------|-----------------------------|----------------|
|                                    | Original and<br>Final<br>Budget | Actual        | Variance<br>Over<br>(Under) |                |
| MISCELLANEOUS                      |                                 |               |                             |                |
| Water share                        | \$ 250,000                      | \$ 250,000    | \$ -                        | \$ 250,000     |
| Police report/prints               | 4,575                           | 5,887         | 1,312                       | 6,271          |
| D.A.R.E. contributions             | -                               | 500           | 500                         | 6,025          |
| Grants                             | -                               | 8,117         | 8,117                       | 23,422         |
| Rents                              | 333,234                         | 446,341       | 113,107                     | 427,741        |
| Other reimbursements               | 100,000                         | 129,508       | 29,508                      | 119,876        |
| Taxes reimburseable                | 2,000                           | -             | (2,000)                     | -              |
| Residential concrete reimbursement | -                               | 55,756        | 55,756                      | 56,538         |
| Maintenance reimbursements         | -                               | 4,331         | 4,331                       | 8,120          |
| Miscellaneous reimbursable         | -                               | -             | -                           | 14,564         |
| Mail box reimbursement             | -                               | 3,110         | 3,110                       | 2,952          |
| Sales of wood chips                | -                               | 4,960         | 4,960                       | 200            |
| Operations revenue                 | -                               | 7,572         | 7,572                       | 10,021         |
| Sale of surplus property           | -                               | 92,615        | 92,615                      | 65,307         |
| Miscellaneous                      | 15,000                          | 35,230        | 20,230                      | 29,289         |
| Total miscellaneous                | 704,809                         | 1,043,927     | 339,118                     | 1,020,326      |
| TOTAL REVENUES                     | \$ 12,173,581                   | \$ 13,141,529 | \$ 967,948                  | \$ 11,677,669  |

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2011  
(With Prior Year Actual)

|                              | 2011                            |            | Variance<br>Over<br>(Under) | 2010<br>Actual |
|------------------------------|---------------------------------|------------|-----------------------------|----------------|
|                              | Original and<br>Final<br>Budget | Actual     |                             |                |
| <b>GENERAL GOVERNMENT</b>    |                                 |            |                             |                |
| Administration               |                                 |            |                             |                |
| Personnel services           |                                 |            |                             |                |
| Salaries                     | \$ 402,900                      | \$ 428,006 | \$ 25,106                   | \$ 511,383     |
| Overtime                     | 4,000                           | 42         | (3,958)                     | -              |
| Social security              | 23,100                          | 23,443     | 343                         | 28,543         |
| Medicare                     | 6,000                           | 6,105      | 105                         | 7,399          |
| IMRF                         | 44,000                          | 48,388     | 4,388                       | 51,987         |
| Medical/life insurance       | 68,000                          | 67,201     | (799)                       | 67,841         |
| Supplemental pensions        | 23,000                          | 22,296     | (704)                       | 22,249         |
| Total personnel services     | 571,000                         | 595,481    | 24,481                      | 689,402        |
| Materials and supplies       |                                 |            |                             |                |
| Dues and subscriptions       | 1,700                           | 1,825      | 125                         | 3,044          |
| Liability insurance          | 59,680                          | 50,743     | (8,937)                     | 53,795         |
| Legal notices                | 8,500                           | 6,131      | (2,369)                     | 6,065          |
| Maintenance - building       | 11,000                          | 12,097     | 1,097                       | 5,919          |
| Maintenance - equipment      | 12,500                          | 12,470     | (30)                        | 7,854          |
| Maintenance - grounds        | 7,000                           | 5,826      | (1,174)                     | 8,446          |
| Maintenance - vehicles       | -                               | 1,847      | 1,847                       | 15             |
| Postage/mailings             | 5,700                           | 2,582      | (3,118)                     | 2,652          |
| Printing and forms           | 4,500                           | 1,282      | (3,218)                     | 3,756          |
| Public relations             | 63,000                          | 41,646     | (21,354)                    | 37,771         |
| Rent - equipments            | 2,400                           | 1,755      | (645)                       | 2,782          |
| Supplies - office            | 11,000                          | 9,441      | (1,559)                     | 9,806          |
| Supplies - other             | 4,500                           | 671        | (3,829)                     | 3,767          |
| Training and education       | 4,500                           | 482        | (4,018)                     | 625            |
| Travel/meetings              | 2,000                           | 133        | (1,867)                     | 400            |
| Telephone                    | 60,700                          | 53,602     | (7,098)                     | 55,509         |
| Uniforms                     | -                               | -          | -                           | 213            |
| Utilities                    | 3,000                           | 3,171      | 171                         | 3,393          |
| Gas and oil                  | 7,900                           | 6,594      | (1,306)                     | 5,026          |
| Vehicle                      | 2,000                           | -          | (2,000)                     | -              |
| Total materials and supplies | 271,580                         | 212,298    | (59,282)                    | 210,838        |
| Contractual services         |                                 |            |                             |                |
| Audit                        | 17,029                          | 16,575     | (454)                       | 16,979         |
| Consulting/professional      | 75,250                          | 79,204     | 3,954                       | 74,450         |
| Contingency                  | 10,000                          | 7,898      | (2,102)                     | 4,606          |
| Janitorial services          | 16,500                          | 14,184     | (2,316)                     | 15,248         |
| Total contractual services   | 118,779                         | 117,861    | (918)                       | 111,283        |
| Capital outlay               |                                 |            |                             |                |
| Equipment                    | -                               | -          | -                           | 1,200          |
| Total capital outlay         | -                               | -          | -                           | 1,200          |
| Total administration         | 961,359                         | 925,640    | (35,719)                    | 1,012,723      |

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2011  
(With Prior Year Actual)

|                                | 2011                            |           | Variance<br>Over<br>(Under) | 2010<br>Actual |
|--------------------------------|---------------------------------|-----------|-----------------------------|----------------|
|                                | Original and<br>Final<br>Budget | Actual    |                             |                |
| GENERAL GOVERNMENT (Continued) |                                 |           |                             |                |
| City Council                   |                                 |           |                             |                |
| Personnel services             |                                 |           |                             |                |
| Salaries                       | \$ 42,745                       | \$ 42,750 | \$ 5                        | \$ 42,150      |
| Social security                | 2,660                           | 2,651     | (9)                         | 2,613          |
| Medicare                       | 620                             | 620       | -                           | 611            |
| IMRF                           | 1,900                           | 1,492     | (408)                       | 1,281          |
| Total personnel services       | 47,925                          | 47,513    | (412)                       | 46,655         |
| Materials and supplies         |                                 |           |                             |                |
| Board and commissions          | 2,000                           | 1,323     | (677)                       | 1,432          |
| Cable operations               | 2,500                           | -         | (2,500)                     | 1,492          |
| Dues and subscriptions         | -                               | 43        | 43                          | -              |
| Liability insurance            | 50,395                          | 15,175    | (35,220)                    | 44,469         |
| Public relations               | 1,600                           | 574       | (1,026)                     | 10,719         |
| Supplies - office              | -                               | 51        | 51                          | -              |
| Travel/meetings                | 750                             | 70        | (680)                       | 304            |
| Total materials and supplies   | 57,245                          | 17,236    | (40,009)                    | 58,416         |
| Contractual services           |                                 |           |                             |                |
| Consulting/professional        | 30,000                          | 25,418    | (4,582)                     | 28,150         |
| Tolley contracts               | 1,200                           | 354       | (846)                       | 2,000          |
| Total contractual services     | 31,200                          | 25,772    | (5,428)                     | 30,150         |
| Capital outlay                 |                                 |           |                             |                |
| Equipment                      | -                               | -         | -                           | 6,923          |
| Total capital outlay           | -                               | -         | -                           | 6,923          |
| Total city council             | 136,370                         | 90,521    | (45,849)                    | 142,144        |
| Community development          |                                 |           |                             |                |
| Personnel services             |                                 |           |                             |                |
| Salaries                       | 262,500                         | 268,383   | 5,883                       | 263,325        |
| Overtime                       | 2,000                           | -         | (2,000)                     | 1,267          |
| Social security                | 15,000                          | 14,480    | (520)                       | 14,655         |
| Medicare                       | 4,000                           | 3,785     | (215)                       | 3,692          |
| IMRF                           | 28,600                          | 29,964    | 1,364                       | 26,607         |
| Medical/life insurance         | 39,000                          | 36,330    | (2,670)                     | 33,157         |
| Supplemental pensions          | 3,600                           | 2,400     | (1,200)                     | 2,400          |
| Total personnel services       | 354,700                         | 355,342   | 642                         | 345,103        |
| Materials and supplies         |                                 |           |                             |                |
| Boards and commissions         | 2,300                           | 1,975     | (325)                       | 1,777          |
| Dues and subscriptions         | 750                             | 440       | (310)                       | 675            |
| Liabilities insurance          | 50,935                          | 20,719    | (30,216)                    | 34,190         |
| Maintenance - vehicles         | 1,900                           | 475       | (1,425)                     | 700            |
| Postage/mailings               | -                               | 930       | 930                         | -              |
| Printing and forms             | 1,600                           | 883       | (717)                       | 1,538          |

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2011  
(With Prior Year Actual)

|                                       | 2011                            |           | Variance<br>Over<br>(Under) | 2010<br>Actual |
|---------------------------------------|---------------------------------|-----------|-----------------------------|----------------|
|                                       | Original and<br>Final<br>Budget | Actual    |                             |                |
| <b>GENERAL GOVERNMENT (Continued)</b> |                                 |           |                             |                |
| Community development (Continued)     |                                 |           |                             |                |
| Materials and supplies (Continued)    |                                 |           |                             |                |
| Supplies - office                     | \$ 500                          | \$ 282    | \$ (218)                    | \$ 17          |
| Training and educational              | 500                             | 95        | (405)                       | -              |
| Travel/meetings                       | 400                             | 40        | (360)                       | 80             |
| Gas and oil                           | 1,900                           | 1,643     | (257)                       | 1,740          |
| Total materials and supplies          | 60,785                          | 27,482    | (33,303)                    | 40,717         |
| Contractual services                  |                                 |           |                             |                |
| Consulting/professional               | 28,500                          | 40,579    | 12,079                      | 34,145         |
| Consulting/professional reimbursable  | 56,500                          | 49,202    | (7,298)                     | 75,075         |
| Total contractual services            | 85,000                          | 89,781    | 4,781                       | 109,220        |
| Total community development           | 500,485                         | 472,605   | (27,880)                    | 495,040        |
| Business district                     |                                 |           |                             |                |
| Personnel services                    |                                 |           |                             |                |
| Liability insurance                   | 5,500                           | 5,500     | -                           | 10,600         |
| Total professional services           | 5,500                           | 5,500     | -                           | 10,600         |
| Contractual services                  |                                 |           |                             |                |
| Maintenance - building                | 5,000                           | 12        | (4,988)                     | 2,276          |
| Maintenance - grounds                 | 35,000                          | 11,183    | (23,817)                    | 17,106         |
| Maintenance - laundry                 | -                               | -         | -                           | 11,069         |
| Utilities                             | 1,000                           | 4,198     | 3,198                       | 3,663          |
| Maintenance - equipment               | 17,500                          | 6,561     | (10,939)                    | 1,406          |
| Total contractual services            | 58,500                          | 21,954    | (36,546)                    | 35,520         |
| Total business district               | 64,000                          | 27,454    | (36,546)                    | 46,120         |
| Total general government              | 1,662,214                       | 1,516,220 | (145,994)                   | 1,696,027      |
| <b>HIGHWAYS AND STREETS</b>           |                                 |           |                             |                |
| Public works                          |                                 |           |                             |                |
| Personnel services                    |                                 |           |                             |                |
| Salaries                              | 483,000                         | 477,416   | (5,584)                     | 443,153        |
| Overtime                              | 100,000                         | 76,862    | (23,138)                    | 72,428         |
| Social security                       | 53,000                          | 53,148    | 148                         | 48,713         |
| Medicare                              | 12,900                          | 11,965    | (935)                       | 11,393         |
| IMRF                                  | 92,000                          | 99,488    | 7,488                       | 81,098         |
| Medical/life insurance                | 133,000                         | 115,391   | (17,609)                    | 115,127        |
| Supplemental pensions                 | 14,500                          | 5,308     | (9,192)                     | 14,076         |
| Total personnel services              | 888,400                         | 839,578   | (48,822)                    | 785,988        |
| Materials and supplies                |                                 |           |                             |                |
| Liability insurance                   | 79,250                          | 48,553    | (30,697)                    | 77,716         |
| Maintenance - building                | 14,150                          | 13,917    | (233)                       | 40,180         |
| Maintenance - equipment               | 25,869                          | 25,308    | (561)                       | 23,199         |

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2011  
(With Prior Year Actual)

|   | 2011                            |           | Variance<br>Over<br>(Under) | 2010<br>Actual |
|---|---------------------------------|-----------|-----------------------------|----------------|
|   | Original and<br>Final<br>Budget | Actual    |                             |                |
| <b>HIGHWAYS AND STREETS (Continued)</b> |                                 |           |                             |                |
| Public works (Continued)                |                                 |           |                             |                |
| Materials and supplies (Continued)      |                                 |           |                             |                |
| Maintenance - vehicles                  | \$ 17,500                       | \$ 23,533 | \$ 6,033                    | \$ 19,387      |
| Postage/mailings                        | 750                             | 820       | 70                          | 1,448          |
| Rent - equipment                        | 25,500                          | 19,171    | (6,329)                     | 18,265         |
| Supplies - office                       | 2,200                           | 995       | (1,205)                     | 2,770          |
| Supplies - other                        | 32,800                          | 39,428    | 6,628                       | 53,734         |
| Small tools and equipment               | 4,510                           | 5,358     | 848                         | 3,252          |
| Training and education                  | 3,325                           | 1,971     | (1,354)                     | 1,530          |
| Uniforms                                | 5,400                           | 4,033     | (1,367)                     | 4,289          |
| Utilities                               | 3,000                           | 3,407     | 407                         | 3,680          |
| Gas and oil                             | 57,350                          | 62,245    | 4,895                       | 55,265         |
| Total materials and supplies            | 271,604                         | 248,739   | (22,865)                    | 304,715        |
| Contractual services                    |                                 |           |                             |                |
| Consulting/professional                 | 55,000                          | 73,353    | 18,353                      | 52,509         |
| Forestry                                | 66,605                          | 61,545    | (5,060)                     | 90,513         |
| Street light operation and maintenance  | 80,000                          | 85,856    | 5,856                       | 88,266         |
| Tree trim - removal                     | 13,150                          | 16,214    | 3,064                       | 5,607          |
| Residential concrete program            | -                               | 51,383    | 51,383                      | 80,346         |
| Street sweeping                         | 22,688                          | 18,891    | (3,797)                     | 22,145         |
| Mosquito abatement                      | 41,500                          | 40,887    | (613)                       | 40,887         |
| Drainage projects                       | 23,000                          | 10,129    | (12,871)                    | 38,243         |
| Total contractual services              | 301,943                         | 358,258   | 56,315                      | 418,516        |
| Capital outlay                          |                                 |           |                             |                |
| Capital improvements                    | -                               | -         | -                           | 450,000        |
| Equipment                               | 193,411                         | 41,960    | (151,451)                   | 166,234        |
| Total capital outlay                    | 193,411                         | 41,960    | (151,451)                   | 616,234        |
| Total public works                      | 1,655,358                       | 1,488,535 | (166,823)                   | 2,125,453      |
| Total highways and streets              | 1,655,358                       | 1,488,535 | (166,823)                   | 2,125,453      |
| <b>PUBLIC SAFETY</b>                    |                                 |           |                             |                |
| Police department                       |                                 |           |                             |                |
| Personnel services                      |                                 |           |                             |                |
| Salaries                                | 417,152                         | 421,179   | 4,027                       | 463,706        |
| Salaries - officers                     | 3,514,874                       | 3,204,198 | (310,676)                   | 3,329,261      |
| Overtime                                | 495,000                         | 428,341   | (66,659)                    | 525,092        |
| Social security                         | 29,000                          | 24,493    | (4,507)                     | 27,039         |
| Medicare                                | 55,000                          | 49,549    | (5,451)                     | 48,257         |
| IMRF                                    | 49,000                          | 41,699    | (7,301)                     | 38,913         |
| Medical/life insurance                  | 478,000                         | 420,465   | (57,535)                    | 439,423        |
| Police pension                          | 1,103,909                       | 1,113,655 | 9,746                       | 948,960        |
| Supplemental pensions                   | 55,200                          | 49,042    | (6,158)                     | 47,488         |
| Total personnel services                | 6,197,135                       | 5,752,621 | (444,514)                   | 5,868,139      |

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2011  
(With Prior Year Actual)

|                                      | 2011                            |                      | Variance<br>Over<br>(Under) | 2010<br>Actual       |
|--------------------------------------|---------------------------------|----------------------|-----------------------------|----------------------|
|                                      | Original and<br>Final<br>Budget | Actual               |                             |                      |
| <b>PUBLIC SAFETY (Continued)</b>     |                                 |                      |                             |                      |
| <b>Police department (Continued)</b> |                                 |                      |                             |                      |
| <b>Materials and supplies</b>        |                                 |                      |                             |                      |
| Animal control                       | \$ 2,500                        | \$ 285               | \$ (2,215)                  | \$ 1,290             |
| Auxiliary police                     | 6,500                           | 776                  | (5,724)                     | 692                  |
| Boards and commissions               | 8,000                           | 1,642                | (6,358)                     | 13,421               |
| Dues and subscriptions               | 4,200                           | 3,356                | (844)                       | 4,899                |
| Investigation and equipment          | 61,000                          | 36,744               | (24,256)                    | 32,314               |
| Liability insurance                  | 291,100                         | 186,823              | (104,277)                   | 219,084              |
| Maintenance - building               | 53,100                          | 24,913               | (28,187)                    | 28,063               |
| Maintenance - equipment              | 79,500                          | 76,140               | (3,360)                     | 30,616               |
| Maintenance - vehicles               | 74,000                          | 52,451               | (21,549)                    | 49,240               |
| Postage/mailings                     | 4,000                           | 2,272                | (1,728)                     | 2,633                |
| Printing and forms                   | 5,000                           | 1,526                | (3,474)                     | 1,998                |
| Public relations                     | 11,000                          | 9,306                | (1,694)                     | 7,290                |
| Rent - equipment                     | 6,600                           | 1,507                | (5,093)                     | 2,867                |
| Supplies - office                    | 9,000                           | 6,807                | (2,193)                     | 7,367                |
| Supplies - other                     | -                               | 113                  | 113                         | -                    |
| Training and education               | 14,405                          | 11,106               | (3,299)                     | 43,436               |
| Travel/meetings                      | 7,175                           | 5,441                | (1,734)                     | 13,139               |
| Telephone                            | 13,080                          | 10,688               | (2,392)                     | 10,686               |
| Uniforms                             | 78,150                          | 43,956               | (34,194)                    | 43,265               |
| Utilities                            | 12,000                          | 6,625                | (5,375)                     | 12,063               |
| Gas and oil                          | 120,000                         | 113,000              | (7,000)                     | 100,285              |
| <b>Total materials and supplies</b>  | <b>860,310</b>                  | <b>595,477</b>       | <b>(264,833)</b>            | <b>624,648</b>       |
| <b>Contractual services</b>          |                                 |                      |                             |                      |
| Consulting/professional              | 6,000                           | 10,015               | 4,015                       | 4,250                |
| Darien area dispatch                 | 396,122                         | 396,122              | -                           | 419,135              |
| Dumeg/flat/child center              | 27,280                          | 26,240               | (1,040)                     | 27,800               |
| <b>Total contractual services</b>    | <b>429,402</b>                  | <b>432,377</b>       | <b>2,975</b>                | <b>451,185</b>       |
| <b>Capital outlay</b>                |                                 |                      |                             |                      |
| Equipment                            | -                               | 363                  | 363                         | 29,254               |
| <b>Total capital outlay</b>          | <b>-</b>                        | <b>363</b>           | <b>363</b>                  | <b>29,254</b>        |
| <b>Total police department</b>       | <b>7,486,847</b>                | <b>6,780,838</b>     | <b>(706,009)</b>            | <b>6,973,226</b>     |
| <b>Total public safety</b>           | <b>7,486,847</b>                | <b>6,780,838</b>     | <b>(706,009)</b>            | <b>6,973,226</b>     |
| <b>DEBT SERVICE</b>                  |                                 |                      |                             |                      |
| Principal                            | 397,000                         | 494,146              | 97,146                      | 472,915              |
| Interest                             | -                               | 49,105               | 49,105                      | 53,575               |
| <b>Total debt service</b>            | <b>397,000</b>                  | <b>543,251</b>       | <b>146,251</b>              | <b>526,490</b>       |
| <b>TOTAL EXPENDITURES</b>            | <b>\$ 11,201,419</b>            | <b>\$ 10,328,844</b> | <b>\$ (872,575)</b>         | <b>\$ 11,321,196</b> |

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2011  
(With Prior Year Actual)

|  | 2011                            |             | Variance<br>Over<br>(Under) | 2010<br>Actual |
|--|---------------------------------|-------------|-----------------------------|----------------|
|  | Original and<br>Final<br>Budget | Actual      |                             |                |
| REVENUES   |                                 |             |                             |                |
| Taxes  | \$ 200,770                      | \$ 200,770  | \$ -                        | \$ 199,794     |
| Intergovernmental                                    | -                               | 24,177      | 24,177                      | 62,942         |
| Investment income                                    | -                               | 4,639       | 4,639                       | 36,662         |
| Total revenues                                       | 200,770                         | 229,586     | 28,816                      | 299,398        |
| EXPENDITURES   |                                 |             |                             |                |
| Capital outlay                                       | 2,388,580                       | 2,102,673   | (285,907)                   | 2,275,338      |
| Debt service   |                                 |             |                             |                |
| Principal payments                                   | 200,770                         | 120,000     | (80,770)                    | 115,000        |
| Interest and fiscal charges                          | -                               | 80,769      | 80,769                      | 84,794         |
| Total expenditures                                   | 2,589,350                       | 2,303,442   | (285,908)                   | 2,475,132      |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (2,388,580)                     | (2,073,856) | 314,724                     | (2,175,734)    |
| OTHER FINANCING SOURCES (USES)                       |                                 |             |                             |                |
| Transfers in   | 1,673,285                       | 1,673,285   | -                           | -              |
| Total other financing sources (uses)                 | 1,673,285                       | 1,673,285   | -                           | -              |
| NET CHANGE IN FUND BALANCE                           | \$ (715,295)                    | (400,571)   | \$ 314,724                  | (2,175,734)    |
| FUND BALANCE, MAY 1                                  |                                 | 515,264     |                             | 2,690,998      |
| FUND BALANCE, APRIL 30                               |                                 | \$ 114,693  |                             | \$ 515,264     |

(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, 2011  
(With Prior Year Actual)

|  | 2011                            |                 | Variance<br>Over<br>(Under) | 2010<br>Actual   |
|--|---------------------------------|-----------------|-----------------------------|------------------|
|  | Original and<br>Final<br>Budget | Actual          |                             |                  |
| <b>REVENUES</b>  |                                 |                 |                             |                  |
| Taxes  | \$ 104,000                      | \$ 105,414      | \$ 1,414                    | \$ 104,000       |
| Investment income  | 500                             | 129             | (371)                       | 3,659            |
| Total revenues   | 104,500                         | 105,543         | 1,043                       | 107,659          |
| <b>EXPENDITURES</b>  |                                 |                 |                             |                  |
| Capital outlay   | -                               | -               | -                           | 400,000          |
| Debt service   |                                 |                 |                             |                  |
| Interest and fiscal charges                                  | 104,000                         | 104,000         | -                           | 104,000          |
| Total expenditures   | 104,000                         | 104,000         | -                           | 504,000          |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 500                             | 1,543           | 1,043                       | (396,341)        |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                 |                 |                             |                  |
| Transfers (out)  | (43,285)                        | (43,285)        | -                           | -                |
| Total other financing sources (uses)                         | (43,285)                        | (43,285)        | -                           | -                |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ (42,785)</u>              | <u>(41,742)</u> | <u>\$ 1,043</u>             | <u>(396,341)</u> |
| FUND BALANCE, MAY 1  |                                 | <u>43,944</u>   |                             | <u>440,285</u>   |
| FUND BALANCE, APRIL 30                                       |                                 | <u>\$ 2,202</u> |                             | <u>\$ 43,944</u> |

(See independent auditor's report.)



## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

Drug Seizure Fund - When property or money is seized by the Police Department in relation to violations of drug laws, the Department is entitled to receive a portion of the property or money to offset the cost of drug enforcement. Requirements which govern forfeiture activities require these monies be segregated and used only for drug enforcement purposes.

Road Improvement Fund - The Road Improvement Fund is used to account for the revenue and expenditures related to road improvement

CITY OF DARIEN, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS

April 30, 2011

|  | Special Revenue         |                  | Capital<br>Projects | Total            |
|--|-------------------------|------------------|---------------------|------------------|
|  | Special<br>Service Area | Drug<br>Seizure  | Road<br>Improvement |                  |
| <b>ASSETS</b>                                  |                         |                  |                     |                  |
| Cash and cash equivalents                      | \$ 8,925                | \$ 10,300        | \$ 5,864            | \$ 25,089        |
| Other receivables                              | -                       | 926              | -                   | 926              |
| <b>TOTAL ASSETS</b>                            | <b>\$ 8,925</b>         | <b>\$ 11,226</b> | <b>\$ 5,864</b>     | <b>\$ 26,015</b> |
| <b>LIABILITIES AND FUND BALANCES</b>           |                         |                  |                     |                  |
| <b>LIABILITIES</b>                             |                         |                  |                     |                  |
| Accounts payable                               | \$ -                    | \$ 182           | \$ -                | \$ 182           |
| <b>Total liabilities</b>                       | <b>-</b>                | <b>182</b>       | <b>-</b>            | <b>182</b>       |
| <b>FUND BALANCES</b>                           |                         |                  |                     |                  |
| Reserved for special service area              | 8,925                   | -                | -                   | 8,925            |
| Reserved for public safety                     | -                       | 11,044           | -                   | 11,044           |
| Unreserved                                     |                         |                  |                     |                  |
| Capital projects funds                         | -                       | -                | 5,864               | 5,864            |
| <b>Total fund balances</b>                     | <b>8,925</b>            | <b>11,044</b>    | <b>5,864</b>        | <b>25,833</b>    |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 8,925</b>         | <b>\$ 11,226</b> | <b>\$ 5,864</b>     | <b>\$ 26,015</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, 2011

|  | Special Revenue         |                 | Capital                         | Total     |
|--|-------------------------|-----------------|---------------------------------|-----------|
|  | Special<br>Service Area | Drug<br>Seizure | Projects<br>Road<br>Improvement |           |
| REVENUES   |                         |                 |                                 |           |
| Taxes  | \$ 7,133                | \$ -            | \$ -                            | \$ 7,133  |
| Investment income                                    | 86                      | 384             | 97                              | 567       |
| Total revenues                                       | 7,219                   | 384             | 97                              | 7,700     |
| EXPENDITURES   |                         |                 |                                 |           |
| None   |                         |                 |                                 |           |
| Total expenditures                                   | -                       | -               | -                               | -         |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | 7,219                   | 384             | 97                              | 7,700     |
| OTHER FINANCING SOURCES (USES)                       |                         |                 |                                 |           |
| Transfers (out)                                      | -                       | -               | (30,000)                        | (30,000)  |
| Total other financing sources (uses)                 | -                       | -               | (30,000)                        | (30,000)  |
| NET CHANGE IN FUND BALANCES                          | 7,219                   | 384             | (29,903)                        | (22,300)  |
| FUND BALANCES, MAY 1                                 | 1,706                   | 10,660          | 35,767                          | 48,133    |
| FUND BALANCES, APRIL 30                              | \$ 8,925                | \$ 11,044       | \$ 5,864                        | \$ 25,833 |

(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, 2011  
(With Prior Year Actual)

|                            | 2011                            |          | Variance<br>Over<br>(Under) | 2010<br>Actual |
|----------------------------|---------------------------------|----------|-----------------------------|----------------|
|                            | Original and<br>Final<br>Budget | Actual   |                             |                |
| <b>REVENUES</b>            |                                 |          |                             |                |
| Taxes                      | \$ 5,000                        | \$ 7,133 | \$ 2,133                    | \$ 5,055       |
| Investment income          | -                               | 86       | 86                          | 387            |
| Total revenues             | 5,000                           | 7,219    | 2,219                       | 5,442          |
| <b>EXPENDITURES</b>        |                                 |          |                             |                |
| Current                    |                                 |          |                             |                |
| Contractual services       | 3,000                           | -        | (3,000)                     | 18,434         |
| Maintenance contracts      | -                               | -        | -                           | 475            |
| Total expenditures         | 3,000                           | -        | (3,000)                     | 18,909         |
| NET CHANGE IN FUND BALANCE | \$ 2,000                        | 7,219    | \$ 5,219                    | (13,467)       |
| FUND BALANCE, MAY 1        |                                 | 1,706    |                             | 15,173         |
| FUND BALANCE, APRIL 30     |                                 | \$ 8,925 |                             | \$ 1,706       |

(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, 2011  
(With Prior Year Actual)

|  | 2011                            |                 | Variance<br>Over<br>(Under) | 2010<br>Actual   |
|--|---------------------------------|-----------------|-----------------------------|------------------|
|  | Original and<br>Final<br>Budget | Actual          |                             |                  |
| REVENUES   |                                 |                 |                             |                  |
| Investment income                                    | \$ -                            | \$ 97           | \$ 97                       | \$ 699           |
| Total revenues                                       | -                               | 97              | 97                          | 699              |
| EXPENDITURES   |                                 |                 |                             |                  |
| None   | -                               | -               | -                           | -                |
| Total expenditures                                   | -                               | -               | -                           | -                |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | -                               | 97              | 97                          | 699              |
| OTHER FINANCING SOURCES (USES)                       |                                 |                 |                             |                  |
| Transfers (out)                                      | (30,000)                        | (30,000)        | -                           | -                |
| Total other financing sources (uses)                 | (30,000)                        | (30,000)        | -                           | -                |
| NET CHANGE IN FUND BALANCE                           | <u>\$ (30,000)</u>              | <u>(29,903)</u> | <u>\$ 97</u>                | 699              |
| FUND BALANCE, MAY 1                                  |                                 | <u>35,767</u>   |                             | <u>35,068</u>    |
| FUND BALANCE, APRIL 30                               |                                 | <u>\$ 5,864</u> |                             | <u>\$ 35,767</u> |

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUND**

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

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, 2011  
(With Prior Year Actual)

|  | 2011                            |              |                             | 2010<br>Actual |
|--|---------------------------------|--------------|-----------------------------|----------------|
|  | Original and<br>Final<br>Budget | Actual       | Variance<br>Over<br>(Under) |                |
| <b>OPERATING REVENUES</b>                            |                                 |              |                             |                |
| Charges for services                                 |                                 |              |                             |                |
| Water sales  | \$ 4,421,785                    | \$ 4,518,645 | \$ 96,860                   | \$ 3,451,914   |
| Inspections/tap on/permits                           | 4,000                           | 18,850       | 14,850                      | 24,437         |
| Sale of meters                                       | 3,500                           | 2,332        | (1,168)                     | 3,165          |
| Other water sales                                    | 4,500                           | 9,196        | 4,696                       | 25,605         |
| Total operating revenues                             | 4,433,785                       | 4,549,023    | 115,238                     | 3,505,121      |
| <b>OPERATING EXPENSES<br/>EXCLUDING DEPRECIATION</b> |                                 |              |                             |                |
| Personnel services                                   |                                 |              |                             |                |
| Salaries   | 450,000                         | 417,523      | (32,477)                    | 458,647        |
| Overtime   | 75,000                          | 48,954       | (26,046)                    | 58,192         |
| Social security                                      | 32,000                          | 29,192       | (2,808)                     | 31,790         |
| Medicare   | 6,000                           | 6,392        | 392                         | 7,435          |
| IMRF   | 51,000                          | 49,186       | (1,814)                     | 39,646         |
| Medical/life insurance                               | 89,000                          | 98,998       | 9,998                       | 102,199        |
| Supplemental pensions                                | 9,600                           | 3,185        | (6,415)                     | 9,415          |
| Total personnel services                             | 712,600                         | 653,430      | (59,170)                    | 707,324        |
| Materials and supplies                               |                                 |              |                             |                |
| Liability insurance                                  | 183,240                         | 124,872      | (58,368)                    | 168,014        |
| Maintenance - building                               | 87,309                          | 76,442       | (10,867)                    | 31,520         |
| Maintenance - equipment                              | 7,600                           | 13,053       | 5,453                       | 5,496          |
| Maintenance - water system                           | 106,000                         | 105,682      | (318)                       | 112,330        |
| Postage  | 1,600                           | 60           | (1,540)                     | 1,480          |
| Quality controls                                     | 21,150                          | 7,585        | (13,565)                    | 705            |
| Service charge                                       | 250,000                         | 250,000      | -                           | 250,000        |
| Supplies - operation                                 | 6,650                           | 716          | (5,934)                     | 3,187          |
| Training and education                               | 2,235                           | 1,455        | (780)                       | 995            |
| Telephone  | 10,160                          | 8,437        | (1,723)                     | 8,814          |
| Uniforms   | 2,760                           | 4,590        | 1,830                       | 1,985          |
| Utilities  | 46,000                          | 49,915       | 3,915                       | 54,707         |
| Vehicle (gas and oil)                                | 18,000                          | 15,745       | (2,255)                     | 14,213         |
| Total materials and supplies                         | 742,704                         | 658,552      | (84,152)                    | 653,446        |
| Contractual  |                                 |              |                             |                |
| Audit  | 10,000                          | 10,000       | -                           | 7,696          |
| Consulting/professional                              | 16,350                          | 7,571        | (8,779)                     | 6,941          |
| Leak detection                                       | 17,100                          | 17,650       | 550                         | 13,045         |
| Data processing                                      | 96,400                          | 61,322       | (35,078)                    | 40,658         |
| Janitorial service                                   | -                               | -            | -                           | 641            |
| DuPage Water Commission                              | 2,389,949                       | 2,295,238    | (94,711)                    | 1,944,385      |
| Total contractual                                    | 2,529,799                       | 2,391,781    | (138,018)                   | 2,013,366      |

(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, 2011  
(With Prior Year Actual)

|  | 2011                            |                     |                             | 2010<br>Actual      |
|--|---------------------------------|---------------------|-----------------------------|---------------------|
|  | Original and<br>Final<br>Budget | Actual              | Variance<br>Over<br>(Under) |                     |
| <b>OPERATING EXPENSES</b>                          |                                 |                     |                             |                     |
| <b>EXCLUDING DEPRECIATION (Continued)</b>          |                                 |                     |                             |                     |
| Capital outlay                                     |                                 |                     |                             |                     |
| Equipment  | \$ 105,230                      | \$ 97,923           | \$ (7,307)                  | \$ 104,034          |
| Water meters                                       | 25,000                          | 26,676              | 1,676                       | 25,077              |
| Total capital outlay                               | <u>130,230</u>                  | <u>124,599</u>      | <u>(5,631)</u>              | <u>129,111</u>      |
| Total operating expenses excluding<br>depreciation | <u>4,115,333</u>                | <u>3,828,362</u>    | <u>(286,971)</u>            | <u>3,503,247</u>    |
| <b>OPERATING INCOME</b>                            | <u>318,452</u>                  | <u>720,661</u>      | <u>402,209</u>              | <u>1,874</u>        |
| <b>NONOPERATING REVENUES (EXPENSES)</b>            |                                 |                     |                             |                     |
| Investment income                                  | 1,500                           | 14,742              | 13,242                      | 21,849              |
| Miscellaneous income                               | -                               | 1,722               | 1,722                       | 152,000             |
| Debt service                                       |                                 |                     |                             |                     |
| Principal repayment                                | (155,000)                       | (155,000)           | -                           | (150,000)           |
| Interest expense                                   | (149,028)                       | (140,752)           | 8,276                       | (155,442)           |
| Miscellaneous expense                              | -                               | -                   | -                           | (3,403)             |
| Total nonoperating revenues (expenses)             | <u>(302,528)</u>                | <u>(279,288)</u>    | <u>23,240</u>               | <u>(134,996)</u>    |
| <b>NET INCOME (LOSS) BUDGETARY BASIS</b>           | <u>\$ 15,924</u>                | <u>441,373</u>      | <u>\$ 425,449</u>           | <u>(133,122)</u>    |
| Adjustments to GAAP basis                          |                                 |                     |                             |                     |
| Capitalized assets purchased                       |                                 | -                   |                             | 62,242              |
| Principal repayment                                |                                 | 155,000             |                             | 150,000             |
| Depreciation                                       |                                 | <u>(348,741)</u>    |                             | <u>(388,765)</u>    |
| Total adjustments to GAAP basis                    |                                 | <u>(193,741)</u>    |                             | <u>(176,523)</u>    |
| <b>CHANGE IN NET ASSETS</b>                        |                                 | <u>247,632</u>      |                             | <u>(309,645)</u>    |
| <b>NET ASSETS, MAY 1</b>                           |                                 | <u>5,599,268</u>    |                             | <u>5,908,913</u>    |
| <b>NET ASSETS, APRIL 30</b>                        |                                 | <u>\$ 5,846,900</u> |                             | <u>\$ 5,599,268</u> |

(See independent auditor's report.)



## **FIDUCIARY FUNDS**

Pension Trust Fund - Police Pension Fund - to account for pensions paid for police officers.

Agency Funds - to account for amounts held in deposit.

CITY OF DARIEN, ILLINOIS

SCHEDULE OF CHANGES IN NET ASSETS  
POLICE PENSION FUND

For the Year Ended April 30, 2011

|  | <u>Actual</u>        |
|--|----------------------|
| <b>ADDITIONS</b>   |                      |
| Contributions  |                      |
| Employer   | \$ 1,113,781         |
| Employee   | 369,341              |
|  | <u>1,483,122</u>     |
| Total contributions                                      | <u>1,483,122</u>     |
| Investment income  |                      |
| Net appreciation   |                      |
| in fair value of investments                             | 999,736              |
| Interest   | 561,376              |
|  | <u>1,561,112</u>     |
| Total investment income                                  | 1,561,112            |
| Less investment expense                                  | <u>(47,086)</u>      |
|  | <u>1,514,026</u>     |
| Net investment income                                    | <u>1,514,026</u>     |
| Total additions  | <u>2,997,148</u>     |
| <b>DEDUCTIONS</b>  |                      |
| Pension benefits   | 976,616              |
| Contractual services                                     | 16,593               |
| Administrative expenses                                  | 10,695               |
|  | <u>1,003,904</u>     |
| Total deductions   | <u>1,003,904</u>     |
| <b>NET INCREASE</b>                                      | 1,993,244            |
| <b>NET ASSETS HELD IN TRUST<br/>FOR PENSION BENEFITS</b> |                      |
| May 1  | <u>16,866,119</u>    |
| April 30   | <u>\$ 18,859,363</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, 2011

|                           | Balances<br>May 1 | Additions     | Deletions   | Balances<br>April 30 |
|---------------------------|-------------------|---------------|-------------|----------------------|
| <b>ALL FUNDS</b>          |                   |               |             |                      |
| ASSETS                    |                   |               |             |                      |
| Cash and cash equivalents | \$ 12,720         | \$ 160        | \$ -        | \$ 12,880            |
| <b>TOTAL ASSETS</b>       | <b>\$ 12,720</b>  | <b>\$ 160</b> | <b>\$ -</b> | <b>\$ 12,880</b>     |
| LIABILITIES               |                   |               |             |                      |
| Due to others             | \$ 10,377         | \$ 160        | \$ -        | \$ 10,537            |
| Impact fees payable       | 2,317             | -             | -           | 2,317                |
| Deposits payable          | 26                | -             | -           | 26                   |
| <b>TOTAL LIABILITIES</b>  | <b>\$ 12,720</b>  | <b>\$ 160</b> | <b>\$ -</b> | <b>\$ 12,880</b>     |
| <b>IMPACT FEES FUND</b>   |                   |               |             |                      |
| ASSETS                    |                   |               |             |                      |
| Cash and cash equivalents | \$ 12,694         | \$ 160        | \$ -        | \$ 12,854            |
| <b>TOTAL ASSETS</b>       | <b>\$ 12,694</b>  | <b>\$ 160</b> | <b>\$ -</b> | <b>\$ 12,854</b>     |
| LIABILITIES               |                   |               |             |                      |
| Due to others             | \$ 10,377         | \$ 160        | \$ -        | \$ 10,537            |
| Impact fees payable       | 2,317             | -             | -           | 2,317                |
| <b>TOTAL LIABILITIES</b>  | <b>\$ 12,694</b>  | <b>\$ 160</b> | <b>\$ -</b> | <b>\$ 12,854</b>     |
| <b>DARIEN ESCROW FUND</b> |                   |               |             |                      |
| ASSETS                    |                   |               |             |                      |
| Cash and cash equivalents | \$ 26             | \$ -          | \$ -        | \$ 26                |
| <b>TOTAL ASSETS</b>       | <b>\$ 26</b>      | <b>\$ -</b>   | <b>\$ -</b> | <b>\$ 26</b>         |
| LIABILITIES               |                   |               |             |                      |
| Deposits payable          | \$ 26             | \$ -          | \$ -        | \$ 26                |
| <b>TOTAL LIABILITIES</b>  | <b>\$ 26</b>      | <b>\$ -</b>   | <b>\$ -</b> | <b>\$ 26</b>         |

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

CITY OF DARIEN, ILLINOIS

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

April 30, 2011

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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<br>Year | Principal           | Interest            | Total               | Interest Due on |                   |             |                   |
|----------------|---------------------|---------------------|---------------------|-----------------|-------------------|-------------|-------------------|
|                |                     |                     |                     | June 15         | Amount            | December 15 | Amount            |
| 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        | 6,450             |
|                | <u>\$ 3,390,000</u> | <u>\$ 1,264,048</u> | <u>\$ 4,654,048</u> |                 | <u>\$ 632,024</u> |             | <u>\$ 632,024</u> |

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

April 30, 2011

|                         |                                      |
|-------------------------|--------------------------------------|
| 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<br>Year | Principal         | Interest         | Total             | Interest Due on |                 |             |                 |
|----------------|-------------------|------------------|-------------------|-----------------|-----------------|-------------|-----------------|
|                |                   |                  |                   | June 15         | Amount          | December 15 | Amount          |
| 2012           | <u>\$ 380,000</u> | <u>\$ 19,000</u> | <u>\$ 399,000</u> | 2011            | <u>\$ 9,500</u> | 2011        | <u>\$ 9,500</u> |
|                | <u>\$ 380,000</u> | <u>\$ 19,000</u> | <u>\$ 399,000</u> |                 | <u>\$ 9,500</u> |             | <u>\$ 9,500</u> |

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

April 30, 2011

|                         |                                      |
|-------------------------|--------------------------------------|
| 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<br>Year | Principal           | Interest          | Total               | Interest Due on |                   |             |                   |
|----------------|---------------------|-------------------|---------------------|-----------------|-------------------|-------------|-------------------|
|                |                     |                   |                     | June 15         | Amount            | December 15 | Amount            |
| 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>\$ 479,800</u> | <u>\$ 3,079,800</u> |                 | <u>\$ 239,900</u> |             | <u>\$ 239,900</u> |

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS, SERIES 2008

April 30, 2011

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|                         |                      |
|-------------------------|----------------------|
| Date of Issue           | June 15, 2008        |
| Date of Maturity        | January 1, 2024      |
| Authorized Issue        | \$2,370,000          |
| Interest Rates          | 3.00% - 4.00%        |
| Interest Dates          | January 1 and July 1 |
| Principal Maturity Date | January 1            |
| Payable at              | Harris Bank          |

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal<br>Year | Principal           | Interest          | Total               | Interest Due on |                   |       |                   |
|----------------|---------------------|-------------------|---------------------|-----------------|-------------------|-------|-------------------|
|                |                     |                   |                     | July 1          | Amount            | Jan 1 | Amount            |
| 2012           | \$ 125,000          | \$ 76,570         | \$ 201,570          | 2011            | \$ 38,285         | 2012  | \$ 38,285         |
| 2013           | 130,000             | 72,194            | 202,194             | 2012            | 36,097            | 2013  | 36,097            |
| 2014           | 135,000             | 67,320            | 202,320             | 2013            | 33,660            | 2014  | 33,660            |
| 2015           | 140,000             | 62,256            | 202,256             | 2014            | 31,128            | 2015  | 31,128            |
| 2016           | 145,000             | 57,006            | 202,006             | 2015            | 28,503            | 2016  | 28,503            |
| 2017           | 155,000             | 51,570            | 206,570             | 2016            | 25,785            | 2017  | 25,785            |
| 2018           | 160,000             | 45,564            | 205,564             | 2017            | 22,782            | 2018  | 22,782            |
| 2019           | 165,000             | 39,364            | 204,364             | 2018            | 19,682            | 2019  | 19,682            |
| 2020           | 170,000             | 32,970            | 202,970             | 2019            | 16,485            | 2020  | 16,485            |
| 2021           | 175,000             | 26,382            | 201,382             | 2020            | 13,191            | 2021  | 13,191            |
| 2022           | 185,000             | 19,600            | 204,600             | 2021            | 9,800             | 2022  | 9,800             |
| 2023           | 190,000             | 12,200            | 202,200             | 2022            | 6,100             | 2023  | 6,100             |
| 2024           | 115,000             | 4,600             | 119,600             | 2023            | 2,300             | 2024  | 2,300             |
|                | <u>\$ 1,990,000</u> | <u>\$ 567,596</u> | <u>\$ 2,557,596</u> |                 | <u>\$ 283,798</u> |       | <u>\$ 283,798</u> |

(See independent auditor's report.)