

CITY OF DARIEN, ILLINOIS
ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2016

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, 2016

MAYOR

Kathleen Moesle Weaver

CITY COUNCIL

Ted V. Schauer
Tina Beilke
Joseph A. Kenny
Thomas M. Chlystek
Joseph A. Marchese
Sylvia McIvor
Thomas J. Belczak

CITY TREASURER

Michael J. Coren

CITY CLERK

JoAnne Ragona

CITY ATTORNEY

John B. Murphey

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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 (the City) as of and for the year ended April 30, 2016, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Darien, Illinois, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 11, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and supplemental data are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended April 30, 2015, which are not presented with the accompanying financial statements. In our report dated September 8, 2015, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statement as a whole. The 2015 comparative data included on certain individual fund schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2015 comparative information included on certain individual fund schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

The introductory and supplemental data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sikich LLP

Naperville, Illinois
August 30, 2016

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2016

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, 2016. Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

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

FINANCIAL HIGHLIGHTS

- ❑ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9.5 million, an increase of \$0.69 million in comparison with the prior year. The increase in fund balance was from increased revenue as well as level spending. Approximately \$8.91 million is available for spending at the government's discretion (unrestricted fund balance).
- ❑ At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$ 4.51 million, or 40 percent of the total General Fund expenditures. This allowed the City to transfer \$2.0 million to the Capital Projects Fund in FYE 16 to be used in the City of Darien's 3 year Capital Improvement Plan.
- ❑ The City's long-term liabilities increased \$20.68 million, from \$5.12 million to \$25.80 million during the current year. The majority of this increase is due to the implementation of GASB 68, a new accounting principle that currently requires future pension obligations to be recorded on all local governments' financial statements rather than disclosed in the footnotes and required supplementary information as done in prior years.

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2016

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

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

Government-Wide Financial Statements

The government-wide financial statements (see pages 4-6) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

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

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

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

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

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation (pages 7-15) more familiar. The focus is on Major Funds, rather than the previous model fund types. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2016

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

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

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

Notes to the Financial Statements

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

Other Information

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

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position As of April 30, 2016 and 2015 (In millions of dollars)									
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Government Total</u>		
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>2016</u>	<u>2015</u>	<u>Change</u>
Current and other assets	12.96	12.42	0.54	2.62	2.47	0.15	15.58	14.89	0.69
Capital assets	<u>7.16</u>	<u>7.78</u>	<u>-0.62</u>	<u>5.85</u>	<u>6.06</u>	<u>-0.21</u>	<u>13.01</u>	<u>13.84</u>	<u>-0.83</u>
<i>Total Assets</i>	<u>20.12</u>	<u>20.20</u>	<u>-0.08</u>	<u>8.47</u>	<u>8.53</u>	<u>-0.06</u>	<u>28.59</u>	<u>28.73</u>	<u>-0.14</u>
Deferred Outflow of Resources	2.23	-	2.23	.39	.22	0.17	2.62	.22	2.40
Total assets and Deferred Outflow of Resources	<u>22.35</u>	<u>20.20</u>	<u>2.15</u>	<u>8.86</u>	<u>8.75</u>	<u>0.11</u>	<u>31.21</u>	<u>28.95</u>	<u>2.26</u>
Long-term liabilities	22.35	1.93	20.42	2.94	2.71	0.23	25.29	4.64	20.65
Other liabilities	<u>1.22</u>	<u>1.01</u>	<u>0.21</u>	<u>0.96</u>	<u>.78</u>	<u>0.18</u>	<u>2.18</u>	<u>1.79</u>	<u>0.39</u>
<i>Total Liabilities</i>	<u>23.57</u>	<u>2.94</u>	<u>20.63</u>	<u>3.90</u>	<u>3.49</u>	<u>0.41</u>	<u>27.47</u>	<u>6.43</u>	<u>21.04</u>
Deferred Inflows of Resources	3.64	2.34	1.30	0.02	-	0.02	3.66	2.34	1.32
Total Liabilities and Deferred Inflows of Resources	27.21	5.28	21.93	3.92	3.49	0.43	31.13	8.77	22.36
<i>Net position</i>									
Net investment in capital Assets.	5.80	6.31	-0.51	3.39	3.39	0.00	9.19	9.69	-0.50
Restricted	.57	.48	0.09	0.00	0.00	0.00	0.57	.48	0.09
Unrestricted	<u>-11.23</u>	<u>8.13</u>	<u>-19.36</u>	<u>1.55</u>	<u>1.87</u>	<u>-0.32</u>	<u>-9.68</u>	<u>10.01</u>	<u>-19.69</u>
Total Net Position	<u>-4.86</u>	<u>14.92</u>	<u>-19.78</u>	<u>4.94</u>	<u>5.26</u>	<u>-0.32</u>	<u>0.08</u>	<u>20.18</u>	<u>-20.10</u>

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2016

Normal Impacts

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

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

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

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

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

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

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

Current Year Impacts

As noted earlier, net position may serve over time as a useful indicator of a governments' financial position. In the case of the City of Darien, total net position decreased approximately \$20.10 million from \$20.18 million to \$0.08 million. However, the decrease is largely due to the addition of \$21.01 million of the Net Pension Liability implemented due to GASB 68. 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 Capital Project expenditures or used for the early payment of debt.

The City of Darien's assessed property tax rate was .3408. The City of Darien's portion of a resident's tax bill is approximately 4.50% of their total tax bill. The City of Darien's property taxes remain relatively lower than other municipalities within DuPage County.

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

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2016

Condensed Statement of Activities									
As of April 30, 2016 and 2015									
(In millions of dollars)									
	<u>Governmental</u>			<u>Business-Type</u>			<u>Government</u>		
	<u>Activities</u>			<u>Activities</u>			<u>Total</u>		
Revenues:	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>2016</u>	<u>2015</u>	<u>Change</u>
<i>Program Revenues:</i>									
Charges for Services	1.90	1.59	0.31	7.00	6.62	.38	8.90	8.21	.69
Operating and Capital Grants and Contributions	0.77	0.81	-0.04	-	-	-	0.77	0.81	-0.04
<i>General Revenues:</i>									
Property taxes	2.37	2.35	0.02	-	-	-	2.37	2.35	0.02
Other Taxes	10.48	10.35	.13	-	-	-	10.48	10.35	.13
Other General Revenues	<u>0.36</u>	<u>-2.15</u>	<u>2.52</u>	<u>0.06</u>	<u>0.0</u>	<u>0.0</u>	<u>0.42</u>	<u>-2.15</u>	<u>2.52</u>
Total Revenues	15.88	12.95	2.94	7.06	6.62	.38	22.94	19.56	3.33
Expenses:									
General Government	1.88	1.49	0.39	-	-	-	1.88	1.49	0.39
Highways and Streets	6.10	6.58	-0.48	-	-	-	6.10	6.58	-0.48
Public Safety	8.58	7.55	1.03	-	-	-	8.58	7.55	1.03
Interest and Fees	.08	.12	-0.04	-	-	-	.08	.12	-0.04
Water	-	-	<u>0.00</u>	<u>7.15</u>	<u>6.88</u>	<u>.27</u>	<u>7.15</u>	<u>6.88</u>	<u>0.27</u>
Total Expenses	16.64	15.74	0.90	7.15	6.88	.27	23.79	22.62	1.17
Increase (Decrease) in Net Position Before Prior Period Adjustment									
Prior Period Adjustment & Change in Accounting Principles	<u>-0.76</u>	<u>-2.79</u>	<u>2.04</u>	<u>-0.09</u>	<u>-.26</u>	<u>.11</u>	<u>-0.85</u>	<u>-3.05</u>	<u>2.15</u>
Change in Net Position	<u>-19.02</u>	<u>0.00</u>	<u>-19.02</u>	<u>-0.23</u>	<u>0.00</u>	<u>-0.23</u>	<u>-19.25</u>	<u>-</u>	<u>-19.25</u>
Net Position, Beginning of Year	<u>14.92</u>	<u>17.71</u>	<u>-21.81</u>	<u>5.26</u>	<u>5.52</u>	<u>-0.48</u>	<u>20.18</u>	<u>23.23</u>	<u>-22.29</u>
Net Position, End of Year	-4.86	14.92	-19.78	4.94	5.26	-0.32	0.08	20.18	-20.10

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2016

Normal Impacts

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

Revenues

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

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

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often 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, and highways and streets), individual programs may be added or deleted to meet changing community needs.

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

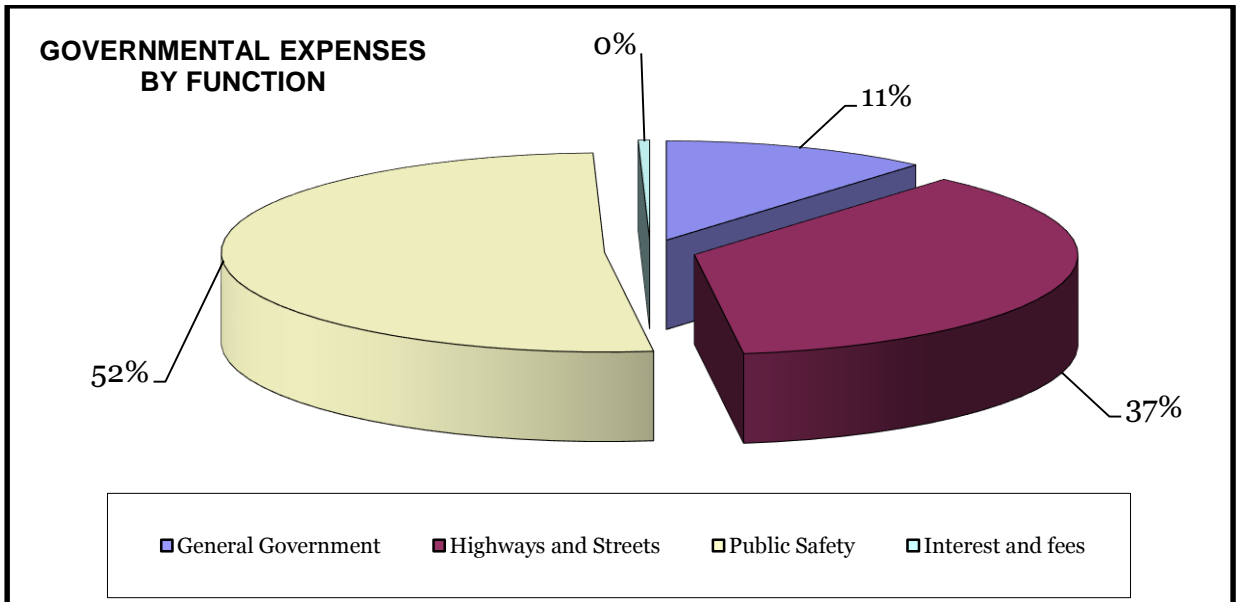
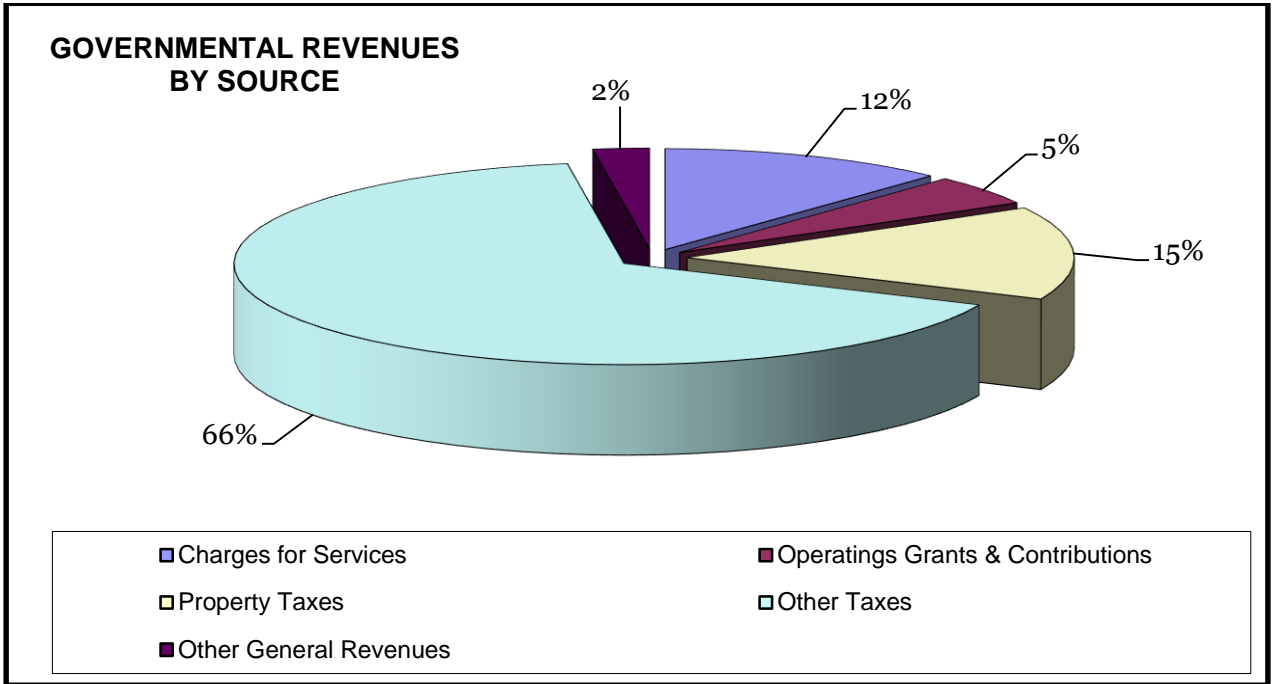
Salary increases (annual adjustments and merit) – the ability to attract and retain staff members, requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – 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, 2016

GOVERNMENTAL ACTIVITIES

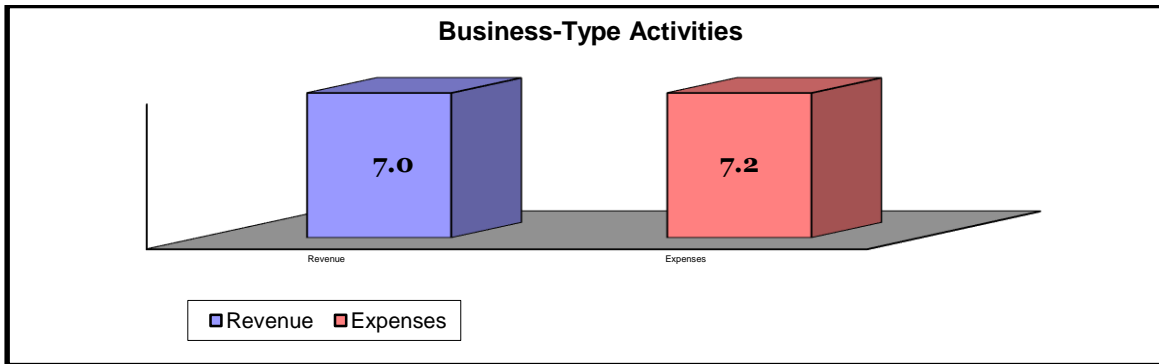
The percentages illustrated below, represent the governmental revenues and expenditures by source/function per page 6 of the MD&A, column 1.



CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2016

Business Type Activities

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



The Business-Type activity of the City of Darien includes the Water Department. The Water Department serves the city residents and businesses; pricing of water is based on fees determined by the supplier of water, the DuPage Water Commission. The City of Darien has been able to avoid raising water rates to its residents and businesses over the past several years, even though there have been increases in the fee for the supply of water by the DuPage Water Commission. Sales of water (revenues) can be affected by climate, at times, with warmer and drier summers bringing higher demand. The operating revenues of the Water Department increased by \$.38 million in comparison to the prior year.

The City pays all of the general expenses from the general fund on an annual basis transfer of \$250 thousand from its Water Department to the General Fund. The reason for this \$250 thousand transfer, from the Water Department to the General Fund, is due to the annual review of overhead worked on behalf of the Water Department, yet captured within the General Fund. Operating expenses increased \$0.27 million for this fiscal year for various reasons including personnel costs.

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, Capital Improvement, and Debt Service Fund.

CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2016

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 \$9.50 million; an increase of \$0.69 million over fiscal 2015

The fund balance of the City of Darien's general fund increased from \$2.65 million to \$4.57 million during the current fiscal year as revenues exceeded budget, while expenditures were less than anticipated. (See page 9 of Financial Statements)

GENERAL FUND BUDGETARY HIGHLIGHTS

The city was able to transfer \$2,012,658 from its General Fund to the Capital Projects Fund while still maintaining adequate Fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

At the end of fiscal 2016, the City of Darien had total capital assets (net of accumulated depreciation) of \$13.01 million, invested in a broad range of capital assets including police and public works equipment, buildings, water facilities, roads, streets, and sewer lines.

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

Debt Administration

The debt administration discussion covers two types of debt reported by the City's financial statements. The City's governmental activities include the general obligation bond issuance for the acquisition and construction of major capital facilities. Overall, the City's governmental activities report a total debt of \$22.63 million. The City began the fiscal year with a balance of \$21.17 million in debt.

In the City's business-type activities a total debt of \$3.16 million is reported. The City began the fiscal year with a balance of \$3.23 million in debt. The business activity debt is paid primarily by revenues generated by the Water Department's sale of water fee for service. The general obligation bonds of the business-type activity are obligations of the business-type activity only and are used for infrastructure and building improvements to the system. (More detailed information about the City's long-term liabilities is presented in Note 6 of the financial statements.)

***CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2016***

FACTORS BEARING ON THE CITY'S FUTURE

The general economic conditions of DuPage County, Cook County, and the Chicago metropolitan statistical area are affected by the national economics. The unemployment rate for the most recent period available for this year is 6.6% 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, benefits and capital projects. Other factors bearing on the City's future include increases in water rates charged by DuPage Water Commission and the City of Chicago, and the general state of the economy. All of the local economic factors, revenue projections, and analysis of the City's expenditures are factored in the future fiscal budget plans.

The uncertainty and financial problems with the State of Illinois is a concern for all Illinois municipalities. The State still has not approved its' budget and has discussed reducing the municipal share of the State Income Tax revenue and freezing property taxes for local governments.

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

Mike Coren
City Treasurer
1702 Plainfield Road
Darien, Illinois 60561

BASIC FINANCIAL STATEMENTS

CITY OF DARIEN, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,660,197	\$ -	\$ 7,660,197
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	2,361,882	-	2,361,882
Accounts	-	2,498,333	2,498,333
Intergovernmental	1,992,467	-	1,992,467
Other	936,625	123,922	1,060,547
Inventories	11,873	-	11,873
Prepaid items	-	-	-
Capital assets not being depreciated	419,529	100,000	519,529
Capital assets being depreciated	6,740,429	5,752,605	12,493,034
Total assets	20,123,002	8,474,860	28,597,862
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	203,168	203,168
Pension items - police	1,380,791	-	1,380,791
Pension items - IMRF	852,106	185,688	1,037,794
Total deferred outflows of resources	2,232,897	388,856	2,621,753
Total assets and deferred outflows of resources	22,355,899	8,863,716	31,219,615
LIABILITIES			
Accounts payable	834,382	480,356	1,314,738
Accrued payroll	150,973	10,059	161,032
Accrued interest payable	8,705	29,676	38,381
Deposits payable	140,023	-	140,023
Other payables	11,005	-	11,005
Due to fiduciary fund	10,174	-	10,174
Internal balances	(216,385)	216,385	-
Unearned revenue	1,882	-	1,882
Noncurrent liabilities			
Due within one year	283,966	224,959	508,925
Due in more than one year	22,352,066	2,939,568	25,291,634
Total liabilities	23,576,791	3,901,003	27,477,794
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	2,361,882	-	2,361,882
Pension items - police	1,187,095	-	1,187,095
Pension items - IMRF	89,922	19,596	109,518
Total deferred inflows of resources	3,638,899	19,596	3,658,495
Total liabilities and deferred inflows of resources	27,215,690	3,920,599	31,136,289
NET POSITION			
Net investment in capital assets	5,799,958	3,386,804	9,186,762
Restricted for			
Special service area	14,178	-	14,178
Storm sewer	77,630	-	77,630
Public safety	212,982	-	212,982
Highways and streets	268,514	-	268,514
Debt service	-	-	-
Unrestricted	(11,233,053)	1,556,313	(9,676,740)
TOTAL NET POSITION	\$ (4,859,791)	\$ 4,943,117	\$ 83,326

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,882,195	\$ 1,060,359	\$ -	\$ -
Highways and streets	6,102,616	631,792	564,935	-
Public safety	8,576,999	205,489	203,602	-
Interest and fiscal charges on long-term debt	81,950	-	-	-
Total governmental activities	16,643,760	1,897,640	768,537	-
Business-Type Activities				
Water operations	7,155,361	7,002,301	-	-
Total business-type activities	7,155,361	7,002,301	-	-
TOTAL PRIMARY GOVERNMENT	\$ 23,799,121	\$ 8,899,941	\$ 768,537	\$ -

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (821,836)	\$ -	\$ (821,836)
	(4,905,889)	-	(4,905,889)
	(8,167,908)	-	(8,167,908)
	(81,950)	-	(81,950)
	(13,977,583)	-	(13,977,583)
	-	(153,060)	(153,060)
	-	(153,060)	(153,060)
	(13,977,583)	(153,060)	(14,130,643)
General Revenues			
Taxes			
Property	2,367,946	-	2,367,946
Replacement	7,226	-	7,226
Telecommunications	682,206	-	682,206
Utility	948,409	-	948,409
Amusement	97,479	-	97,479
Hotel/motel	53,817	-	53,817
Road and bridge	206,423	-	206,423
Video gaming	133,640	-	133,640
Intergovernmental			
Income tax	2,377,969	-	2,377,969
Sales	5,412,366	-	5,412,366
Local use	565,826	-	565,826
Investment income	44,585	2,924	47,509
Miscellaneous	322,096	53,242	375,338
Total	13,219,988	56,166	13,276,154
CHANGE IN NET POSITION	(757,595)	(96,894)	(854,489)
NET POSITION, MAY 1	14,921,608	5,268,057	20,189,665
Prior period adjustment	327,160	48,886	376,046
Change in accounting principle	(19,350,964)	(276,932)	(19,627,896)
NET POSITION, MAY 1, RESTATED	(4,102,196)	5,040,011	937,815
NET POSITION, APRIL 30	\$ (4,859,791)	\$ 4,943,117	\$ 83,326

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2016

	General	Capital Improvements	Debt Service	Nonmajor	Total
ASSETS					
Cash and cash equivalents	\$ 2,746,295	\$ 4,233,564	\$ 206,349	\$ 473,989	\$ 7,660,197
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	2,161,959	58,669	141,254	-	2,361,882
Intergovernmental	1,942,203	-	-	50,264	1,992,467
Other	932,412	4,213	-	-	936,625
Inventory	11,873	-	-	-	11,873
Due from other funds	209,188	410,771	-	-	619,959
TOTAL ASSETS	\$ 8,003,930	\$ 4,707,217	\$ 347,603	\$ 524,253	\$ 13,583,003
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 592,424	\$ 235,829	\$ -	\$ 6,129	\$ 834,382
Accrued payroll	150,973	-	-	-	150,973
Deposits payable	140,023	-	-	-	140,023
Other payables	11,005	-	-	-	11,005
Unearned revenue	-	1,882	-	-	1,882
Due to other funds	207,164	-	206,349	235	413,748
Total liabilities	1,101,589	237,711	206,349	6,364	1,552,013
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	2,161,959	58,669	141,254	-	2,361,882
Other unavailable revenue	166,263	-	-	-	166,263
Total deferred inflows of resources	2,328,222	58,669	141,254	-	2,528,145
Total liabilities and deferred inflows of resources	3,429,811	296,380	347,603	6,364	4,080,158
FUND BALANCES					
Nonspendable					
Inventory	11,873	-	-	-	11,873
Restricted					
Special service area	-	-	-	14,178	14,178
Storm sewer	-	-	-	77,630	77,630
Public safety	55,415	-	-	157,567	212,982
Highways and streets	-	-	-	268,514	268,514
Unrestricted					
Assigned					
Capital improvements	-	4,410,837	-	-	4,410,837
Unassigned (deficit)					
General fund	4,506,831	-	-	-	4,506,831
Debt service	-	-	-	-	-
Total fund balances	4,574,119	4,410,837	-	517,889	9,502,845
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,003,930	\$ 4,707,217	\$ 347,603	\$ 524,253	\$ 13,583,003

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2016

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 9,502,845
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	7,159,958
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(1,360,000)
Compensated absences payable	(726,443)
Other long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds	166,263
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(2,122,362)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	762,184
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(18,427,227)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	193,696
Accrued interest payable is not recorded in governmental funds but is recorded on the statement of net position	<u>(8,705)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (4,859,791)</u></u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2016

	General	Capital Improvements	Debt Service	Nonmajor	Total
REVENUES					
Taxes	\$ 3,789,651	\$ 206,349	\$ 496,814	\$ 5,071	\$ 4,497,885
Licenses and permits	1,230,685	-	-	-	1,230,685
Intergovernmental	8,389,917	114,074	-	736,742	9,240,733
Charges for services	478,066	1,600	-	78,908	558,574
Investment income	7,345	32,877	1,432	2,931	44,585
Miscellaneous	229,803	-	-	-	229,803
Total revenues	14,125,467	354,900	498,246	823,652	15,802,265
EXPENDITURES					
Current					
General government	1,827,950	-	-	-	1,827,950
Highways and streets	2,063,941	56,887	-	581,500	2,702,328
Public safety	7,127,418	-	-	175,720	7,303,138
Capital outlay	-	3,384,481	-	19,480	3,403,961
Debt service					
Principal	-	145,000	-	-	145,000
Interest and fiscal charges	-	57,809	-	-	57,809
Debt issuance cost	-	44,316	-	-	44,316
Total expenditures	11,019,309	3,688,493	-	776,700	15,484,502
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,106,158	(3,333,593)	498,246	46,952	317,763
OTHER FINANCING SOURCES (USES)					
Transfers in	498,246	2,012,658	-	-	2,510,904
Transfers (out)	(2,012,658)	-	(498,246)	-	(2,510,904)
Proceeds from sale of assets	5,713	-	-	-	5,713
Payment to refunded bond escrow agent	-	(1,318,008)	-	-	(1,318,008)
Bonds issued, at par	-	1,360,000	-	-	1,360,000
Premium on bonds issued	-	2,324	-	-	2,324
Total other financing sources (uses)	(1,508,699)	2,056,974	(498,246)	-	50,029
NET CHANGE IN FUND BALANCES	1,597,459	(1,276,619)	-	46,952	367,792
FUND BALANCES, MAY 1	2,649,500	5,687,456	-	470,937	8,807,893
Prior period adjustment	327,160	-	-	-	327,160
FUND BALANCE, MAY 1, RESTATED	2,976,660	5,687,456	-	470,937	9,135,053
FUND BALANCES, APRIL 30	\$ 4,574,119	\$ 4,410,837	\$ -	\$ 517,889	\$ 9,502,845

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, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 367,792
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	185,583
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(804,708)
Revenues in the statement of activities that are not available in governmental funds are not reported as revenue in governmental funds until received	83,900
The issuance of long-term debt is reported as an other financing source in the fund level but an increase in liabilities at the government-wide financial statements	
Proceeds from sale of bonds	(1,360,000)
Premium on bond proceeds	(2,324)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	1,460,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	11,053
Certain costs associated with the issuances of bonds are deferred and amortized over the life of the bonds on the statement of activities	
Premium on issuance	12,130
The change in compensated absences payable is shown as an expense on the statement of activities	(8,886)
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(755,120)
The change in deferred outflows and inflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	665,751
The change in the net pension liability for the Police Pension Fund is reported only in the statement of activities	(806,462)
The change in deferred outflows and inflows of resources for the Police Pension Fund is reported only in the statement of activities	193,696
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (757,595)

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2016

	Business-Type Activities Water Operations
CURRENT ASSETS	
Cash and cash equivalents	\$ -
Receivables (net, where applicable, of allowances for uncollectibles)	
Water - billed	15,134
Water - unbilled	2,483,199
Other	123,922
Due from other funds	<u>1,573</u>
Total current assets	<u>2,623,828</u>
NONCURRENT ASSETS	
Capital assets	
Assets not being depreciated	<u>100,000</u>
Assets being depreciated	
Cost	15,926,481
Accumulated depreciation	<u>(10,173,876)</u>
Net capital assets being depreciated	<u>5,752,605</u>
Total noncurrent assets	<u>5,852,605</u>
Total assets	<u>8,476,433</u>
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on refunding	203,168
Pension items - IMRF	<u>185,688</u>
Total deferred outflows of resources	388,856
Total assets and deferred outflows of resources	<u>8,865,289</u>
CURRENT LIABILITIES	
Accounts payable	480,356
Accrued payroll	10,059
Accrued interest payable	29,676
Due to other funds	217,958
Bonds payable	220,000
Compensated absences payable	<u>4,959</u>
Total current liabilities	<u>963,008</u>
LONG-TERM LIABILITIES	
Bonds payable	2,448,969
Net pension liability	462,500
Compensated absences payable	<u>28,099</u>
Total long-term liabilities	<u>2,939,568</u>
Total liabilities	<u>3,902,576</u>
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	<u>19,596</u>
Total liabilities and deferred inflows of resources	<u>3,922,172</u>
NET POSITION	
Net investment in capital assets	3,386,804
Unrestricted	<u>1,556,313</u>
TOTAL NET POSITION	<u>\$ 4,943,117</u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2016

	Business-Type Activities Water Operations
OPERATING REVENUES	
Water sales	\$ 6,929,133
Inspections/tap on/permits	47,250
Sale of meters	10,645
Other water sales	15,273
	<hr/>
Total operating revenues	7,002,301
	<hr/>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Personnel services	766,504
Materials and supplies	743,694
Contractual services	5,051,694
Capital related - uncapitalized	173,067
	<hr/>
Total operating expenses excluding depreciation	6,734,959
	<hr/>
OPERATING INCOME BEFORE DEPRECIATION	267,342
	<hr/>
Depreciation	331,363
	<hr/>
OPERATING INCOME (LOSS)	(64,021)
	<hr/>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	2,924
Miscellaneous income	53,242
Interest expense	(89,039)
	<hr/>
Total non-operating revenues (expenses)	(32,873)
	<hr/>
CHANGE IN NET POSITION	(96,894)
	<hr/>
NET POSITION, MAY 1	5,268,057
	<hr/>
Prior period adjustment	48,886
Change in accounting principle	(276,932)
	<hr/>
NET POSITION, MAY 1, RESTATED	5,040,011
	<hr/>
NET POSITION, APRIL 30	\$ 4,943,117
	<hr/> <hr/>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2016

	Business-Type Activities Water Operations
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 6,695,870
Payments to suppliers	(5,752,388)
Payments to employees	(755,285)
Payments to other funds	<u>(250,000)</u>
Net cash from operating activities	<u>(61,803)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Due to/from other funds	<u>218,858</u>
Net cash from noncapital financing activities	<u>218,858</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(119,941)
Principal payments	(215,000)
Interest and fiscal charges	<u>(83,725)</u>
Net cash from capital and related financing activities	<u>(418,666)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>2,924</u>
Net cash from investing activities	<u>2,924</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(258,687)
CASH AND CASH EQUIVALENTS, MAY 1	<u>258,687</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ -</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (64,021)
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	331,363
Changes in assets and liabilities	
Accounts receivable	(306,431)
Accounts payable	(33,933)
Accrued payroll	(6,137)
Compensated absences payable	(2,120)
Net pension liability - IMRF	<u>19,476</u>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ (61,803)</u></u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

April 30, 2016

	Pension	
	Trust Fund	Agency
	<hr/>	
ASSETS		
Cash and cash equivalents	\$ 174,594	\$ 12,996
Investments		
U.S. Treasury obligations	350,059	-
Annuities	56,502	-
U.S. agency obligations	5,367,989	-
Municipal bonds	1,391,739	-
Corporate bonds	3,484,944	-
Equity mutual funds	9,688,710	-
Common stock	3,570,792	-
Prepays	1,030	-
Receivables		
Due from other governments	-	10,175
Accrued interest	99,591	-
	<hr/>	
Total assets	24,185,950	\$ 23,171
	<hr/> <hr/>	
LIABILITIES		
Benefits payable	6,666	-
Due to others	-	-
Impact fees payable	-	23,171
Deposits payable	-	-
	<hr/>	
Total liabilities	6,666	\$ 23,171
	<hr/> <hr/>	
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 24,179,284	
	<hr/> <hr/>	

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2016

ADDITIONS

Contributions	
Employer	\$ 1,209,939
Employee	<u>308,852</u>
Total contributions	<u>1,518,791</u>
Investment income	
Net appreciation (depreciation) in fair value of investments	(796,883)
Interest	<u>846,541</u>
Total investment income	49,658
Less investment expense	<u>(71,647)</u>
Net investment income	<u>(21,989)</u>
Total additions	<u>1,496,802</u>

DEDUCTIONS

Pension benefits	1,767,269
Contractual services	21,586
Administrative expenses	<u>13,064</u>
Total deductions	<u>1,801,919</u>

NET DECREASE (305,117)

**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

May 1	<u>24,484,401</u>
April 30	<u><u>\$ 24,179,284</u></u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

The City's financial statements include 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.

b. Fund Accounting

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

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

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

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

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The City utilizes pension trust funds 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 position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The City reports the following major governmental funds:

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

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

The Debt Service Fund is used to account for the repayment of the General Obligation Bonds. Financing is provided by a restricted property tax levy.

The City reports the following major proprietary fund:

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

The City reports the following fiduciary funds:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes, 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 are also recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

City investments with a maturity of one year or less when purchased are stated at cost or amortized cost. City investments with a maturity greater than one year when purchased and all pension fund investments are stated at fair value.

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."

g. Inventories

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Prepaid Items/Expenses

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

i. Capital Assets

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

j. Compensated Absences

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences (Continued)

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

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

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as expense during the current period.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

l. Fund Balances/Net Position

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balances/Net Position (Continued)

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

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

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

m. Interfund Transactions

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

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

n. Accounting Estimates

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

o. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Deferred Outflows/Inflows of Resources (Continued)

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

2. DEPOSITS AND INVESTMENTS

The City 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.

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

Deposits with Financial Institutions

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

Investments

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

The following table presents the investments and maturities of the City's investments that are subject to interest rate risk as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
IMET 1-3 year fund	\$ 16,503	\$ -	\$ 16,503	\$ -	\$ -
TOTAL	\$ 16,503	\$ -	\$ 16,503	\$ -	\$ -

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

Investments (Continued)

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

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

3. RECEIVABLES

a. Property Taxes

Property taxes for 2015 attached as an enforceable lien on January 1, 2015, 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, 2016, and are payable in two installments, on or about June 1, 2016 and September 1, 2016. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience. As the 2015 tax levy is intended to fund expenditures for the 2016-2017 fiscal year, these taxes are unavailable/deferred as of April 30, 2016.

The 2016 tax levy, which attached as an enforceable lien on property as of January 1, 2016, has not been recorded as a receivable as of April 30, 2016 as the tax has not yet been levied by the City and will not be levied until December 2016 and, therefore, the levy is not measurable at April 30, 2016.

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

3. RECEIVABLES (Continued)

b. Due from Other Governments and Other Receivables

	General	Capital Improvements	Nonmajor Governmental	Total
GOVERNMENTAL ACTIVITIES				
Intergovernmental				
Sales tax	\$ 1,271,362	\$ -	\$ -	\$ 1,271,362
Local use tax	127,834	-	-	127,834
Income tax	351,862	-	-	351,862
Motor fuel tax	-	-	50,264	50,264
Telecommunications tax	179,710	-	-	179,710
Video gaming tax	11,435	-	-	11,435
Total intergovernmental	1,942,203	-	50,264	1,992,467
Other receivables				
Franchise fees	116,428	-	-	116,428
Hotel/motel tax	3,942	-	-	3,942
Amusement tax	10,246	-	-	10,246
Utility tax	73,035	-	-	73,035
Paypal	39	-	-	39
IRMA	166,263	-	-	166,263
IPBC	515,625	-	-	515,625
Accounts	46,834	4,213	-	51,047
Total other receivables	932,412	4,213	-	936,625
TOTAL GOVERNMENTAL ACTIVITIES	\$ 2,874,615	\$ 4,213	\$ 50,264	\$ 2,929,092

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2016 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 419,529	\$ -	\$ -	\$ 419,529
Total capital assets not being depreciated	419,529	-	-	419,529
Capital assets being depreciated				
Buildings and improvements	5,534,485	-	-	5,534,485
Machinery, vehicles, and equipment	3,099,030	185,583	-	3,284,613
Infrastructure	12,768,226	-	-	12,768,226
Total capital assets being depreciated	21,401,741	185,583	-	21,587,324
Less accumulated depreciation for				
Buildings and improvements	2,737,464	113,742	-	2,851,206
Machinery, vehicles, and equipment	2,164,922	253,160	-	2,418,082
Infrastructure	9,139,801	437,806	-	9,577,607
Total accumulated depreciation	14,042,187	804,708	-	14,846,895
Total capital assets being depreciated, net	7,359,554	(619,125)	-	6,740,429
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 7,779,083	\$ (619,125)	\$ -	\$ 7,159,958

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	\$ 39,047
Public safety	155,145
Highways and streets	<u>610,516</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 804,708</u>

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Total capital assets not being depreciated	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Capital assets being depreciated				
Buildings and improvements	6,989,234	-	-	6,989,234
Machinery and equipment	832,615	119,941	-	952,556
Infrastructure	7,984,691	-	-	7,984,691
Total capital assets being depreciated	<u>15,806,540</u>	<u>119,941</u>	<u>-</u>	<u>15,926,481</u>
Less accumulated depreciation for				
Buildings and improvements	3,411,921	182,951	-	3,594,872
Machinery and equipment	830,116	12,494	-	842,610
Infrastructure	5,600,476	135,918	-	5,736,394
Total accumulated depreciation	<u>9,842,513</u>	<u>331,363</u>	<u>-</u>	<u>10,173,876</u>
Total capital assets being depreciated, net	<u>5,964,027</u>	<u>(211,422)</u>	<u>-</u>	<u>5,752,605</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 6,064,027</u>	<u>\$ (211,422)</u>	<u>\$ -</u>	<u>\$ 5,852,605</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

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

5. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (Continued)

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

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

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The City is aware of no additional contributions due to IRMA as of April 30, 2016.

Intergovernmental Personnel Benefit Cooperative

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

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

6. LONG-TERM DEBT

a. General Obligation Bonds

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

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

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

A summary of changes in long-term debt reported in the governmental activities of the City for the year ended April 30, 2016 is as follows:

Governmental Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
\$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 3.5% to 4.0%. The last payment due is January 1, 2024.	Capital Improvement	\$ 1,460,000	\$ -	\$ 1,460,000	\$ -	\$ -
\$1,360,000 General Obligation Refunding Bonds, Series 2015 are due in annual installments (beginning January 1, 2017) ranging from \$110,000 to \$185,000 with interest from 1.25% to 2.20%. The last payment due is January 1, 2024.	Capital Improvement	-	1,360,000	-	1,360,000	175,000
TOTAL GOVERNMENTAL BONDED DEBT		\$ 1,460,000	\$ 1,360,000	\$ 1,460,000	\$ 1,360,000	\$ 175,000

Business-Type Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
\$2,810,000 General Obligation Refunding Bonds, Series 2012 are due in annual installments (beginning December 15, 2012) ranging from \$20,000 to \$290,000 with interest from 2.0% to 3.5%. The last payment is due on December 15, 2025.	Water	\$ 2,750,000	\$ -	\$ 215,000	\$ 2,535,000	\$ 220,000
TOTAL BUSINESS-TYPE BONDED DEBT		\$ 2,750,000	\$ -	\$ 215,000	\$ 2,535,000	\$ 220,000

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

6. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities General Obligation Bonds			Business-Type Activities General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 175,000	\$ 24,785	\$ 199,785	\$ 220,000	\$ 79,425	\$ 299,425
2018	175,000	20,615	195,615	225,000	75,025	300,025
2019	175,000	18,427	193,427	230,000	68,275	298,275
2020	175,000	16,240	191,240	240,000	61,375	301,375
2021	180,000	13,440	193,440	245,000	54,175	299,175
2022	185,000	10,560	195,560	260,000	46,825	306,825
2023	185,000	6,490	191,490	265,000	39,025	304,025
2024	110,000	2,420	112,420	275,000	29,750	304,750
2025	-	-	-	285,000	20,125	305,125
2026	-	-	-	290,000	10,150	300,150
TOTAL	\$ 1,360,000	\$ 112,977	\$ 1,472,977	\$ 2,535,000	\$ 484,150	\$ 3,019,150

d. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities during fiscal year 2016:

	Balances May 1, Restated	Additions	Reductions	Balances April 30	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 1,460,000	\$ 1,360,000	\$ 1,460,000	\$ 1,360,000	\$ 175,000
Unamortized bond premium	9,806	-	9,806	-	-
Compensated absences payable*	717,557	8,886	-	726,443	108,966
Net pension liability*	18,988,007	1,561,582	-	20,549,589	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 21,175,370	\$ 2,930,468	\$ 1,469,806	\$ 22,636,032	\$ 283,966
BUSINESS-TYPE ACTIVITIES					
General obligation bonds	\$ 2,750,000	\$ -	\$ 215,000	\$ 2,535,000	\$ 220,000
Unamortized bond premium	147,366	-	13,397	133,969	-
Compensated absences payable	35,178	-	2,120	33,058	4,959
Net pension liability	297,946	164,554	-	462,500	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 3,230,490	\$ 164,554	\$ 230,517	\$ 3,164,527	\$ 224,959

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

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

6. LONG-TERM DEBT (Continued)

e. Advance Refunding

On December 21, 2015, the City issued \$1,360,000 General Obligation Refunding Bonds, Series 2015 to refund a portion of the General Obligation Bonds, Series 2008. \$1,318,008 of the proceeds, including reoffering premium, were deposited into an irrevocable trust to advance refund, through an in-substance defeasance, \$1,315,000 of the General Obligation Bonds, Series 2008. Through the refunding, the City reduced its overall debt service by \$74,266 and had an economic gain of \$68,935. On January 22, 2016, defeased bonds were called and paid from escrow.

7. INDIVIDUAL FUND DISCLOSURES

Transfers between funds at April 30, 2016 consist of the following:

Fund	Transfers In	Transfers Out
General	\$ 489,246	\$ 2,012,658
Capital Improvements	2,012,658	-
Debt Service	-	489,246
TOTAL	\$ 2,501,904	\$ 2,501,904

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

- \$2,012,658 transferred from the General Fund to the Capital Improvements Fund for capital projects. This transfer will not be repaid.
- \$489,246 transferred to the General Fund from the Debt Service Fund for debt service payments. This transfer will not be repaid.

Due from/to other funds at April 30, 2016 consist of the following:

	Due From	Due To
General	\$ 209,188	\$ 207,164
Capital Improvements	410,771	-
Nonmajor	-	235
Debt Service	-	206,350
Water Operations	1,573	217,958
Fiduciary	10,175	-
TOTAL	\$ 631,707	\$ 631,707

7. INDIVIDUAL FUND DISCLOSURES (Continued)

The balances reflected in all significant due to/from other funds above are generally related to cover deficit cash balances within commingled accounts. The City expects that the obligations will be liquidated within one year.

8. CONTINGENT LIABILITIES

a. Litigation

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

b. DuPage Water Commission

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

c. Economic Incentive Agreement

The City entered into an agreement in April 2012 with a local business wherein the City will rebate up to a net present value of \$4,000,000 of incremental sales tax revenue, discounted at 8.15%. As of and for the year ended April 30, 2016, a liability of \$311,610 has been accrued. No payments have been made under this agreement. As of April 30, 2016, the City has incurred total incentives of \$311,610.

The City entered into an agreement in February 2013 with a local business wherein the City will rebate up to \$750,000 of sales tax revenue over 11 years. As of and for the year ended April 30, 2016, a liability of \$68,000 has been accrued and payments of \$68,000 have been made under this agreement. As of April 30, 2016, the City has incurred total incentives of \$136,000.

9. DEFINED BENEFIT PENSION PLANS

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2015, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	52
Inactive employees entitled to but not yet receiving benefits	67
Active employees	37
 TOTAL	 156

Benefits Provided

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

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

Contributions

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 contribution for the year ended December 31, 2015 was 13.28% of covered payroll.

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 17,921,915	\$ 16,256,727	\$ 1,665,188
Changes for the period			
Service cost	286,420	-	286,420
Interest	1,327,546	-	1,327,546
Difference between expected and actual experience	(169,723)	-	(169,723)
Changes in assumptions	24,074	-	24,074
Employer contributions	-	335,354	(335,354)
Employee contributions	-	114,576	(114,576)
Net investment income	-	80,704	(80,704)
Benefit payments and refunds	(681,770)	(681,770)	-
Other (net transfer)	-	18,009	(18,009)
Net changes	786,547	(133,127)	919,674
BALANCES AT DECEMBER 31, 2015	\$ 18,708,462	\$ 16,123,600	\$ 2,584,862

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 2016, the City recognized pension expense of \$423,185.

At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 109,518
Changes in assumption	15,534	-
Contributions made after measurement date	117,834	-
Net difference between projected and actual earnings on pension plan investments	904,426	-
TOTAL	\$ 1,037,794	\$ 109,518

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

<u>Period Ending April 30,</u>	
2017	\$ 292,275
2018	183,787
2019	226,106
2020	226,108
2021	-
Thereafter	-
TOTAL	\$ 928,276

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7.48% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net pension liability	\$ 5,209,386	\$ 2,584,862	\$ 459,116

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

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

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At April 30, 2016, membership consisted of:

Inactive plan members currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	<u>32</u>
TOTAL	<u><u>65</u></u>

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 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% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has decided to fund 100% of the past service cost by 2040. For the year ended April 30, 2016, the City's contribution was 39.62% of covered payroll.

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the 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, corporate bonds, 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.

During the year ended April 30, 2016, no changes to the investment policy were approved by the Board of Trustees.

It is the policy of the 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 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, rate of return, public trust and liquidity.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	35.8%	6.9%
Mid Cap Domestic Equity	5.5%	8.9%
Small Cap Domestic Equity	5.5%	9.0%
International Equity	8.2%	7.1%
Fixed Income	45.0%	2.1%

The long-term expected real rates of return are calculated on a geometric mean basis and are net of a 3.2% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using *Stocks, Bonds, Bills and Inflation 2013 Yearbook - Morningstar*, for the period of December 31, 1925 through December 31, 2014. The long-term expected rate of return on the Internal Equity class was based on the MCSI EAFE index for the period of December 31, 1976 through December 31, 2014.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds and contract values for insurance contracts.

Investment Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.09%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Deposits with Financial Institutions

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

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 350,059	\$ 50,219	\$ 143,669	\$ 156,171	\$ -
U.S. agency obligations	5,367,989	489,878	1,368,096	3,193,734	316,281
Municipal bonds	1,391,739	50,525	888,005	372,266	80,943
Corporate bonds	3,484,944	368,367	2,036,758	1,079,819	-
TOTAL	\$ 10,594,731	\$ 958,989	\$ 4,436,528	\$ 4,801,990	\$ 397,224

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 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

In accordance with its investment policy, the Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments primarily in U.S. Treasury obligation, U.S. agency obligations and corporate bonds. The U.S. agency securities are rated AA+. Municipal bonds are rated ranging from AA- to AA+. The corporate bonds have ratings ranging from BBB to AAA.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Custodial Credit Risk

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

Concentration of Credit Risk

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

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

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT DECEMBER 1, 2015	\$ 42,105,166	\$ 24,484,401	\$ 17,620,765
Changes for the period			
Service cost	754,785	-	754,785
Interest	2,938,342	-	2,938,342
Difference between expected and actual experience	(1,424,513)	-	(1,424,513)
Employer contributions	-	1,209,939	(1,209,939)
Employee contributions	-	308,852	(308,852)
Net investment income	-	(21,989)	21,989
Benefit payments and refunds	(1,767,269)	(1,767,269)	-
Administrative expense	-	(34,650)	34,650
Net changes	501,345	(305,117)	806,462
BALANCES AT DECEMBER 31, 2015	\$ 42,606,511	\$ 24,179,284	\$ 18,427,227

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

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

Actuarial valuation date	April 30, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	5.50%
Interest rate	7.00%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Market

Mortality rates were based on the RP-2000 Combined Healthy Mortality with a blue collar adjustment and no projection.

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 24,371,083	\$ 18,427,227	\$ 13,529,365

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended April 30, 2016, the City recognized police pension expense of \$1,822,705. At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,187,095
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	<u>1,380,791</u>	<u>-</u>
TOTAL	<u><u>\$ 1,380,791</u></u>	<u><u>\$ 1,187,095</u></u>

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

<u>Year Ending April 30,</u>	
2017	\$ 107,778
2018	107,779
2019	107,779
2020	107,779
2021	(237,419)
Thereafter	<u>-</u>
TOTAL	<u><u>\$ 193,696</u></u>

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

10. OTHER POSTEMPLOYMENT BENEFITS

The City allows employees, who retire through one of the City's two pension plans disclosed in Note 9, 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.

11. CHANGE IN ACCOUNTING PRINCIPLE

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	
Change in accounting principle	
To write-off the Police Pension Plan net pension assets	\$ (459,390)
To record the Police Pension Plan net pension liability	(17,620,765)
To record the deferred outflow of resources for contributions after the measurement date	96,433
To record the IMRF net pension liability	<u>(1,367,242)</u>
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	<u>\$ (19,350,964)</u>
CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	
To record the deferred outflow of resources for contributions after the measurement date	\$ 21,014
To record the IMRF net pension liability	<u>\$ (297,946)</u>
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	<u>\$ (276,932)</u>

With the implementation of GASB Statement No. 68 and No. 71, the City is required to retroactively record the net pension liability and related deferred outflow of resources and write off any net pension assets.

12. PRIOR PERIOD ADJUSTMENT

Fund balance of governmental funds and net position of governmental activities have been restated to recognize the IPBC terminal reserve in the amount of \$327,160.

Net position of proprietary funds and business-type activities have been restated to recognize the IPBC terminal reserve in the amount of \$48,886.

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, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
REVENUES				
Taxes	\$ 4,098,139	\$ 3,789,651	\$ (308,488)	\$ 4,157,721
Licenses, permits, and fees	889,432	1,230,685	341,253	1,014,641
Intergovernmental	7,866,396	8,389,917	523,521	7,843,604
Charges for services	391,285	478,066	86,781	585,155
Investment income	6,000	7,345	1,345	8,352
Miscellaneous	20,000	229,803	209,803	56,077
Total revenues	<u>13,271,252</u>	<u>14,125,467</u>	<u>854,215</u>	<u>13,665,550</u>
EXPENDITURES				
Current				
General government	1,744,784	1,827,950	83,166	1,403,022
Highways and streets	2,235,040	2,063,941	(171,099)	1,986,471
Public safety	7,318,204	7,127,418	(190,786)	7,017,676
Debt service				
Principal	-	-	-	162,466
Interest	-	-	-	2,437
Total expenditures	<u>11,298,028</u>	<u>11,019,309</u>	<u>(278,719)</u>	<u>10,572,072</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,973,224</u>	<u>3,106,158</u>	<u>1,132,934</u>	<u>3,093,478</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	498,246	498,246	-
Transfers (out)	-	(2,012,658)	(2,012,658)	(4,324,549)
Proceeds from sale of assets	5,000	5,713	713	8,626
Total other financing sources (uses)	<u>5,000</u>	<u>(1,508,699)</u>	<u>(1,513,699)</u>	<u>(4,315,923)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,978,224</u>	<u>1,597,459</u>	<u>\$ (380,765)</u>	<u>(1,222,445)</u>
FUND BALANCE, MAY 1		2,649,500		3,871,945
Prior period adjustment		<u>327,160</u>		<u>-</u>
NET POSITION, MAY 1, RESTATED		<u>2,976,660</u>		<u>3,871,945</u>
FUND BALANCE, APRIL 30		<u>\$ 4,574,119</u>		<u>\$ 2,649,500</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

April 30, 2016

	<u>2016</u>
Actuarially determined contribution	\$ 335,289
Contributions in relation to the actuarially determined contribution	<u>335,289</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 2,525,245
Contributions as a percentage of covered-employee payroll	13.28%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 28 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually, and postretirement benefit increases of 3.0% compounded annually.

CITY OF DARIEN, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

April 30, 2016

	<u>2016</u>
Actuarially determined contribution	\$ 1,200,005
Contributions in relation to the actuarially determined contribution	<u>1,209,939</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ (9,934)</u></u>
Covered-employee payroll	\$ 3,054,195
Contributions as a percentage of covered-employee payroll	39.62%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was projected unit credit; the amortization method was level percent of pay, 100% closed basis and the amortization period was 25 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.0% annually, projected salary increases assumption of 5.5% compounded annually, and postretirement benefit increases of 3.0% compounded annually.

CITY OF DARIEN, ILLINOIS

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

April 30, 2016

	<u>2015*</u>
TOTAL PENSION LIABILITY	
Service cost	\$ 286,420
Interest	1,327,546
Changes of benefit terms	-
Differences between expected and actual experience	(169,723)
Changes of assumptions**	24,074
Benefit payments, including refunds of member contributions	<u>(681,770)</u>
Net change in total pension liability	786,547
Total pension liability - beginning	<u>17,921,915</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 18,708,462</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions - employer	\$ 335,354
Contributions - member	114,576
Net investment income	80,704
Benefit payments, including refunds of member contributions	(681,770)
Other	<u>18,009</u>
Net change in plan fiduciary net position	(133,127)
Plan fiduciary net position - beginning	<u>16,256,727</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 16,123,600</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 2,584,862</u></u>
Plan fiduciary net position as a percentage of the total pension liability	86.18%
Covered-employee payroll	\$ 2,525,245
Employer's net pension liability as a percentage of covered-employee payroll	102.36%

*IMRF's measurement date is December 31, 2015; therefore information above is presented for the calendar year ended December 31, 2015.

**Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

April 30, 2016

	<u>2016</u>	<u>2015</u>
TOTAL PENSION LIABILITY		
Service cost	\$ 754,785	\$ 688,515
Interest	2,938,342	2,599,067
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,424,513)	(388,710)
Changes of assumptions	-	2,888,856
Benefit payments, including refunds of member contributions	<u>(1,767,269)</u>	<u>(1,624,179)</u>
Net change in total pension liability	501,345	4,163,549
Total pension liability - beginning	<u>42,105,166</u>	<u>37,941,617</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 42,606,511</u>	<u>\$ 42,105,166</u>
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 1,209,939	\$ 1,205,560
Contributions - member	308,852	302,058
Net investment income	(21,989)	1,604,934
Benefit payments, including refunds of member contributions	(1,767,269)	(1,624,179)
Administrative expense	<u>(34,650)</u>	<u>(39,881)</u>
Net change in plan fiduciary net position	(305,117)	1,448,492
Plan fiduciary net position - beginning	<u>24,484,401</u>	<u>23,035,909</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 24,179,284</u>	<u>\$ 24,484,401</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 18,427,227</u>	<u>\$ 17,620,765</u>
Plan fiduciary net position as a percentage of the total pension liability	56.75%	58.15%
Covered-employee payroll	\$ 3,054,195	\$ 2,916,963
Employer's net pension liability as a percentage of covered-employee payroll	603.34%	604.08%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

April 30, 2016

	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	(0.09%)	6.90%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2016

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. In addition, no budgets were adopted for the Storm Sewer or Federal Equitable Sharing Funds.

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.

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

MAJOR GOVERNMENTAL FUNDS

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

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

Debt Service Fund - The Debt Service Fund was established to account for the repayment of the General Obligation Bonds. Financing is provided by a restricted property tax levy.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2016
(With Prior Year Actual)

	2016		Variance	
	Original and	Actual	Over	2015
	Final Budget	Actual	(Under)	Actual
TAXES				
Property taxes - current	\$ 1,645,817	\$ 1,659,712	\$ 13,895	\$ 1,642,407
Road and bridge tax	205,000	206,423	1,423	205,094
Municipal utility tax	1,207,322	948,409	(258,913)	1,109,183
Telecommunication tax	850,000	682,206	(167,794)	991,410
Amusement tax	70,000	97,479	27,479	89,903
Hotel/motel tax	40,000	53,817	13,817	53,205
Replacement tax	5,000	7,226	2,226	7,185
Auto rental tax	-	739	739	-
Video gaming tax	75,000	133,640	58,640	59,334
Total taxes	4,098,139	3,789,651	(308,488)	4,157,721
LICENSES, PERMITS, AND FEES				
Business licenses	46,000	41,146	(4,854)	42,983
Liquor licenses	67,000	72,118	5,118	67,220
Contractors licenses	18,000	20,945	2,945	21,355
Court fines	135,000	107,235	(27,765)	127,895
Ordinance fines	12,000	22,690	10,690	28,320
Building permits and fees	35,000	160,249	125,249	102,758
Cable TV franchise fees	374,800	411,647	36,847	356,126
PEG fees AT&T	-	82,921	82,921	17,030
NICOR franchise fees	28,000	29,600	1,600	29,804
Public hearing fees	5,000	13,799	8,799	7,221
Elevator inspections	5,000	5,135	135	4,660
Public improvement permit fees	-	80	80	25
Legal fee reimbursements	-	4,808	4,808	-
Engineering fee reimbursements	42,400	106,153	63,753	48,081
DUI technology fines	13,000	10,557	(2,443)	14,073
Police special service	108,232	138,412	30,180	144,860
Stormwater management fees	-	3,190	3,190	2,230
Total licenses, permits, and fees	889,432	1,230,685	341,253	1,014,641
INTERGOVERNMENTAL				
State income taxes	2,186,514	2,377,969	191,455	2,138,773
Local use tax	419,634	565,826	146,192	416,364
Sales tax	5,260,248	5,412,366	152,118	5,281,277
Drug seizures	-	1,962	1,962	-
Drug forfeiture receipts	-	33,588	33,588	-
Grants	-	(1,794)	(1,794)	7,190
Total intergovernmental	7,866,396	8,389,917	523,521	7,843,604

(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, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
CHARGES FOR SERVICES				
Towing fees	\$ 55,000	\$ 44,000	\$ (11,000)	\$ 65,793
Police report/prints	5,000	12,521	7,521	6,564
Inspection/tap on/permits	-	210	210	235
Rents	283,285	294,747	11,462	299,061
Other reimbursements	48,000	74,127	26,127	134,843
Residential concrete reimbursement	-	29,367	29,367	51,160
Reimbursement - rear yard drain	-	14,727	14,727	20,445
Maintenance reimbursements	-	-	-	417
Mail box reimbursement	-	2,779	2,779	2,522
Sales of wood chips	-	5,588	5,588	4,115
Total charges for services	391,285	478,066	86,781	585,155
INVESTMENT INCOME				
Investment income	6,000	7,345	1,345	8,352
Total investment income	6,000	7,345	1,345	8,352
MISCELLANEOUS				
Reimbursement - workers' compensation	-	956	956	22,873
Impact fees	-	11,127	11,127	-
Miscellaneous	20,000	217,720	197,720	33,204
Total miscellaneous	20,000	229,803	209,803	56,077
TOTAL REVENUES	\$ 13,271,252	\$ 14,125,467	\$ 854,215	\$ 13,665,550

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
GENERAL GOVERNMENT				
Administration				
Personnel services				
Salaries	\$ 457,452	\$ 454,606	\$ (2,846)	\$ 483,258
Overtime	-	82	82	-
Social Security	28,486	23,612	(4,874)	27,750
Medicare	5,707	6,585	878	7,092
IMRF	68,137	59,520	(8,617)	75,216
Medical/life insurance	60,484	75,774	15,290	62,850
Supplemental pensions	24,320	25,420	1,100	26,336
Total personnel services	644,586	645,599	1,013	682,502
Materials and supplies				
Dues and subscriptions	3,405	3,048	(357)	2,547
Liability insurance	65,013	51,561	(13,452)	33,574
Legal notices	8,000	4,712	(3,288)	5,518
Maintenance - building	27,900	18,166	(9,734)	1,751
Maintenance - equipment	11,900	6,912	(4,988)	4,924
Maintenance - vehicles	-	1,314	1,314	51
Miscellaneous expenditures	-	389	389	-
Postage/mailings	6,300	2,982	(3,318)	4,866
Printing and forms	3,000	2,237	(763)	2,689
Public relations	37,500	25,903	(11,597)	34,616
Rent - equipment	2,160	764	(1,396)	1,019
Service charge	-	130	130	-
Supplies - office	8,500	7,551	(949)	7,374
Supplies - other	500	-	(500)	-
Training and education	6,000	3,440	(2,560)	873
Travel/meetings	500	287	(213)	99
Telephone	61,000	51,365	(9,635)	59,300
Utilities	3,500	3,162	(338)	1,948
Gas and oil	7,500	5,359	(2,141)	5,923
Vehicle	2,000	381	(1,619)	892
Total materials and supplies	254,678	189,663	(65,015)	167,964
Contractual services				
Audit	11,175	11,175	-	13,350
Consulting/professional	96,849	70,407	(26,442)	102,412
Contingency	10,000	1,666	(8,334)	3,880
Janitorial services	17,250	15,340	(1,910)	14,273
Total contractual services	135,274	98,588	(36,686)	133,915
Total administration	1,034,538	933,850	(100,688)	984,381
City Council				
Personnel services				
Salaries	42,750	42,300	(450)	42,750
Social security	2,651	2,623	(28)	2,755
Medicare	620	614	(6)	624
Total personnel services	46,021	45,537	(484)	46,129

(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, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
GENERAL GOVERNMENT (Continued)				
City Council (Continued)				
Materials and supplies				
Board and commissions	\$ 2,500	\$ 549	\$ (1,951)	\$ 831
Cable operations	12,500	550	(11,950)	-
Dues and subscriptions	100	65	(35)	65
Liability insurance	7,428	7,110	(318)	29,980
Public relations	1,000	408	(592)	736
Supplies - Other	-	178	178	-
Training and education	1,000	-	(1,000)	-
Travel/meetings	50	20	(30)	35
Total materials and supplies	24,578	8,880	(15,698)	31,647
Contractual services				
Printing and forms	-	-	-	1,535
Consulting/professional	25,000	13,174	(11,826)	3,083
Tolley contracts	600	285	(315)	473
Total contractual services	25,600	13,459	(12,141)	5,091
Capital outlay				
Equipment	5,600	4,468	(1,132)	-
Total capital outlay	5,600	4,468	(1,132)	-
Total city council	101,799	72,344	(29,455)	82,867
Community development				
Personnel services				
Salaries	291,949	296,176	4,227	297,792
Overtime	-	-	-	40
Social Security	17,782	14,857	(2,925)	17,217
Medicare	4,159	4,093	(66)	4,191
IMRF	42,534	42,570	36	48,831
Medical/life insurance	38,448	42,030	3,582	39,964
Supplemental pensions	3,600	2,360	(1,240)	2,492
Total personnel services	398,472	402,086	3,614	410,527
Materials and supplies				
Boards and commissions	1,500	2,510	1,010	1,460
Dues and subscriptions	600	419	(181)	470
Liabilities insurance	42,714	26,435	(16,279)	37,666
Maintenance - vehicles	1,200	6	(1,194)	101
Printing and forms	1,890	1,063	(827)	289
Supplies - office	302	301	(1)	-
Training and educational	300	20	(280)	72
Travel/meetings	200	40	(160)	-
Gas and oil	1,350	1,394	44	1,345
Total materials and supplies	50,056	32,188	(17,868)	41,403

(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, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
GENERAL GOVERNMENT (Continued)				
Community development (Continued)				
Contractual services				
Consulting/professional	\$ 37,919	\$ 41,680	\$ 3,761	\$ 41,950
Consulting/professional reimbursable	74,000	148,192	74,192	90,935
Economic development	298,000	447,610	149,610	-
Total contractual services	409,919	637,482	227,563	132,885
Total community development	858,447	1,071,756	213,309	584,815
Business district				
Contractual services				
Maintenance - grounds	-	-	-	61
Utilities	-	-	-	898
Total contractual services	-	-	-	959
Total business district	-	-	-	959
Subtotal general government	1,994,784	2,077,950	83,166	1,653,022
Less reimbursements from Water Fund	(250,000)	(250,000)	-	(250,000)
Total general government	1,744,784	1,827,950	83,166	1,403,022
HIGHWAYS AND STREETS				
Public works				
Personnel services				
Salaries	545,556	553,625	8,069	520,898
Overtime	75,000	70,111	(4,889)	76,992
Social Security	57,074	36,359	(20,715)	59,394
Medicare	13,348	7,051	(6,297)	13,495
IMRF	129,044	89,308	(39,736)	159,205
Medical/life insurance	148,206	136,160	(12,046)	142,778
Supplemental pensions	2,500	3,560	1,060	3,738
Total personnel services	970,728	896,174	(74,554)	976,500
Materials and supplies				
Liability insurance	65,259	64,528	(731)	64,034
Maintenance - building	165,698	123,066	(42,632)	57,387
Maintenance - equipment	36,700	35,488	(1,212)	46,508
Maintenance - vehicles	43,000	26,187	(16,813)	41,797
Maintenance - laundromat	-	-	-	167
Postage/mailings	1,200	1,126	(74)	1,230
Rent - equipment	24,150	17,185	(6,965)	12,714
Supplies - office	3,950	3,205	(745)	2,975
Supplies - operation	-	-	-	23
Supplies - other	44,340	47,040	2,700	37,900
Small tools and equipment	3,850	2,230	(1,620)	3,779
Training and education	9,275	1,087	(8,188)	1,295
Telephone	-	4,404	4,404	120

(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, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
HIGHWAYS AND STREETS (Continued)				
Public works (Continued)				
Materials and supplies (Continued)				
Uniforms	6,446	5,352	(1,094)	6,387
Utilities	5,100	3,510	(1,590)	3,596
Gas and oil	79,595	39,633	(39,962)	70,391
Total materials and supplies	488,563	374,041	(114,522)	350,303
Contractual services				
Consulting/professional	4,500	3,276	(1,224)	21,865
Consulting/prof reimbursable	-	423	423	-
Forestry	136,416	158,330	21,914	87,718
Street light operation and maintenance	115,660	93,946	(21,714)	116,339
Tree trim - removal	126,600	116,104	(10,496)	90,959
Residential concrete program	-	24,625	24,625	51,003
Street sweeping	35,766	35,753	(13)	23,873
Mosquito abatement	42,250	51,109	8,859	40,887
Janitorial services	-	29	29	-
Drainage projects	45,000	48,662	3,662	59,106
Total contractual services	506,192	532,257	26,065	491,750
Capital outlay				
Equipment	265,057	258,319	(6,738)	167,918
Capital improvement	4,500	3,150	(1,350)	-
Total capital outlay	269,557	261,469	(8,088)	167,918
Total public works	2,235,040	2,063,941	(171,099)	1,986,471
Total highways and streets	2,235,040	2,063,941	(171,099)	1,986,471
PUBLIC SAFETY				
Police department				
Personnel services				
Salaries	462,484	450,811	(11,673)	454,698
Salaries - officers	3,321,234	3,432,730	111,496	3,188,270
Overtime	480,000	472,873	(7,127)	498,093
Social Security	34,195	28,875	(5,320)	30,770
Medicare	56,696	55,320	(1,376)	56,288
IMRF	59,200	58,549	(651)	70,479
Medical/life insurance	497,967	412,740	(85,227)	450,403
Police pension	1,200,005	1,210,459	10,454	1,205,543
Supplemental pensions	48,000	43,316	(4,684)	47,284
Total personnel services	6,159,781	6,165,673	5,892	6,001,828
Materials and supplies				
Animal control	2,000	1,895	(105)	1,170
Auxiliary police	11,300	4,121	(7,179)	3,935
Boards and commissions	5,500	7,388	1,888	19,847

(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, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
PUBLIC SAFETY (Continued)				
Police department (Continued)				
Materials and supplies (Continued)				
Dues and subscriptions	\$ 7,670	\$ 5,215	\$ (2,455)	\$ 1,860
Investigation and equipment	38,988	28,012	(10,976)	41,970
Liability insurance	238,570	188,426	(50,144)	208,934
Maintenance - building	-	221	221	-
Maintenance - equipment	14,460	9,192	(5,268)	7,307
Maintenance - vehicles	62,199	36,766	(25,433)	53,335
Postage/mailings	4,200	1,630	(2,570)	2,661
Printing and forms	3,000	811	(2,189)	3,762
Public relations	5,000	5,246	246	1,613
Rent - equipment	9,800	2,150	(7,650)	2,443
Supplies - office	5,000	5,136	136	6,769
Training and education	32,400	23,312	(9,088)	27,068
Travel/meetings	8,400	3,962	(4,438)	5,188
Telephone	13,000	17,702	4,702	11,184
Uniforms	47,450	38,691	(8,759)	41,014
Utilities	7,500	5,989	(1,511)	6,387
Gas and oil	115,000	64,535	(50,465)	102,623
Total materials and supplies	631,437	450,400	(181,037)	549,070
Contractual services				
Consulting/professional	370,921	369,709	(1,212)	354,604
Dumeg/flat/child center	24,680	24,680	-	24,680
Total contractual services	395,601	394,389	(1,212)	379,284
Capital outlay				
Equipment	131,385	116,956	(14,429)	87,494
Total capital outlay	131,385	116,956	(14,429)	87,494
Total police department	7,318,204	7,127,418	(190,786)	7,017,676
Total public safety	7,318,204	7,127,418	(190,786)	7,017,676
DEBT SERVICE				
Principal	-	-	-	162,466
Interest	-	-	-	2,437
Total debt service	-	-	-	164,903
TOTAL EXPENDITURES	\$ 11,298,028	\$ 11,019,309	\$ (278,719)	\$ 10,572,072

(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, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
REVENUES				
Taxes	\$ 203,006	\$ 206,349	\$ 3,343	\$ 204,421
Intergovernmental	314,000	114,074	(199,926)	73,490
Charges for services	-	1,600	1,600	63,805
Investment income	25,000	32,877	7,877	60,673
Total revenues	542,006	354,900	(187,106)	402,389
EXPENDITURES				
Current				
Highways and streets				
Contractual services	44,500	56,887	12,387	130,966
Capital outlay	4,254,645	3,384,481	(870,164)	3,757,020
Debt service				
Principal payments	-	145,000	145,000	140,000
Interest and fiscal charges	203,006	57,809	(145,197)	63,487
Debt issuance cost	-	44,316	44,316	-
Total expenditures	4,502,151	3,688,493	(813,658)	4,091,473
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,960,145)	(3,333,593)	626,552	(3,689,084)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,012,658	2,012,658	-	2,947,611
Proceeds from sale of assets	-	-	-	1,200,000
Payment to refunded bond escrow agent	-	(1,318,008)	(1,318,008)	-
Bonds issued, at par	-	1,360,000	1,360,000	-
Premium on bonds issued	-	2,324	2,324	-
Total other financing sources (uses)	2,012,658	2,056,974	44,316	4,147,611
NET CHANGE IN FUND BALANCE	\$ (1,947,487)	(1,276,619)	\$ 670,868	458,527
FUND BALANCE, MAY 1		5,687,456		5,228,929
FUND BALANCE, APRIL 30		\$ 4,410,837		\$ 5,687,456

(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, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
REVENUES				
Taxes	\$ 495,000	\$ 496,814	\$ 1,814	\$ 500,888
Investment income	-	1,432	1,432	1,367
Total revenues	495,000	498,246	3,246	502,255
EXPENDITURES				
Debt service				
Principal	1,402,500	-	(1,402,500)	1,800,000
Interest and fiscal charges	-	-	-	92,606
Total expenditures	1,402,500	-	(1,402,500)	1,892,606
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(907,500)	498,246	1,405,746	(1,390,351)
OTHER FINANCING SOURCES (USES)				
Transfers in	889,045	-	(889,045)	1,376,938
Transfers (out)	-	(498,246)	-	-
Total other financing sources (uses)	889,045	(498,246)	(889,045)	1,376,938
NET CHANGE IN FUND BALANCE	<u>\$ (18,455)</u>	-	<u>\$ 516,701</u>	(13,413)
FUND BALANCE, MAY 1		-		13,413
FUND BALANCE, APRIL 30		<u>\$ -</u>		<u>\$ -</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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 restricted for drug enforcement purposes.

CITY OF DARIEN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2016

	Special Revenue					Total
	Motor Fuel Tax	Special Service Area	Storm Sewer	Federal Equitable Sharing	Drug Seizure	
ASSETS						
Cash and cash equivalents	\$ 221,071	\$ 14,178	\$ 77,630	\$ 153,853	\$ 7,257	\$ 473,989
Receivables						
Intergovernmental	50,264	-	-	-	-	50,264
TOTAL ASSETS	\$ 271,335	\$ 14,178	\$ 77,630	\$ 153,853	\$ 7,257	\$ 524,253
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 2,821	\$ -	\$ -	\$ 3,126	\$ 182	\$ 6,129
Due to other funds	-	-	-	235	-	235
Total liabilities	2,821	-	-	3,361	182	6,364
FUND BALANCES						
Restricted						
Special service area	-	14,178	-	-	-	14,178
Storm sewer	-	-	77,630	-	-	77,630
Public safety	-	-	-	150,492	7,075	157,567
Highways and streets	268,514	-	-	-	-	268,514
Total fund balances	268,514	14,178	77,630	150,492	7,075	517,889
TOTAL LIABILITIES AND FUND BALANCES	\$ 271,335	\$ 14,178	\$ 77,630	\$ 153,853	\$ 7,257	\$ 524,253

(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, 2016

	Special Revenue					Total
	Motor Fuel Tax	Special Service Area	Storm Sewer	Federal Equitable Sharing	Drug Seizure	
REVENUES						
Taxes	\$ -	\$ 5,071	\$ -	\$ -	\$ -	\$ 5,071
Charges for services	-	-	77,596	-	1,312	78,908
Intergovernmental	564,935	-	-	171,807	-	736,742
Investment income	1,416	84	34	1,275	122	2,931
Total revenues	566,351	5,155	77,630	173,082	1,434	823,652
EXPENDITURES						
Current						
Highways and streets	579,926	1,574	-	-	-	581,500
Public safety	-	-	-	175,720	-	175,720
Capital outlay	-	-	-	19,480	-	19,480
Total expenditures	579,926	1,574	-	195,200	-	776,700
NET CHANGE IN FUND BALANCES	(13,575)	3,581	77,630	(22,118)	1,434	46,952
FUND BALANCES, MAY 1	282,089	10,597	-	172,610	5,641	470,937
FUND BALANCES, APRIL 30	\$ 268,514	\$ 14,178	\$ 77,630	\$ 150,492	\$ 7,075	\$ 517,889

(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, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
REVENUES				
Intergovernmental				
Motor fuel tax allotment	\$ 525,647	\$ 564,935	\$ 39,288	\$ 746,368
Investment income	2,000	1,416	(584)	2,794
Total revenues	<u>527,647</u>	<u>566,351</u>	<u>38,704</u>	<u>749,162</u>
EXPENDITURES				
Current				
Highways and streets				
Commodities	287,475	268,819	(18,656)	302,795
Wages	312,440	296,107	(16,333)	300,000
Contractual services	15,000	15,000	-	16,733
Total expenditures	<u>614,915</u>	<u>579,926</u>	<u>(34,989)</u>	<u>619,528</u>
NET CHANGE IN FUND BALANCE	<u>\$ (87,268)</u>	<u>(13,575)</u>	<u>\$ 73,693</u>	129,634
FUND BALANCE, MAY 1		<u>282,089</u>		<u>152,455</u>
FUND BALANCE, APRIL 30		<u>\$ 268,514</u>		<u>\$ 282,089</u>

(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, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
REVENUES				
Taxes	\$ 5,000	\$ 5,071	\$ 71	\$ 5,071
Investment income	75	84	9	102
Total revenues	5,075	5,155	80	5,173
EXPENDITURES				
Current				
Contractual services	4,500	1,574	(2,926)	3,702
Total expenditures	4,500	1,574	(2,926)	3,702
NET CHANGE IN FUND BALANCE	\$ 575	3,581	\$ 3,006	1,471
FUND BALANCE, MAY 1		10,597		9,126
FUND BALANCE, APRIL 30		\$ 14,178		\$ 10,597

(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 POSITION - BUDGET AND ACTUAL
WATER OPERATIONS FUND

For the Year Ended April 30, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
OPERATING REVENUES				
Charges for services				
Water sales	\$ 7,194,385	\$ 6,929,133	\$ (265,252)	\$ 6,577,351
Inspections/tap on/permits	4,000	47,250	43,250	21,400
Front footage fees	3,000	-	(3,000)	3,403
Sale of meters	3,000	10,645	7,645	3,295
Other water sales	-	15,273	15,273	12,090
	<u>7,204,385</u>	<u>7,002,301</u>	<u>(202,084)</u>	<u>6,617,539</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Personnel services				
Salaries	458,674	471,762	13,088	481,088
Overtime	53,000	82,225	29,225	88,709
Social Security	34,638	32,368	(2,270)	31,856
Medicare	8,101	7,607	(494)	7,497
IMRF	77,508	79,468	1,960	67,577
Medical/life insurance	105,459	91,874	(13,585)	91,202
Supplemental pensions	2,400	1,200	(1,200)	1,246
	<u>739,780</u>	<u>766,504</u>	<u>26,724</u>	<u>769,175</u>
Materials and supplies				
Liability insurance	231,850	187,494	(44,356)	180,792
Maintenance - building	46,614	39,380	(7,234)	22,081
Maintenance - equipment	16,205	12,107	(4,098)	19,986
Maintenance - water system	157,738	185,008	27,270	227,914
Postage/mailings	1,050	664	(386)	890
Quality controls	15,910	6,212	(9,698)	11,585
Rent - equipment	-	-	-	1,750
Service charge	250,000	250,000	-	250,000
Supplies - operation	7,240	631	(6,609)	1,340
Training and education	2,615	1,320	(1,295)	680
Telephone	10,850	6,017	(4,833)	10,206
Uniforms	3,140	1,640	(1,500)	2,025
Utilities	51,240	40,436	(10,804)	40,217
Vehicle (gas and oil)	21,585	12,785	(8,800)	24,078
	<u>816,037</u>	<u>743,694</u>	<u>(72,343)</u>	<u>793,544</u>
Contractual				
Audit	10,000	11,175	1,175	10,000
Consulting/professional	22,865	18,494	(4,371)	6,485
Leak detection	19,700	18,453	(1,247)	14,497
Data processing	152,328	154,102	1,774	147,043
DuPage Water Commission	5,046,791	4,849,470	(197,321)	4,482,808
	<u>5,251,684</u>	<u>5,051,694</u>	<u>(199,990)</u>	<u>4,660,833</u>

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2016
(With Prior Year Actual)

	2016		Variance Over (Under)	2015 Actual
	Original and Final Budget	Actual		
OPERATING EXPENSES				
EXCLUDING DEPRECIATION (Continued)				
Capital outlay				
Equipment	\$ 134,500	\$ 133,118	\$ (1,382)	\$ 1,706
Street reconstruction/rehab	-	-	-	100
Water meters	26,500	33,346	6,846	20,653
Infrastructure	211,535	126,543	(84,992)	199,860
Hydrant painting	-	-	-	8,124
Total capital outlay	<u>372,535</u>	<u>293,007</u>	<u>(79,528)</u>	<u>230,443</u>
Total operating expenses excluding depreciation	<u>7,180,036</u>	<u>6,854,899</u>	<u>(325,137)</u>	<u>6,453,995</u>
OPERATING INCOME	<u>24,349</u>	<u>147,402</u>	<u>123,053</u>	<u>163,544</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	5,000	2,924	(2,076)	9,352
Miscellaneous income	-	53,242	53,242	8,596
Debt service				
Principal repayment	(216,607)	(215,000)	1,607	(205,000)
Interest expense	(82,118)	(89,039)	(6,921)	(96,744)
Total non-operating revenues (expenses)	<u>(293,725)</u>	<u>(247,873)</u>	<u>45,852</u>	<u>(283,796)</u>
NET INCOME (LOSS) BUDGETARY BASIS	<u>\$ (269,376)</u>	<u>(100,471)</u>	<u>\$ 168,905</u>	<u>(120,252)</u>
ADJUSTMENTS TO GAAP BASIS				
Principal repayment		215,000		205,000
Capitalized assets		119,940		-
Depreciation		<u>(331,363)</u>		<u>(335,248)</u>
Total adjustments to GAAP basis		<u>3,577</u>		<u>(130,248)</u>
CHANGE IN NET POSITION		<u>(96,894)</u>		<u>(250,500)</u>
NET POSITION, MAY 1		5,268,057		5,518,557
Prior period adjustment		48,886		-
Change in accounting principle		<u>(276,932)</u>		<u>-</u>
NET POSITION, MAY 1, RESTATED		<u>5,040,011</u>		<u>5,518,557</u>
NET POSITION, APRIL 30		<u>\$ 4,943,117</u>		<u>\$ 5,268,057</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

Agency Funds - to account for amounts held on behalf of outside parties, including other governments, as their agent.

CITY OF DARIEN, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended April 30, 2016

	Balances May 1	Additions	Deletions	Balances April 30
All Funds				
ASSETS				
Cash and cash equivalents	\$ 18,698	\$ -	\$ 5,702	\$ 12,996
Due from other governments	-	10,175	-	10,175
TOTAL ASSETS	\$ 18,698	\$ 10,175	\$ 5,702	\$ 23,171
LIABILITIES				
Due to others	\$ 11,217	\$ -	\$ 11,217	\$ -
Impact fees payable	7,455	15,716	-	23,171
Deposits payable	26	-	26	-
TOTAL LIABILITIES	\$ 18,698	\$ 15,716	\$ 11,243	\$ 23,171
1. Impact Fees Fund				
ASSETS				
Cash and cash equivalents	\$ 18,672	\$ -	\$ 5,676	\$ 12,996
Due from other governments	-	10,175	-	10,175
TOTAL ASSETS	\$ 18,672	\$ 10,175	\$ 5,676	\$ 23,171
LIABILITIES				
Due to others	\$ 11,217	\$ -	\$ 11,217	\$ -
Impact fees payable	7,455	15,716	-	23,171
TOTAL LIABILITIES	\$ 13,218	\$ 15,716	\$ 11,217	\$ 23,171
2. Darien Escrow Fund				
ASSETS				
Cash and cash equivalents	\$ 26	\$ -	\$ 26	\$ -
TOTAL ASSETS	\$ 26	\$ -	\$ 26	\$ -
LIABILITIES				
Deposits payable	\$ 26	\$ -	\$ 26	\$ -
TOTAL LIABILITIES	\$ 26	\$ -	\$ 26	\$ -

(See independent auditor's report.)

SUPPLEMENTAL DATA

CITY OF DARIEN, ILLINOIS

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

April 30, 2016

Date of Issue	July 12, 2012
Date of Maturity	December 15, 2025
Authorized Issue	\$2,810,000
Interest Rates	2.0% to 3.5%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Mellon

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				Jun 15	Amount	Dec 15	Amount
2017	\$ 220,000	\$ 79,425	\$ 299,425	2016	\$ 39,713	2016	\$ 39,712
2018	225,000	75,025	300,025	2017	37,513	2017	37,512
2019	230,000	68,275	298,275	2018	34,138	2018	34,137
2020	240,000	61,375	301,375	2019	30,688	2019	30,687
2021	245,000	54,175	299,175	2020	27,088	2020	27,087
2022	260,000	46,825	306,825	2021	23,413	2021	23,412
2023	265,000	39,025	304,025	2022	19,513	2022	19,512
2024	275,000	29,750	304,750	2023	14,875	2023	14,875
2025	285,000	20,125	305,125	2024	10,063	2024	10,062
2026	290,000	10,150	300,150	2025	5,075	2025	5,075
	<u>\$ 2,535,000</u>	<u>\$ 484,150</u>	<u>\$ 3,019,150</u>		<u>\$ 242,079</u>		<u>\$ 242,071</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

April 30, 2016

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				July 1	Amount	January 1	Amount
2017	\$ 175,000	\$ 24,785	\$ 199,785	2016	\$ 12,393	2017	\$ 12,392
2018	175,000	20,615	195,615	2017	10,308	2018	10,307
2019	175,000	18,427	193,427	2018	9,214	2019	9,213
2020	175,000	16,240	191,240	2019	8,120	2020	8,120
2021	180,000	13,440	193,440	2020	6,720	2021	6,720
2022	185,000	10,560	195,560	2021	5,280	2022	5,280
2023	185,000	6,490	191,490	2022	3,245	2023	3,245
2024	110,000	2,420	112,420	2023	1,210	2024	1,210
	<u>\$ 1,360,000</u>	<u>\$ 112,977</u>	<u>\$ 1,472,977</u>		<u>\$ 56,490</u>		<u>\$ 56,487</u>

(See independent auditor's report.)