

AMENDED
Administrative-Finance Committee
August 4, 2014
6:00 p.m. – Conference Room

- 1. Call to Order**
- 2. Public Comment**
- 3. New Business**
 - a. Discussion – Draft FYE April 30, 2014 Audit**
 - b. Minutes – April 7, 2014**
 - c. Minutes – July 7, 2014**
- 4. Other Business**
- 5. Next Meeting – Tuesday, September 2, 2014**
- 6. Adjournment**

CITY OF DARIEN

MEMO

TO: Administrative/Finance Committee Members
FROM: Bryon D. Vana, City Administrator
DATE: July 30, 2014
SUBJECT: August 4 Committee Meeting --Draft Audit Presentation

The committee will review the draft audit report, management letter, and staff's response to the management letter for FYE 4-30-14. The auditors will attend the committee meeting and review the report and answer any questions.

CITY OF DARIEN, ILLINOIS
AUDITOR'S COMMUNICATION TO THE
HONORABLE MAYOR AND
MEMBERS OF THE CITY COUNCIL

For the Year Ended
April 30, 2014



CITY OF DARIEN, ILLINOIS
AUDITOR'S COMMUNICATION TO THE HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL
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Preliminary and Tentative
For Discussion Purposes Only

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_____, 2014

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

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by auditing standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you on May 2, 2014.

In addition, auditing standards require the communication of internal control related matters to those charged with governance. Our management letter, as well as a listing of future pronouncements that may affect the City, are enclosed within this document.

In today's accountability-driven environment, performance measurement is more important than ever. We have prepared an analysis of selected key ratios for the City as well as benchmark data for financial statement users to better assess the City's relative financial condition.

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

Sincerely,

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

September _____, 2014

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Darien, Illinois for the fiscal year ended April 30, 2014 and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September ____, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 7, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended April 30, 2014. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, a list of material misstatements detected as a result of audit procedures and corrected by management is attached.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 2014, 2014.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the required supplementary information as listed in the table of contents, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the introductory section and supplemental data as listed in the table of contents, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction in Use

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

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

Sincerely,

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

City of Darlen - 00
Year End: April 30, 2014
Adjusting Journal Entries
Date: 5/1/2013 To 4/30/2014

Preliminary and Tentative
For Discussion Purposes Only

Number	Date	Name	Account No	Debit	Credit
AJE01	4/30/2014	Fund Balance - Current	11-2190 11-DF	5,859.00	
AJE01	4/30/2014	Fund Balance - Current	18-2190 18-DS		-5,859.00
AJE01	4/30/2014	Transfer from Other Funds	11-00-3612 11-DF		-5,859.00
AJE01	4/30/2014	Transfer to Other Funds	18-41-4605 18-DS	5,859.00	
To show reclassification of state seizure cash as transfer					
AJE02	4/30/2014	Interest Payable	98-2002 98-G	10,045.17	
AJE02	4/30/2014	Unamortized Bond Premium	98-2065 98-G	3,268.28	
AJE02	4/30/2014	Bank Loans Payable	98-2100 98-G	160,500.00	
AJE02	4/30/2014	G.O. Bonds 2007A	98-2196 98-G	410,000.00	
AJE02	4/30/2014	2008 GO Bonds Payable	98-2197 98-G	135,000.00	
AJE02	4/30/2014	Amortization on Premium	98-4905 98-G		-3,268.28
AJE02	4/30/2014	Principal	98-50-5000 98-G		-705,500.00
AJE02	4/30/2014	Interest	98-50-5001 98-G		-10,045.17
To record current year activity in the GLTDAG					
AJE03	4/30/2014	Now Acct -Republic Bank	02-1005 02-WF	200,000.00	
AJE03	4/30/2014	Now Acct -Republic Bank	12-1005 12-WDF		-200,000.00
AJE03	4/30/2014	UNAMORTIZED BOND DISCOUNT	12-1225 12-WDF		-3,539.50
AJE03	4/30/2014	Unamortized Bond Premium	12-1226 12-WDF	13,397.00	
AJE03	4/30/2014	Unamortized Loss on Refunding	12-1227 12-WDF		-20,317.00
AJE03	4/30/2014	Interest Payable	12-2002 12-WDF	72.21	
AJE03	4/30/2014	Bonds Payable	12-2184 12-WDF	200,000.00	
AJE03	4/30/2014	Debt Retire-Water Refunding	02-50-4950 02-WF		-200,000.00
AJE03	4/30/2014	Interest	12-51-4946 12-WDF		-72.21
AJE03	4/30/2014	Amortization	12-51-4947 12-WDF	10,459.50	
To adjust the Water Fund for current year long-term debt activity					
AJE04	4/30/2014	Water Bill Receivable-Unbilled	02-1221 02-WF	261,576.85	
AJE04	4/30/2014	Water Sales	02-00-3310 02-WF		-261,576.85
To adjust receivable for unbilled water revenue not adjusted by client					
AJE05	4/30/2014	Deferred Revenue	25-2181 25-CI		-63,805.20
AJE05	4/30/2014	Miscellaneous Revenue	25-00-3580 25-CI	63,805.20	
To record contribution revenue from a lessee to deferred revenue for work not yet performed					
AJE06	4/30/2014	Vehicles/Equipment	99-1940 99-G	112,000.00	
AJE06	4/30/2014	A/D - Machinery & Equipment	99-1990 99-G		-250,227.52
AJE06	4/30/2014	A/D - Buildings	99-1991 99-G		-125,728.14
AJE06	4/30/2014	Depreciation - General Government	99-5000 99-G	51,034.00	
AJE06	4/30/2014	Depreciation - Public Safety	99-5001 99-G	161,144.58	
AJE06	4/30/2014	Depreciation - Public Works	99-5002 99-G	163,777.08	
AJE06	4/30/2014	Purchases - Public Works	99-50-5502 99-G		-112,000.00
To adjust depreciation for Building & Equipment and purchases for equipment					

Preliminary and Tentative
For Discussion Purposes Only

Number	Date	Name	Account No	Debit	Credit
AJE07	4/30/2014	Accounts Payable	02-2150 02-WF		-24,785.75
AJE07	4/30/2014	Data Processing	02-50-4336 02-WF	24,785.75	
To Accrue for Dupage County Public Works meter reading bill for Mar-Apr					
AJE08	4/30/2014	Operating - Republic Bank	01-1000 01-GF	67,440.00	
AJE08	4/30/2014	Operating - Republic Bank	03-1000 03-MFT		-67,440.00
AJE08	4/30/2014	Social Security	01-30-4110 01-GF		-18,800.00
AJE08	4/30/2014	Medicare	01-30-4111 01-GF		-4,350.00
AJE08	4/30/2014	I.M.R.F.	01-30-4115 01-GF		-44,490.00
AJE08	4/30/2014	Social Security	03-60-4110 03-MFT	18,800.00	
AJE08	4/30/2014	Medicare	03-60-4111 03-MFT	4,350.00	
AJE08	4/30/2014	I.M.R.F.	03-60-4115 03-MFT	44,490.00	
To allocate IMRF expenses to MFT Fund					
AJE09	4/30/2014	DIS Bond Payable-Contractor	02-2188 02-WF		-2,576.00
AJE09	4/30/2014	DIS Bond Payable-Contractor	98-2188 98-G	1,438.00	
AJE09	4/30/2014	Change in IMRF NPO	02-50-4116 02-WF	2,576.00	
AJE09	4/30/2014	Change in IMRF NPO - GG	98-50-5601 98-G		-1,336.00
AJE09	4/30/2014	Change in IMRF NPO - PW	98-50-5602 98-G	1,774.00	
AJE09	4/30/2014	Change in IMRF NPO - PS	98-50-5603 98-G		-1,876.00
To record IMRF NPO adjustment					
AJE10	4/30/2014	Prepaid Expenses	01-1300 01-GF	86,047.00	
AJE10	4/30/2014	Consulting/Professional	01-40-4325 01-GF		-86,047.00
To reclass a DuComm quarterly payment related to FY15 from an expense to a pre-paid expense in FY14					
AJE11	4/30/2014	A/D - Machinery & Equipment	02-1990 02-WF		-335,144.03
AJE11	4/30/2014	Depreciation	02-10-4620 02-WF	335,144.03	
To adjust WF depreciation					
AJE12	4/30/2014	A/D - Infrastructure	99-1992 99-G		-465,681.86
AJE12	4/30/2014	Depreciation - Public Works	99-5002 99-G	465,681.86	
To adjust Infrastructure depreciation					
AJE13	4/30/2014	Investments in IRMA	01-1175 01-GF	50,969.00	
AJE13	4/30/2014	IRMA Excess Surplus	01-2999 01-GF		-50,969.00
AJE13	4/30/2014	Investments in IRMA	02-1175 02-WF	13,298.00	
AJE13	4/30/2014	Miscellaneous Revenue	02-00-3580 02-WF		-13,298.00
To record IRMA excess surplus allocation					

PASSED ADJUSTMENTS

Preliminary and Tentative
For Discussion Purposes Only
GOVERNMENTAL ACTIVITIES
(OPINION UNIT)

City of Darien
(CLIENT)

For the Year Ended 4/30/2014

All entries posted as Debit (Credit)

Description	Workpaper Reference	Assets/Deferred Outflows	(Liabilities)/(Deferred Inflows)	(Net Position/Fund Balance)	Change in Net Position/Fund Balance
Payroll expense was not accrued for Admin or Community Develop. In FY13. Adjustment to properly record liability. Dr. Expense Cr. Equity	L.1			(28,426)	28,426
To record receivable for additional monthly rentals	S.14	9,300			(9,300)
Totals		\$ 9,300	\$ -	\$ (28,426)	\$ 19,126

PASSED ADJUSTMENTS

Preliminary and Tentative
For Discussion Purposes Only

		City of Darien		GENERAL	
		(CLIENT)		(OPINION UNIT)	
		For the Year Ended		4/30/2014	
All entries posted as Debit (Credit)					
Description	Workpaper Reference	Assets/ Deferred Outflows	(Liabilities/ (Deferred Inflows)	(Net Position/Fund Balance)	Change in Net Position/Fund Balance
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period		\$	\$	\$	\$
Payroll expense was not accrued for Admin or Community Develop. In FY13. Adjustment to properly record liability. Dr. Expense Cr. Equity	L.1			(28,426)	28,426
To record receivable for additional monthly rentals	S.14	9,300			(9,300)
Totals		\$ 9,300	\$ -	\$ (28,426)	\$ 19,126

PASSED ADJUSTMENTS

Preliminary and Tentative
For Discussion Purposes Only
WATER

City of Darien
(CLIENT)

(OPINION UNIT)

For the Year Ended 4/30/2014

All entries posted as Debit (Credit)

Description	Workpaper Reference	Assets/ Deferred Outflows	(Liabilities)/ (Deferred Inflows)	(Net Position/Fund Balance)	Change in Net Position/Fund Balance
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period		\$	\$	\$	
Fiscal year 2013 water billing expense recognized in fiscal year 2014	K.10			25,473	(25,473)
Totals		\$ -	\$ -	\$ 25,473	\$ (25,473)

CITY OF DARIEN, ILLINOIS

MANAGEMENT LETTER

April 30, 2014



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

Ladies and Gentlemen:

In planning and performing our audit of the governmental activities, the business type activities each major fund, the aggregate remaining fund information, and the related notes to financial statements that collectively comprise the basic financial statements of the City of Darien, Illinois (the City) as of and for the year ended April 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the its internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. In addition, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Naperville, Illinois
_____, 2014

SIGNIFICANT DEFICIENCY

We consider the following to be a significant deficiency in the City's internal controls.

Proposed Audit Adjustments

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

DEFICIENCY

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

Capital Assets

During our audit of the City's capital asset records, we noted various errors within depreciation of infrastructure asset of the governmental activities of the City. Specifically, the errors noted included depreciation being taken on assets that were previously fully depreciated to a net book value of zero, and incorrect depreciation expense taken on specific assets. We noted in some instances depreciation expense was keyed in incorrectly as opposed to being calculated through a formula within the spreadsheet. Using formulas to calculate depreciation expense within the spreadsheet would help to eliminate such errors. Further, we recommend that the City perform a final review of capital asset records in order to potentially detect errors or miscalculations.

OTHER INFORMATION

Future Accounting Pronouncements

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

GASB Statement No. 67, Financial Reporting for Pension Plans, replaces the requirements of *Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and *Statement No. 50* as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement No. 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. Statement No. 67 is applicable for the fiscal year ending April 30, 2015.

OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). Statement No. 68 is applicable for the fiscal year ending April 30, 2016.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting standards related to government combinations and disposals of government operations. Statement No. 69 is applicable for the fiscal year ending April 30, 2015.

GASB Statement No. 70, *Accounting and Financial Reporting for Non-Exchange Financial Guarantees*, intends to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. Statement No. 70 is applicable for the fiscal year ending April 30, 2015.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement No. 71 is applicable for the fiscal year ending April 30, 2016.

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

APPENDIX A
STATUS OF COMMENTS FROM APRIL 30, 2013

DEFICIENCIES

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

1. Revenue Recognition

The City has revenue recognition policies in accordance with GAAP; however certain instances were noted where the policies were not followed. Liquor license revenue for fiscal year 2014 was reported as revenue and receivable for fiscal year 2013. Also, the revenue for certain utility tax receipts was reported on a cash basis instead of on the modified accrual basis. In both cases we proposed adjustments, agreed to by the City, to correct the revenue recognition. We recommend the City examine all significant revenues to ensure compliance with its revenue recognition policies.

Status - Comment considered implemented as of April 30, 2014.

2. Balance Sheet Accounts

The City currently has several balance sheet accounts, both assets and liabilities, which are tracked for many unique transactions. It also maintains subsidiary ledgers in the form of Excel spreadsheets for each of these accounts supporting the balances on the general ledger. Many of these accounts have limited activity during the year. We further noted several liability accounts with debit balances and accounts with balances unadjusted from the prior year. We recommend the City consider consolidating some of the accounts with less activity into one account. Also, the City should develop a procedure to determine the frequency of the reconciliation of these accounts (e.g., monthly vs. quarterly). Finally, the City should ensure that proper management review of these accounts is done on a regular basis to determine any necessary action required on the accounts.

Status - Comment considered implemented as of April 30, 2014.

3. Building Permits Reconciliation

The community development department of the City maintains a system of tracking permits and refundable and nonrefundable fees. Currently, the finance department does not reconcile the general ledger to the report generated by the community development department. To ensure accurate reflection of revenues, receivables, and escrow liabilities in the financial statements, we recommend the finance department reconcile the report on a regular basis.

Status - Comment still applicable as of April 30, 2014.

Sikich Snapshot

Organization

Sikich is a dynamic accounting, advisory, investment banking, technology and managed services firm with nearly 600 employees throughout the country. Founded in 1982, we are now one of the country's Top 40 largest CPA firms and among the top 1% of all enterprise resource planning solution partners in the world.

Industries

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

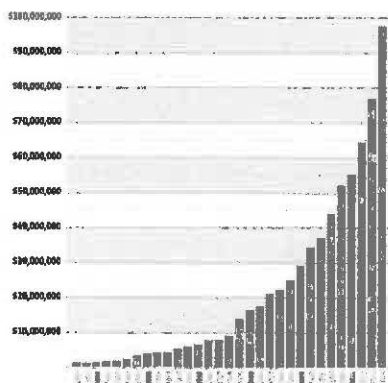
- Agriculture
- Construction
- Government
- Health Care
- Higher Education
- Manufacturing & Distribution
- Not-for-Profit
- Oilfield Services
- Professional Services
- Real Estate
- Retail

Statistics

2013 Revenues	\$97M
Total Partners	88
Total Employees	491
Total Personnel	579

Personnel count as of Dec. 31, 2013

Sikich Total Revenues



Awards

- *Inc. Magazine's Inc. 500|5000*: ranked 4,627th fastest-growing private company nationally, 2013
- *Accounting Today Top 100 Firms*: ranked 40th nationally, 2013
- *Accounting Today Regional Leaders – Top Firms: Great Lakes*: ranked 6th, 2013
- *Crain's Chicago Business Fast Fifty*: ranked 49th, 2013
- *INSIDE Public Accounting Top 50 Largest Accounting Firms*: ranked 41st nationally, 2013
- *Accounting Today Top 100 Value Added Reseller*: ranked 11th, 2013
- Best Places to Work in Indiana, 2013
- Best Places to Work in Illinois, 2013
- Bob Scott's Top 100 Value Added Reseller: ranked 12th, 2013
- *Daily Herald Business Ledger Book of Lists*: ranked 5th, "Accounting Firms;" Chicago Western Suburbs, 2013
- Alfred P. Sloan Award for Excellence in Workplace Effectiveness & Flexibility, 2013
- *Bob Scott's Insights Value Added Reseller Stars*, 2013
- *Springfield Business Journal Book of Lists*: ranked 1st, "Accounting Firms;" Springfield, Illinois, 2013
- *Chicago Tribune's Chicago's Top Workplaces*, 2013
- *Crain's Chicago Business Top 25 Firms*: ranked 12th in Chicagoland, 2012
- Top 50 Chicago Generation Y Employers, ranked 35th, 2012
- American Graphic Design Awards, 2012
- Microsoft Dynamics Inner Circle and President's Club, 2012

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Certifications

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2011, Sikich LLP received its 8th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.



Microsoft Partner

Gold Enterprise Resource Planning

Microsoft Partner

Sikich has earned a Microsoft ERP Gold competency; ranked among the top 1% of all Microsoft Dynamics partners worldwide; and carries the following certifications:

- ▶ Microsoft Small Business Specialist
- ▶ MCP (Microsoft Certified Professional)
- ▶ MCSE (Microsoft Certified System Engineer)
- ▶ CCNA (Cisco Certified Network Associate)
- ▶ CCDA (Certified Cisco Design Associate)
- ▶ CCEA (Citrix Certified Enterprise Administrator)
- ▶ MRMS (Microsoft Retail Management Systems)
- ▶ CISA (Certified Information Systems Auditor)
- ▶ CNE (Certified Novell Engineer)
- ▶ MS CSM (Microsoft Customer Service Manager)
- ▶ MS CAE (Microsoft Certified Account Executive)
- ▶ MCDBA (Microsoft Certified Database Admin.)



leading edge alliance

innovation • quality • experience

Sikich is proud to be part of the Leading Edge Alliance

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**International Accounting Bulletin, 2011*



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CITY OF DARIEN, ILLINOIS
ANNUAL FINANCIAL REPORT
For the Year Ended
April 30, 2014

Prepared by the General Administration Department

Michael J. Coren
City Treasurer

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INTRODUCTORY SECTION

PRINCIPAL OFFICIALS

April 30, 2014

MAYOR

Kathleen Moesle Weaver

CITY COUNCIL

Ted Schauer
Tina Beilke
Joe Kenny
Joerg Seifert
Joseph A. Marchese
Sylvia McIvor
Thomas J. Belczak

CITY TREASURER

Michael J. Coren

CITY CLERK

Joanne Ragona

CITY ATTORNEY

John B. Murphy

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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, 2014, and the related notes to the 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 entity'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 entity'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, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion 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 nonmajor 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 nonmajor 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 nonmajor 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, 2013, which are not presented with the accompanying financial statements. In our report dated September 24, 2013, 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 2013 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 2013 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 2013 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.

Naperville, Illinois
_____, 2014

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

STATEMENT OF NET POSITION

April 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,974,450	\$ 1,325,766	\$ 9,300,216
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,883,323	-	1,883,323
Accounts	-	1,220,463	1,220,463
Intergovernmental	1,840,933	-	1,840,933
Other	310,828	13,298	324,126
Net pension asset	186,567	-	186,567
Inventories	44,045	-	44,045
Prepaid items	86,047	-	86,047
Capital assets not being depreciated	3,690,198	100,000	3,790,198
Capital assets being depreciated	8,567,165	6,299,275	14,866,440
Total assets	24,583,556	8,958,802	33,542,358
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	243,802	243,802
Total assets and deferred outflows of resources	24,583,556	9,202,604	33,786,160
LIABILITIES			
Accounts payable	247,300	476,453	723,753
Accrued payroll	309,126	26,582	335,708
Accrued interest payable	50,972	37,134	88,106
Deposits payable	131,659	-	131,659
Other payables	11,005	-	11,005
Unearned revenue	137,188	-	137,188
Darien Helping Darien Fund	1,182	-	1,182
DTC maintenance escrow	10,000	-	10,000
Noncurrent liabilities			
Due within one year	817,369	208,141	1,025,510
Due in more than one year	3,401,170	2,935,737	6,336,907
Total liabilities	5,116,971	3,684,047	8,801,018
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	1,883,323	-	1,883,323
Total liabilities and deferred inflows of resources	7,000,294	3,684,047	10,684,341
NET POSITION			
Net investment in capital assets	8,681,824	3,287,052	11,968,876
Restricted for			
Special service area	9,126	-	9,126
Public safety	91,191	-	91,191
Highways and streets	152,455	-	152,455
Debt service	13,413	-	13,413
Unrestricted	8,635,253	2,231,505	10,866,758
TOTAL NET POSITION	\$ 17,583,262	\$ 5,518,557	\$ 23,101,819

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,389,466	\$ 1,163,647	\$ -	\$ -
Highways and streets	5,996,960	691,268	647,807	342,214
Public safety	6,978,866	241,727	95,360	-
Interest and fiscal charges on long-term debt	148,047	-	-	-
Total governmental activities	14,513,339	2,096,642	743,167	342,214
Business-Type Activities				
Water operations	6,532,005	6,027,798	-	-
Total business-type activities	6,532,005	6,027,798	-	-
TOTAL PRIMARY GOVERNMENT	\$ 21,045,344	\$ 8,124,440	\$ 743,167	\$ 342,214

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (225,819)	\$ -	\$ (225,819)
	(4,315,671)	-	(4,315,671)
	(6,641,779)	-	(6,641,779)
	(148,047)	-	(148,047)
	(11,331,316)	-	(11,331,316)
	-	(504,207)	(504,207)
	-	(504,207)	(504,207)
	(11,331,316)	(504,207)	(11,835,523)
General Revenues			
Taxes			
Property	1,837,619	-	1,837,619
Sales	5,025,602	-	5,025,602
Local use	384,587	-	384,587
Telecommunications	787,188	-	787,188
Utility	1,154,303	-	1,154,303
Amusement	87,861	-	87,861
Hotel/motel	48,835	-	48,835
Road and bridge	208,665	-	208,665
Video gaming	4,360	-	4,360
Intergovernmental			
Replacement tax	7,043	-	7,043
Income tax	2,152,195	-	2,152,195
Other	145,902	-	145,902
Investment income	64,582	11,367	75,949
Miscellaneous	101,300	71,798	173,098
Total	12,010,042	83,165	12,093,207
CHANGE IN NET POSITION	678,726	(421,042)	257,684
NET POSITION, MAY 1	16,904,536	5,939,599	22,844,135
NET POSITION, APRIL 30	\$ 17,583,262	\$ 5,518,557	\$ 23,101,819

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes OnlyBALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2014

	General	Capital Improvements	Debt Service	Nonmajor	Total
ASSETS					
Cash and cash equivalents	\$ 2,328,734	\$ 5,419,596	\$ 13,413	\$ 212,707	\$ 7,974,450
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	1,184,067	202,256	497,000	-	1,883,323
Intergovernmental	1,800,217	-	-	40,716	1,840,933
Other	310,828	-	-	-	310,828
Prepaid items	86,047	-	-	-	86,047
Inventory	44,045	-	-	-	44,045
TOTAL ASSETS	\$ 5,753,938	\$ 5,621,852	\$ 510,413	\$ 253,423	\$ 12,139,626
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 183,985	\$ 53,479	\$ -	\$ 9,836	\$ 247,300
Accrued payroll	309,126	-	-	-	309,126
Deposits payable	131,659	-	-	-	131,659
Other payables	11,005	-	-	-	11,005
Unearned revenue	-	137,188	-	-	137,188
Darien Helping Darien Fund	1,182	-	-	-	1,182
DTC maintenance escrow	10,000	-	-	-	10,000
Total liabilities	646,957	190,667	-	9,836	847,460
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	1,184,067	202,256	497,000	-	1,883,323
Other unavailable revenue	50,969	-	-	-	50,969
Total deferred inflows of resources	1,235,036	202,256	497,000	-	1,934,292
Total liabilities and deferred inflows of resources	1,881,993	392,923	497,000	9,836	2,781,752
FUND BALANCES					
Nonspendable					
Prepaid items	86,047	-	-	-	86,047
Inventory	44,045	-	-	-	44,045
Restricted					
Special service area	-	-	-	9,126	9,126
Public safety	9,185	-	-	82,006	91,191
Highways and streets	-	-	-	152,455	152,455
Debt service	-	-	13,413	-	13,413
Unrestricted					
Assigned					
Capital improvements	-	5,228,929	-	-	5,228,929
Unassigned					
General Fund	3,732,668	-	-	-	3,732,668
Total fund balances	3,871,945	5,228,929	13,413	243,587	9,357,874
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,753,938	\$ 5,621,852	\$ 510,413	\$ 253,423	\$ 12,139,626

See accompanying notes to financial statements.

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

For the Year Ended April 30, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 9,357,874
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	12,257,363
Net pension asset is shown as an asset on the statement of net position	186,567
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(3,400,000)
Notes payable	(162,466)
Compensated absences payable	(599,355)
Net pension obligation	(43,644)
Other long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds	50,969
Unamortized premiums on long-term debt are other financing sources in governmental funds in the year of issuance but are capitalized and amortized on the statement of net position	(13,074)
Accrued interest payable is not recorded in governmental funds but is recorded on the statement of net position	<u>(50,972)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 17,583,262</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, 2014

	General	Capital Improvements	Debt Service	Nonmajor	Total
REVENUES					
Taxes	\$ 3,423,728	\$ 204,160	\$ 502,925	\$ 5,061	\$ 4,135,874
Licenses and permits	1,118,571	-	-	-	1,118,571
Intergovernmental	7,718,957	342,214	-	732,496	8,793,667
Charges for services	894,182	85,093	-	-	979,275
Investment income	10,255	49,424	1,403	3,500	64,582
Miscellaneous	49,127	-	-	-	49,127
Total revenues	13,214,820	680,891	504,328	741,057	15,141,096
EXPENDITURES					
Current					
General government	1,369,467	-	-	-	1,369,467
Highways and streets	1,869,491	65,369	-	796,009	2,730,869
Public safety	6,892,574	-	-	7,911	6,900,485
Capital outlay	-	2,742,365	-	-	2,742,365
Debt service					
Principal	160,500	135,000	410,000	-	705,500
Interest and fiscal charges	4,838	67,747	88,775	-	161,360
Total expenditures	10,296,870	3,010,481	498,775	803,920	14,610,046
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,917,950	(2,329,590)	5,553	(62,863)	531,050
OTHER FINANCING SOURCES (USES)					
Transfers in	5,859	3,747,422	-	-	3,753,281
Transfers (out)	(3,747,422)	-	-	(5,859)	(3,753,281)
Proceeds from sale of assets	24,550	-	-	-	24,550
Total other financing sources (uses)	(3,717,013)	3,747,422	-	(5,859)	24,550
NET CHANGE IN FUND BALANCES	(799,063)	1,417,832	5,553	(68,722)	555,600
FUND BALANCES, MAY 1	4,671,008	3,811,097	7,860	312,309	8,802,274
FUND BALANCES, APRIL 30	\$ 3,871,945	\$ 5,228,929	\$ 13,413	\$ 243,587	\$ 9,357,874

See accompanying notes to financial statements.

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, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 555,600
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	112,000
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	(841,638)
Revenues in the statement of activities that are not available in governmental funds are not reported as revenue in governmental funds until received	50,969
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	705,500
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	10,045
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	3,268
The change in compensated absences payable is shown as an expense on the statement of activities	81,544
The change in the net pension obligation is shown as an expense on the statement of activities	1,438
The change in the net pension asset is shown as a reduction of expense on the statement of activities	-
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 678,726

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes OnlySTATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2014

	<u>Business-Type Activities Water Operations</u>
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,325,766
Receivables (net, where applicable, of allowances for uncollectibles)	
Water - billed	12,337
Water - unbilled	1,208,126
Other	<u>13,298</u>
Total current assets	<u>2,559,527</u>
NONCURRENT ASSETS	
Capital assets	
Assets not being depreciated	<u>100,000</u>
Assets being depreciated	
Cost	15,806,540
Accumulated depreciation	<u>(9,507,265)</u>
Net capital assets being depreciated	<u>6,299,275</u>
Total noncurrent assets	<u>6,399,275</u>
Total assets	<u>8,958,802</u>
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on refunding	<u>243,802</u>
Total assets and deferred outflows of resources	<u>9,202,604</u>
CURRENT LIABILITIES	
Accounts payable	476,453
Accrued payroll	26,582
Accrued interest payable	37,134
Bonds payable	205,000
Compensated absences payable	<u>3,141</u>
Total current liabilities	<u>748,310</u>
LONG-TERM LIABILITIES	
Bonds payable	2,907,223
Compensated absences payable	17,802
Net pension obligation	<u>10,712</u>
Total long-term liabilities	<u>2,935,737</u>
Total liabilities	<u>3,684,047</u>
NET POSITION	
Net investment in capital assets	3,287,052
Unrestricted	<u>2,231,505</u>
TOTAL NET POSITION	<u>\$ 5,518,557</u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014

	Business-Type Activities
	Water Operations
OPERATING REVENUES	
Water sales	\$ 6,007,223
Inspections/tap on/permits	13,987
Sale of meters	3,241
Other water sales	<u>3,347</u>
Total operating revenues	<u>6,027,798</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Personnel services	790,009
Materials and supplies	736,110
Contractual services	4,337,412
Capital related - uncapitalized	<u>222,708</u>
Total operating expenses excluding depreciation	<u>6,086,239</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(58,441)
Depreciation	<u>335,144</u>
OPERATING INCOME (LOSS)	<u>(393,585)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	11,367
Miscellaneous income	71,798
Interest expense	<u>(110,622)</u>
Total non-operating revenues (expenses)	<u>(27,457)</u>
CHANGE IN NET POSITION	(421,042)
NET POSITION, MAY 1	<u>5,939,599</u>
NET POSITION, APRIL 30	<u><u>\$ 5,518,557</u></u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2014

	<u>Business-Type Activities Water Operations</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 6,566,742
Payments to suppliers	(4,962,459)
Payments to employees	(785,964)
Payments to other funds	<u>(250,000)</u>
Net cash from operating activities	<u>568,319</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments	(200,000)
Interest and fiscal charges	(100,235)
Miscellaneous receipts	<u>58,500</u>
Net cash from capital and related financing activities	<u>(241,735)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>11,367</u>
Net cash from investing activities	<u>11,367</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	337,951
CASH AND CASH EQUIVALENTS, MAY 1	<u>987,815</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 1,325,766</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (393,585)
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	335,144
Changes in assets and liabilities	
Accounts receivable	538,944
Accounts payable	83,771
Accrued payroll	331
Compensated absences payable	1,138
Net pension obligation	<u>2,576</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 568,319</u>
NONCASH TRANSACTIONS	
IRMA excess surplus revenue	<u>\$ 13,298</u>
Net noncash transactions	<u>\$ 13,298</u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

April 30, 2014

	Pension Trust Fund	Agency
ASSETS		
Cash and cash equivalents	\$ 320,472	\$ 18,524
Investments		
U.S. Treasury obligations	564,930	-
Annuities	54,671	-
U.S. agency obligations	5,762,938	-
Municipal bonds	1,331,707	-
Corporate bonds	3,102,798	-
Certificates of deposit	189,572	-
Equity mutual funds	11,760,465	-
Receivables		
Accrued interest	91,513	-
Prepaid expenses	517	-
Total assets	23,179,583	\$ 18,524
LIABILITIES		
Accounts payable	8,676	\$ -
Benefits payable	134,998	-
Due to others	-	11,043
Impact fees payable	-	7,455
Deposits payable	-	26
Total liabilities	143,674	\$ 18,524
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 23,035,909	

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014

ADDITIONS

Contributions

Employer	\$ 1,125,432
Employee	289,751

Total contributions	<u>1,415,183</u>
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Investment income

Net appreciation in fair value of investments	701,478
Interest	<u>803,593</u>

Total investment income	1,505,071
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Less investment expense	<u>(74,506)</u>
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Net investment income	<u>1,430,565</u>
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Total additions	<u>2,845,748</u>
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DEDUCTIONS

Pension benefits	1,507,375
Contractual services	19,107
Administrative expenses	<u>16,970</u>

Total deductions	<u>1,543,452</u>
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NET INCREASE	1,302,296
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**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

May 1	<u>21,733,613</u>
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April 30	<u>\$ 23,035,909</u>
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See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. **Financial Reporting Entity**

The City is a municipal corporation governed by a seven-member council consisting of seven aldermen and the mayor. As required by 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

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

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

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

Governmental funds are used to account for all or most of the City's general activities. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The City reports the following major governmental funds:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following fiduciary funds:

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes, income taxes, and telecommunications taxes which use a 90-day period. The City recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end; franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the City are also recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The City reports unearned/unavailable revenue on its financial statements. Unearned/unavailable revenues arise when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned/unavailable revenues also 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/unavailable 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 in accordance with GASB Statement No. 31.

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

f. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Inventories

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

h. Prepaid Items/Expenses

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

i. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25-50
Building improvements	8-25
Land improvements	15-35
Machinery, vehicles, and equipment	5-20
Infrastructure - streets	25-50
Waterworks and sewage system	25

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacations must be taken in the year following the one in which it was earned. Unused vacation time is not allowed to be carried over to the subsequent year without approval. Sick leave may be accumulated for future use. City employees may accrue up to 120 or 150 hours depending on the employment classification. The City's policy allows for a bonus to be paid for those employees who have not used sick days in the given year. Accumulated amounts are paid out at retirement at a rate of 50% of the employee's current hourly salary rate.

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

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund financial statements. Bond premiums and discounts 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 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balances/Net Position (Continued)

highest level of decision making authority. Formal actions include ordinances approved by the Board. 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 is reported as unassigned.

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 are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

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

m. Interfund Transactions

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

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

n. Accounting Estimates

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. An unamortized loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. 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. The City has only one type of item that qualifies for reporting in this category. Accordingly, the item, unavailable/deferred revenue for property taxes, is reported in the governmental funds balance sheet and the statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available or are earned.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

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.

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. At April 30, 2014, the City had uninsured and uncollateralized deposits of \$136,828 out of a total bank balance of \$9,238,728.

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, 2014:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
IMET 1-3 year fund	\$ 16,297	\$ -	\$ 16,297	\$ -	\$ -
TOTAL	\$ 16,297	\$ -	\$ 16,297	\$ -	\$ -

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

Investments (Continued)

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.

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

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

b. Police Pension Fund Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township, or municipal corporation of the State of Illinois, money market mutual funds whose investments consist of obligations of the U.S. Treasury

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

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.

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

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the Police Pension Fund's investments that are subject to interest rate risk as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 564,930	\$ -	\$ 403,258	\$ 161,672	\$ -
U.S. agency obligations	5,762,938	276,199	2,754,993	2,372,880	358,866
Negotiable certificates of deposit	189,572	189,572	-	-	-
Corporate bonds	3,102,798	568,744	1,764,440	769,614	-
Municipal bonds	1,331,707	107,035	717,219	450,028	57,425
TOTAL	\$ 10,951,945	\$ 1,141,550	\$ 5,639,910	\$ 3,754,194	\$ 416,291

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

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

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

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment.

3. RECEIVABLES

a. Property Taxes

Property taxes for 2013 attached as an enforceable lien on January 1, 2013, 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, 2014, and are payable in two installments, on or about June 1, 2014 and September 1, 2014. 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 2013 tax levy is intended to fund expenditures for the 2014-2015 fiscal year, these taxes are unavailable as of April 30, 2014.

3. RECEIVABLES (Continued)

a. **Property Taxes (Continued)**

The 2014 tax levy, which attached as an enforceable lien on property as of January 1, 2014, has not been recorded as a receivable as of April 30, 2014 as the tax has not yet been levied by the City and will not be levied until December 2014 and, therefore, the levy is not measurable at April 30, 2014.

b. **Due from Other Governments and Other Receivables**

	General	Nonmajor Governmental	Total
GOVERNMENTAL ACTIVITIES			
Intergovernmental			
Sales tax	\$ 1,170,813	\$ -	\$ 1,170,813
Local use tax	79,892	-	79,892
Income tax	338,092	-	338,092
Motor fuel tax	-	40,716	40,716
Telecommunications tax	203,895	-	203,895
Drug seizures	7,525	-	7,525
Total intergovernmental	1,800,217	40,716	1,840,933
Other receivables			
Franchise fees	94,006	-	94,006
Hotel/motel tax	3,533	-	3,533
Amusement tax	6,520	-	6,520
Utility tax	118,382	-	118,382
Paypal	39	-	39
IRMA	50,969	-	50,969
Accounts	37,379	-	37,379
Total other receivables	310,828	-	310,828
TOTAL GOVERNMENTAL ACTIVITIES	\$ 2,111,045	\$ 40,716	\$ 2,151,761

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2014 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,690,198	\$ -	\$ -	\$ 3,690,198
Total capital assets not being depreciated	<u>3,690,198</u>	-	-	<u>3,690,198</u>
Capital assets being depreciated				
Buildings and improvements	6,133,816	-	-	6,133,816
Machinery, vehicles, and equipment	2,848,752	112,000	-	2,960,752
Infrastructure	12,768,226	-	-	12,768,226
Total capital assets being depreciated	<u>21,750,794</u>	<u>112,000</u>	-	<u>21,862,794</u>
Less accumulated depreciation for				
Buildings and improvements	2,581,900	125,728	-	2,707,628
Machinery, vehicles, and equipment	1,658,105	250,228	-	1,908,333
Infrastructure	8,213,986	465,682	-	8,679,668
Total accumulated depreciation	<u>12,453,991</u>	<u>841,638</u>	-	<u>13,295,629</u>
Total capital assets being depreciated, net	<u>9,296,803</u>	<u>(729,638)</u>	-	<u>8,567,165</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 12,987,001</u>	<u>\$ (729,638)</u>	<u>\$ -</u>	<u>\$ 12,257,363</u>

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 51,034
Public safety	161,145
Highways and streets	<u>629,459</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 841,638</u>

4. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Total capital assets not being depreciated	100,000	-	-	100,000
Capital assets being depreciated				
Buildings and improvements	6,989,234	-	-	6,989,234
Machinery and equipment	832,615	-	-	832,615
Infrastructure	7,984,691	-	-	7,984,691
Total capital assets being depreciated	15,806,540	-	-	15,806,540
Less accumulated depreciation for				
Buildings and improvements	3,014,261	198,830	-	3,213,091
Machinery and equipment	829,116	500	-	829,616
Infrastructure	5,328,744	135,814	-	5,464,558
Total accumulated depreciation	9,172,121	335,144	-	9,507,265
Total capital assets being depreciated, net	6,634,419	(335,144)	-	6,299,275
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 6,734,419	\$ (335,144)	\$ -	\$ 6,399,275

5. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health; natural disasters; illnesses of employees; and injuries to the City's employees.

Intergovernmental Risk Management Agency (IRMA)

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

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.

5. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (IRMA) (Continued)

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, 2014.

Intergovernmental Personnel Benefit Cooperative (IPBC)

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

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

6. LONG-TERM DEBT

a. General Obligation Bonds

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

A summary of changes in long-term debt reported in the governmental activities of the City for the year ended April 30, 2014 is as follows:

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

Preliminary and Tentative
For Discussion Purposes Only

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Governmental Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
\$2,600,000 General Obligation Bonds, Series 2007B are due in annual installments (beginning December 15, 2012) ranging from \$390,000 to \$475,000 with interest at 4.000%. The last payment is due December 15, 2017.	Debt Service	\$ 2,210,000	\$ -	\$ 410,000	\$ 1,800,000	\$ 425,000
\$2,370,000 General Obligation Bonds, Series 2008 are due in annual installments (beginning January 1, 2009) ranging from \$115,000 to \$190,000 with interest from 3.50% to 4.00%. The last payment due is January 1, 2024.	Capital Improvement	1,735,000	-	135,000	1,600,000	140,000
TOTAL GOVERNMENTAL BONDED DEBT		\$ 3,945,000	\$ -	\$ 545,000	\$ 3,400,000	\$ 565,000

Business-Type Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
\$3,900,000 General Obligation Water Bonds, Series 2006 are due in annual installments (beginning December 15, 2007) ranging from \$60,000 to \$300,000 with interest from 4.10% to 4.30%. The last payment is due on December 15, 2025.	Water	\$ 365,000	-	\$ 180,000	\$ 185,000	\$ 185,000
\$2,810,000 General Obligation Refunding Bonds, Series 2012 are due in annual installments (beginning December 15, 2012) ranging from \$20,000 to \$290,000 with interest from 2.00% to 3.50%. The last payment is due on December 15, 2025.	Water	2,790,000	-	20,000	2,770,000	20,000
TOTAL BUSINESS-TYPE BONDED DEBT		\$ 3,155,000	\$ -	\$ 200,000	\$ 2,955,000	\$ 205,000

6. LONG-TERM DEBT (Continued)

b. Installment Contracts

On September 19, 2011, the City entered into an installment contract with Hinsdale Bank & Trust Co. to finance the purchase of public safety vehicles and equipment in the amount of \$483,466 with an interest rate of 1.50%.

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
2015	\$ 565,000	\$ 134,256	\$ 699,256	\$ 205,000	\$ 91,756	\$ 296,756
2016	585,000	112,006	697,006	215,000	83,725	298,725
2017	615,000	88,969	703,969	220,000	79,425	299,425
2018	635,000	64,563	699,563	225,000	75,025	300,025
2019	165,000	39,363	204,363	230,000	68,275	298,275
2020	170,000	32,969	202,969	240,000	61,375	301,375
2021	175,000	26,381	201,381	245,000	54,175	299,175
2022	185,000	19,600	204,600	260,000	46,825	306,825
2023	190,000	12,200	202,200	265,000	39,025	304,025
2024	115,000	4,600	119,600	275,000	29,750	304,750
2025	-	-	-	285,000	20,125	305,125
2026	-	-	-	290,000	10,150	300,150
TOTAL	\$ 3,400,000	\$ 534,907	\$ 3,934,907	\$ 2,955,000	\$ 659,631	\$ 3,614,631

Fiscal Year	Governmental Activities Installment Contract - 2011		
	Principal	Interest	Total
2015	\$ 162,466	\$ 2,437	\$ 164,903
TOTAL	\$ 162,466	\$ 2,437	\$ 164,903

6. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities during fiscal year 2014:

	Balances May 1	Additions	Reductions	Balances April 30	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 3,945,000	\$ -	\$ 545,000	\$ 3,400,000	\$ 565,000
Installment contract - 2011	322,966	-	160,500	162,466	162,466
Unamortized bond premium	16,342	-	3,268	13,074	-
Compensated absences payable*	680,899	20,591	102,135	599,355	89,903
Net pension obligation*	45,082	-	1,438	43,644	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 5,010,289	\$ 20,591	\$ 812,341	\$ 4,218,539	\$ 817,369
BUSINESS-TYPE ACTIVITIES					
General obligation bonds	\$ 3,155,000	\$ -	\$ 200,000	\$ 2,955,000	\$ 205,000
Unamortized bond discount	(7,079)	-	(3,539)	(3,540)	-
Unamortized bond premium	174,160	-	13,397	160,763	-
Compensated absences payable	19,805	4,109	2,971	20,943	3,141
Net pension obligation	8,136	2,576	-	10,712	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 3,350,022	\$ 6,685	\$ 212,829	\$ 3,143,878	\$ 208,141

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

e. Line of Credit

On February 18, 2010, the City entered into a line of credit to cover any shortfalls in cash. The maximum amount that can be drawn down is \$1,250,000. Amounts drawn under the line of credit at April 30, 2014 totaled \$0. The line of credit was not used in fiscal year 2014.

f. Advance Refunding

On July 12, 2012, the City issued \$2,810,000 General Obligation Refunding Bonds, Series 2012 to refund a portion of the General Obligation Water Bonds, Series 2006. \$2,954,119 of the proceeds, including reoffering premium, have been deposited onto an irrevocable trust to advance refund, through an in-substance defeasance, \$2,690,000 of the General Obligation Water Bonds, Series 2006. Through the refunding, the City reduced its overall debt service by \$127,079 and had an economic gain of \$108,926. As of April 30, 2014, \$2,690,000 of the defeased bonds were outstanding to be paid from escrow on December 15, 2014.

7. INDIVIDUAL FUND DISCLOSURES

Transfers between funds at April 30, 2014 consist of the following:

Fund	Transfers In	Transfers Out
General	\$ 5,859	\$ 3,747,422
Capital Improvements	3,747,422	-
Nonmajor Governmental	-	5,859
TOTAL	\$ 3,753,281	\$ 3,753,281

The purpose of the transfer is as follows:

- \$3,747,422 transferred from the General Fund to the Capital Improvements Fund for capital projects. This transfer will not be repaid.

8. COMMITMENTS

DuPage Water Commission

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

Fiscal Year Ending April 30,	Amount
2015	\$ 278,658
2016	278,658
2017	278,658

These amounts have been calculated using the City's current allocation percentage of 3.90%. In future years, this allocation percentage will be subject to change.

9. CONTINGENT LIABILITIES

a. Litigation

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

9. CONTINGENT LIABILITIES (Continued)

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 two local businesses wherein the City will rebate up to a net present value of \$4,000,000 of incremental sales tax revenue, discounted at 8.15%. The agreement is contingent upon the completion of an expansion project by businesses.

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, contingent on the renewal of a retail lease renewal.

10. EMPLOYEE RETIREMENT SYSTEMS

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for both plans are governed by ILCS and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution for the calendar year ended December 31, 2013 was 14.16% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. At April 30, 2014, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	
Terminated employees entitled to benefits but not yet receiving them	21
Current employees	-
Vested	26
Nonvested	6
TOTAL	53

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired as a police officer 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 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 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 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary and the administrative costs. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan. For the year ended April 30, 2014, the City's contribution was _____% of covered payroll.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

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

Administrative Costs

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

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2011	April 30, 2014
Actuarial cost method	Entry-Age Normal	Entry-Age Normal
Asset valuation method	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	29 Years, Closed

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Police Pension
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	N/A
d) Postretirement benefit increases	3.00%	3.00%

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

	For Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2012	\$ 297,056	\$ 1,173,219
	2013	311,928	982,046
	2014	379,172	982,046
Actual contribution	2012	284,897	1,185,029
	2013	310,813	1,092,730
	2014	378,034	1,092,730
Percentage of APC contributed	2012	95.91%	101.01%
	2013	99.64%	111.27%
	2014	99.70%	111.27%
NPO (asset)	2012	\$ 52,103	\$ (75,883)
	2013	53,218	(186,567)
	2014	54,356	(186,567)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

The NPO (asset) as of April 30, 2014 has been calculated as follows:

	Illinois Municipal Retirement	Police Pension
Annual required contribution	\$ 378,034	\$ 984,942
Interest on net pension obligation	3,991	(5,312)
Adjustment to annual required contributions	(2,853)	2,416
Annual pension cost	379,172	982,046
Contributions made	378,034	1,092,730
Increase (decrease) in net pension obligation (asset)	1,138	(110,684)
Net pension obligation (asset), beginning of year	53,218	(75,883)
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ 54,356	\$ (186,567)

d. Funded Status

The funded status of the plans as of April 30, 2014 were as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2013	April 30, 2013
Actuarial accrued liability (AAL)	\$ 9,141,576	\$ 34,738,244
Actuarial value of plan assets	6,897,834	21,733,612
Unfunded actuarial accrued liability (UAAL)	2,243,742	13,004,632
Funded ratio (actuarial value of plan assets/AAL)	75.46%	62.56%
Covered payroll (active plan members)	\$ 2,494,952	\$ 2,913,928
UAAL as a percentage of covered payroll	89.93%	446.29%

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Funded Status (Continued)

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

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

11. LEASE AGREEMENTS

As of April 30, 2014, the City has rental agreements with three retailers for the rental of business space of the strip mall property at 7515 South Cass. The three retailers will pay the City a combined total of \$7,900 on a month-to-month basis.

12. OTHER POSTEMPLOYMENT BENEFITS

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014
(With Prior Year Actual)

	2014			2013 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
REVENUES				
Taxes	\$ 3,366,282	\$ 3,423,728	\$ 57,446	\$ 3,993,543
Licenses, permits and fees	836,600	1,118,571	281,971	1,034,776
Intergovernmental	7,351,546	7,718,957	367,411	7,448,362
Charges for services	531,802	894,182	362,380	681,129
Investment income	10,000	10,255	255	24,008
Miscellaneous	115,000	49,127	(65,873)	45,126
Total revenues	12,211,230	13,214,820	1,003,590	13,226,944
EXPENDITURES				
Current				
General government	1,480,388	1,369,467	(110,921)	1,338,177
Highways and streets	1,871,207	1,869,491	(1,716)	1,620,121
Public safety	7,198,555	6,892,574	(305,981)	6,768,914
Debt service				
Principal	-	160,500	160,500	160,500
Interest	-	4,838	4,838	4,592
Total expenditures	10,550,150	10,296,870	(253,280)	9,892,304
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,661,080	2,917,950	1,256,870	3,334,640
OTHER FINANCING SOURCES (USES)				
Transfers in	-	5,859	5,859	-
Transfers (out)	-	(3,747,422)	(3,747,422)	(2,800,000)
Proceeds from sale of assets	15,000	24,550	9,550	27,842
Total other financing sources (uses)	15,000	(3,717,013)	(3,732,013)	(2,772,158)
NET CHANGE IN FUND BALANCE	\$ 1,676,080	(799,063)	\$ (2,475,143)	562,482
FUND BALANCE, MAY 1		4,671,008		4,108,526
FUND BALANCE, APRIL 30		\$ 3,871,945		\$ 4,671,008

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

**SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended April 30, 2014

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2008	\$ 6,094,965	\$ 8,110,781	75.15%	\$ 2,015,816	\$ 3,101,518	64.99%
2009	5,596,856	8,049,960	69.53%	2,453,104	3,169,693	77.39%
2010	6,345,481	8,800,442	72.10%	2,454,961	2,962,084	82.88%
2011	5,971,006	8,414,833	70.96%	2,443,827	2,579,318	94.75%
2012	5,970,600	8,699,564	68.63%	2,728,964	2,329,264	117.16%
2013	6,897,834	9,141,576	75.46%	2,243,742	2,494,952	89.93%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

**SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND**

For the Year Ended April 30, 2014

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ 14,488,861	\$ 28,067,625	51.62%	\$ 13,578,764	\$ 3,059,620	443.81%
2010	16,866,119	30,626,124	55.07%	13,760,005	3,282,075	419.25%
2011	18,838,718	31,056,795	60.66%	12,218,077	3,089,788	395.43%
2012	20,048,107	32,785,742	61.15%	12,737,635	2,957,431	430.70%
2013	21,733,612	34,738,244	62.56%	13,004,632	2,913,928	446.29%
2014	21,733,612	34,738,244	62.56%	13,004,632	2,913,928	446.29%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 306,740	\$ 306,740	100.00%
2010	303,386	303,386	100.00%
2011	335,252	364,883	91.88%
2012	284,897	296,202	96.18%
2013	310,813	310,813	100.00%
2014	378,034	378,034	100.00%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

For the Year Ended April 30, 2014

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 937,066	\$ 927,983	100.98%
2010	949,373	939,778	101.02%
2011	1,113,781	1,103,909	100.89%
2012	1,185,029	1,174,292	100.91%
2013	1,092,730	984,942	110.94%
2014	1,092,730	984,942	110.94%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2014

1. BUDGETS

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds. Budget amounts are as originally adopted by the City Council. All annual appropriations lapse at fiscal year end. As the City does not budget for its Drug Seizure Fund (it is not legally required to do so) budget to actual schedules are not presented for the Drug Seizure Fund. In addition, no budget was adopted for the Federal Equitable Sharing Fund.

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

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

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

2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Fund	Budget	Actual
Debt Service Fund	\$ 498,400	\$ 498,775
Motor Fuel Tax Fund	578,915	791,031
Water Operations Fund	6,187,504	6,396,861

MAJOR GOVERNMENTAL FUNDS

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

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

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014
(With Prior Year Actual)

	2014			2013 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
TAXES				
Property taxes - current	\$ 1,115,282	\$ 1,125,473	\$ 10,191	\$ 1,636,277
Road and bridge tax	185,000	208,665	23,665	193,771
Municipal utility tax	1,040,000	1,154,303	114,303	1,115,615
Telecommunication tax	900,000	787,188	(112,812)	914,897
Amusement tax	90,000	87,861	(2,139)	78,534
Hotel/motel tax	31,000	48,835	17,835	48,722
Replacement tax	5,000	7,043	2,043	5,727
Video gaming tax	-	4,360	4,360	-
Total taxes	3,366,282	3,423,728	57,446	3,993,543
LICENSES, PERMITS, AND FEES				
Business licenses	40,000	46,824	6,824	44,953
Liquor licenses	50,000	61,842	11,842	55,100
Contractors licenses	12,000	19,560	7,560	18,420
Court fines	140,000	136,534	(3,466)	151,488
Ordinance fines	20,000	19,866	(134)	25,719
Building permits and fees	35,000	187,789	152,789	140,120
Cable TV franchise fees	340,000	366,764	26,764	332,167
PEG fees AT&T	-	8,234	8,234	12,639
NICOR franchise fees	40,000	28,606	(11,394)	29,975
Public hearing fees	4,000	6,201	2,201	5,159
Elevator inspections	4,000	4,925	925	5,307
Public improvement permit fees	-	175	175	3,790
Engineering fee reimbursements	20,000	64,940	44,940	52,221
DUI technology fines	6,500	15,409	8,909	9,880
Police special service	125,000	149,840	24,840	146,470
Stormwater management fees	100	1,062	962	1,368
Total licenses, permits, and fees	836,600	1,118,571	281,971	1,034,776
INTERGOVERNMENTAL				
State income taxes	2,098,170	2,152,195	54,025	1,990,401
Local use tax	353,376	384,587	31,211	351,018
Sales tax	4,900,000	5,025,602	125,602	5,013,078
DADC distribution	-	145,902	145,902	92,860
Grants	-	10,671	10,671	1,005
Total intergovernmental	7,351,546	7,718,957	367,411	7,448,362

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014
(With Prior Year Actual)

	2014		Variance Over (Under)	2013 Actual
	Original and Final Budget	Actual		
CHARGES FOR SERVICES				
Towing fees	\$ 50,000	\$ 70,248	\$ 20,248	\$ 100,098
Police report/prints	4,000	6,230	2,230	5,505
Inspection/tap on/permits	-	150	150	2,500
Rents	382,302	494,177	111,875	386,469
Other reimbursements	85,000	234,899	149,899	115,199
Residential concrete reimbursement	-	67,987	67,987	55,139
Reimbursement - rear yard drain	-	6,274	6,274	2,639
Maintenance reimbursements	10,500	2,792	(7,708)	3,751
Mail box reimbursement	-	2,309	2,309	2,303
Sales of wood chips	-	4,299	4,299	3,890
Operations revenue	-	4,817	4,817	3,636
Total charges for services	531,802	894,182	362,380	681,129
INVESTMENT INCOME				
Investment income	10,000	10,255	255	24,008
Total investment income	10,000	10,255	255	24,008
MISCELLANEOUS				
Street reconstruction program	-	1,107	1,107	-
Reimbursement - workers compensation	-	23,427	23,427	-
Impact fees	-	5,970	5,970	5,263
Miscellaneous	115,000	18,623	(96,377)	39,863
Total miscellaneous	115,000	49,127	(65,873)	45,126
TOTAL REVENUES	\$ 12,211,230	\$ 13,214,820	\$ 1,003,590	\$ 13,226,944

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes OnlySCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUNDFor the Year Ended April 30, 2014
(With Prior Year Actual)

	2014		Variance Over (Under)	2013 Actual
	Original and Final Budget	Actual		
GENERAL GOVERNMENT				
Administration				
Personnel services				
Salaries	\$ 469,194	\$ 475,882	\$ 6,688	\$ 457,488
Overtime	2,000	-	(2,000)	84
Social security	26,931	26,302	(629)	23,473
Medicare	6,832	6,939	107	6,109
IMRF	66,721	65,692	(1,029)	59,593
Medical/life insurance	63,608	61,757	(1,851)	60,139
Supplemental pensions	23,984	25,182	1,198	24,806
Total personnel services	659,270	661,754	2,484	631,692
Materials and supplies				
Dues and subscriptions	3,000	4,402	1,402	2,818
Liability insurance	51,623	31,680	(19,943)	30,331
Legal notices	8,000	4,036	(3,964)	7,052
Maintenance - building	8,400	596	(7,804)	2,218
Maintenance - equipment	12,800	5,904	(6,896)	10,794
Maintenance - grounds	7,000	1,404	(5,596)	4,166
Postage/mailings	5,200	1,945	(3,255)	6,001
Printing and forms	4,000	2,391	(1,609)	2,529
Public relations	29,500	25,379	(4,121)	27,518
Rent - equipment	2,400	1,755	(645)	2,412
Supplies - office	10,000	8,109	(1,891)	9,852
Supplies - other	500	-	(500)	42
Training and education	4,500	2,064	(2,436)	2,885
Travel/meetings	2,000	305	(1,695)	262
Telephone	63,000	59,896	(3,104)	59,609
Utilities	3,500	4,458	958	3,102
Gas and oil	7,900	4,229	(3,671)	7,227
Vehicle	2,000	1,255	(745)	360
Total materials and supplies	225,323	159,808	(65,515)	179,178
Contractual services				
Audit	12,775	12,775	-	12,200
Consulting/professional	89,377	87,631	(1,746)	86,690
Contingency	10,000	6,432	(3,568)	3,496
Janitorial services	16,500	14,184	(2,316)	14,334
Total contractual services	128,652	121,022	(7,630)	116,720
Capital outlay				
Equipment	14,000	12,219	(1,781)	-
Total capital outlay	14,000	12,219	(1,781)	-
Total administration	1,027,245	954,803	(72,442)	927,590
City Council				
Personnel services				
Salaries	42,750	42,750	-	42,750
Social security	2,650	2,651	1	2,807
Medicare	620	620	-	657
Total personnel services	46,020	46,021	1	46,214

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes OnlySCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUNDFor the Year Ended April 30, 2014
(With Prior Year Actual)

	2014		Variance Over (Under)	2013 Actual
	Original and Final Budget	Actual		
GENERAL GOVERNMENT (Continued)				
City Council (Continued)				
Materials and supplies				
Board and commissions	\$ 2,500	\$ 1,291	\$ (1,209)	\$ 1,335
Cable operations	2,500	-	(2,500)	34,768
Dues and subscriptions	100	65	(35)	-
Liability insurance	42,806	31,930	(10,876)	34,485
Public relations	2,000	400	(1,600)	1,429
Supplies - other	-	-	-	45
Training and education	1,000	-	(1,000)	-
Travel/meetings	-	20	20	97
Total materials and supplies	50,906	33,706	(17,200)	72,159
Contractual services				
Consulting/professional	15,000	3,866	(11,134)	3,045
Tolley contracts	900	246	(654)	249
Total contractual services	15,900	4,112	(11,788)	3,294
Total city council	112,826	83,839	(28,987)	121,667
Community development				
Personnel services				
Salaries	283,173	285,227	2,054	278,924
Overtime	500	280	(220)	504
Social security	16,435	15,531	(904)	15,384
Medicare	4,135	3,983	(152)	3,941
IMRF	29,335	38,651	9,316	35,329
Medical/life insurance	40,178	39,261	(917)	38,253
Supplemental pensions	3,600	2,492	(1,108)	2,400
Total personnel services	377,356	385,425	8,069	374,735
Materials and supplies				
Boards and commissions	2,400	1,550	(850)	1,379
Dues and subscriptions	650	470	(180)	453
Liabilities insurance	48,110	33,445	(14,665)	33,010
Maintenance - vehicles	1,200	324	(876)	1,090
Printing and forms	2,641	1,112	(1,529)	985
Supplies - office	450	-	(450)	114
Training and educational	500	328	(172)	-
Travel/meetings	200	127	(73)	160
Gas and oil	2,000	338	(1,662)	1,483
Total materials and supplies	58,151	37,694	(20,457)	38,674
Contractual services				
Consulting/professional	31,500	42,425	10,925	46,838
Consulting/professional reimbursable	50,400	79,529	29,129	48,084
Total contractual services	81,900	121,954	40,054	94,922
Total community development	517,407	545,073	27,666	508,331

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014
(With Prior Year Actual)

	2014		Variance Over (Under)	2013 Actual
	Original and Final Budget	Actual		
GENERAL GOVERNMENT (Continued)				
Business district				
Personnel services				
Liability insurance	\$ 4,410	\$ 4,410	\$ -	\$ 3,500
Total professional services	4,410	4,410	-	3,500
Contractual services				
Maintenance - grounds	41,000	13,180	(27,820)	15,628
Utilities	10,000	15,519	5,519	10,992
Maintenance - equipment	17,500	2,643	(14,857)	469
Total contractual services	68,500	31,342	(37,158)	27,089
Total business district	72,910	35,752	(37,158)	30,589
Subtotal general government	1,730,388	1,619,467	(110,921)	1,588,177
Less reimbursements from Water Fund	(250,000)	(250,000)	-	(250,000)
Total general government	1,480,388	1,369,467	(110,921)	1,338,177
HIGHWAYS AND STREETS				
Public works				
Personnel services				
Salaries	501,841	515,582	13,741	517,169
Overtime	75,000	134,502	59,502	40,605
Social security	57,464	41,521	(15,943)	32,362
Medicare	13,439	9,709	(3,730)	7,576
IMRF	121,499	93,100	(28,399)	70,604
Medical/life insurance	161,528	134,693	(26,835)	120,664
Supplemental pensions	2,500	3,415	915	3,369
Total personnel services	933,271	932,522	(749)	792,349
Materials and supplies				
Liability insurance	63,073	54,543	(8,530)	52,268
Maintenance - building	132,836	118,469	(14,367)	45,091
Maintenance - equipment	23,050	36,190	13,140	20,443
Maintenance - vehicles	26,000	51,140	25,140	30,812
Postage/mailings	1,000	470	(530)	1,680
Rent - equipment	23,650	29,456	5,806	11,537
Supplies - office	4,100	3,194	(906)	4,461
Supplies - other	41,760	38,392	(3,368)	27,726
Small tools and equipment	5,600	5,693	93	3,969
Training and education	8,575	1,729	(6,846)	1,109
Travel/meetings	-	80	80	-
Uniforms	6,446	4,159	(2,287)	5,043
Utilities	3,100	5,666	2,566	3,366
Gas and oil	82,775	83,316	541	67,882
Total materials and supplies	421,965	432,497	10,532	275,387
Contractual services				
Consulting/professional	4,000	7,027	3,027	44,281
Forestry	47,314	46,096	(1,218)	20,898
Street light operation and maintenance	96,400	77,255	(19,145)	98,753
Tree trim - removal	120,800	108,921	(11,879)	84,812

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes OnlySCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUNDFor the Year Ended April 30, 2014
(With Prior Year Actual)

	2014		Variance Over (Under)	2013 Actual
	Original and Final Budget	Actual		
HIGHWAYS AND STREETS (Continued)				
Public works (Continued)				
Contractual services (Continued)				
Residential concrete program	\$ -	\$ 58,795	\$ 58,795	\$ 69,049
Rear yard drain projects	-	-	-	511
Street sweeping	35,843	23,282	(12,561)	23,863
Mosquito abatement	42,114	40,887	(1,227)	40,887
Drainage projects	34,500	28,290	(6,210)	23,497
Total contractual services	380,971	390,553	9,582	406,551
Capital outlay				
Equipment	135,000	112,200	(22,800)	145,834
Street rehabilitation	-	1,719	1,719	-
Total capital outlay	135,000	113,919	(21,081)	145,834
Total public works	1,871,207	1,869,491	(1,716)	1,620,121
Total highways and streets	1,871,207	1,869,491	(1,716)	1,620,121
PUBLIC SAFETY				
Police department				
Personnel services				
Salaries	423,999	491,656	67,657	451,217
Salaries - officers	3,321,666	3,206,279	(115,387)	3,232,947
Overtime	460,750	549,883	89,133	404,861
Social security	24,529	26,965	2,436	26,555
Medicare	50,096	53,983	3,887	50,034
IMRF	74,146	63,360	(10,786)	63,854
Medical/life insurance	515,500	421,107	(94,393)	445,341
Police pension	1,115,282	1,125,401	10,119	1,092,729
Supplemental pensions	50,000	45,483	(4,517)	47,614
Total personnel services	6,035,968	5,984,117	(51,851)	5,815,152
Materials and supplies				
Animal control	2,000	765	(1,235)	190
Auxiliary police	8,000	608	(7,392)	3,507
Boards and commissions	6,500	3,867	(2,633)	16,039
Dues and subscriptions	4,000	1,653	(2,347)	2,279
Investigation and equipment	57,615	47,049	(10,566)	9,438
Liability insurance	219,314	197,760	(21,554)	198,776
Maintenance - building	-	11	11	560
Maintenance - equipment	15,400	8,527	(6,873)	20,165
Maintenance - vehicles	30,800	43,508	12,708	36,056
Postage/mailings	4,200	1,364	(2,836)	4,318
Printing and forms	4,000	2,480	(1,520)	1,123
Public relations	5,000	3,090	(1,910)	4,007
Rent - equipment	172,345	700	(171,645)	-
Supplies - office	6,000	6,591	591	5,400
Training and education	31,410	22,331	(9,079)	15,269
Travel/meetings	10,100	9,541	(559)	4,428
Telephone	12,700	11,055	(1,645)	10,761

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014
(With Prior Year Actual)

	2014		Variance Over (Under)	2013 Actual
	Original and Final Budget	Actual		
PUBLIC SAFETY (Continued)				
Police department (Continued)				
Materials and supplies (Continued)				
Uniforms	\$ 36,100	\$ 40,940	\$ 4,840	\$ 26,474
Utilities	7,000	7,723	723	5,530
Gas and oil	136,000	110,960	(25,040)	128,786
Total materials and supplies	768,484	520,523	(247,961)	493,106
Contractual services				
Consulting/professional	360,623	359,243	(1,380)	343,209
Dumeg/flat/child center	24,680	24,680	-	26,240
Total contractual services	385,303	383,923	(1,380)	369,449
Capital outlay				
Equipment	8,800	4,011	(4,789)	91,207
Total capital outlay	8,800	4,011	(4,789)	91,207
Total police department	7,198,555	6,892,574	(305,981)	6,768,914
Total public safety	7,198,555	6,892,574	(305,981)	6,768,914
DEBT SERVICE				
Principal	-	160,500	160,500	160,500
Interest	-	4,838	4,838	4,592
Total debt service	-	165,338	165,338	165,092
TOTAL EXPENDITURES	\$ 10,550,150	\$ 10,296,870	\$ (253,280)	\$ 9,892,304

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014
(With Prior Year Actual)

	2014			2013 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
REVENUES				
Taxes	\$ 202,320	\$ 204,160	\$ 1,840	\$ 203,097
Intergovernmental	-	342,214	342,214	-
Charges for services	37,500	85,093	47,593	83,111
Investment income	10,000	49,424	39,424	54,124
Total revenues	249,820	680,891	431,071	340,332
EXPENDITURES				
Current				
Highways and streets				
Contractual services	45,500	65,369	19,869	52,278
Capital outlay	2,969,530	2,742,365	(227,165)	2,889,043
Debt service				
Principal payments	202,194	135,000	(67,194)	130,000
Interest and fiscal charges	-	67,747	67,747	72,622
Total expenditures	3,217,224	3,010,481	(206,743)	3,143,943
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,967,404)	(2,329,590)	637,814	(2,803,611)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,900,000	3,747,422	847,422	2,800,000
Proceeds from sale of assets	-	-	-	1,950,000
Total other financing sources (uses)	2,900,000	3,747,422	847,422	4,750,000
NET CHANGE IN FUND BALANCE	\$ (67,404)	1,417,832	\$ 1,485,236	1,946,389
FUND BALANCE, MAY 1		3,811,097		1,864,708
FUND BALANCE, APRIL 30		\$ 5,228,929		\$ 3,811,097

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014
(With Prior Year Actual)

	2014			2013 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
REVENUES				
Taxes	\$ 498,400	\$ 502,925	\$ 4,525	\$ 496,206
Investment income	-	1,403	1,403	1,822
Total revenues	498,400	504,328	5,928	498,028
EXPENDITURES				
Debt service				
Principal	498,400	410,000	(88,400)	390,000
Interest and fiscal charges	-	88,775	88,775	104,375
Total expenditures	498,400	498,775	375	494,375
NET CHANGE IN FUND BALANCE	\$ -	5,553	\$ 5,553	3,653
FUND BALANCE, MAY 1		7,860		4,207
FUND BALANCE, APRIL 30		\$ 13,413		\$ 7,860

(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.

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, 2014

	<u>Special Revenue</u>				
	<u>Motor Fuel Tax</u>	<u>Special Service Area</u>	<u>Federal Equitable Sharing</u>	<u>Drug Seizure</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 118,593	\$ 11,926	\$ 76,837	\$ 5,351	\$ 212,707
Receivables					
Intergovernmental	40,716	-	-	-	40,716
TOTAL ASSETS	\$ 159,309	\$ 11,926	\$ 76,837	\$ 5,351	\$ 253,423
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 6,854	\$ 2,800	\$ -	\$ 182	\$ 9,836
Total liabilities	6,854	2,800	-	182	9,836
FUND BALANCES					
Restricted					
Special service area	-	9,126	-	-	9,126
Public safety	-	-	76,837	5,169	82,006
Highways and streets	152,455	-	-	-	152,455
Total fund balances	152,455	9,126	76,837	5,169	243,587
TOTAL LIABILITIES AND FUND BALANCES	\$ 159,309	\$ 11,926	\$ 76,837	\$ 5,351	\$ 253,423

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014

	Special Revenue				Total
	Motor Fuel Tax	Special Service Area	Federal Equitable Sharing	Drug Seizure	
REVENUES					
Taxes	\$ -	\$ 5,061	\$ -	\$ -	\$ 5,061
Intergovernmental	647,807	-	84,689	-	732,496
Investment income	2,970	111	59	360	3,500
Total revenues	650,777	5,172	84,748	360	741,057
EXPENDITURES					
Current					
Highways and streets	791,031	4,978	-	-	796,009
Public safety	-	-	7,911	-	7,911
Total expenditures	791,031	4,978	7,911	-	803,920
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(140,254)	194	76,837	360	(62,863)
OTHER FINANCING SOURCES (USES)					
Transfers (out)	-	-	-	(5,859)	(5,859)
Total other financing sources (uses)	-	-	-	(5,859)	(5,859)
NET CHANGE IN FUND BALANCES	(140,254)	194	76,837	(5,499)	(68,722)
FUND BALANCES, MAY 1	292,709	8,932	-	10,668	312,309
FUND BALANCES, APRIL 30	\$ 152,455	\$ 9,126	\$ 76,837	\$ 5,169	\$ 243,587

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014
(With Prior Year Actual)

	2014			2013 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
REVENUES				
Intergovernmental				
MFT allotment	\$ 519,021	\$ 647,807	\$ 128,786	\$ 634,266
Investment income	-	2,970	2,970	3,805
Total revenues	519,021	650,777	131,756	638,071
EXPENDITURES				
Current				
Highways and streets				
Commodities	228,915	294,464	65,549	232,494
Wages	300,000	367,440	67,440	322,692
Contractual services	50,000	129,127	79,127	-
Total expenditures	578,915	791,031	212,116	555,186
NET CHANGE IN FUND BALANCE	\$ (59,894)	(140,254)	\$ (80,360)	82,885
FUND BALANCE, MAY 1		292,709		209,824
FUND BALANCE, APRIL 30		\$ 152,455		\$ 292,709

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Year Ended April 30, 2014
(With Prior Year Actual)

	2014			2013 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
REVENUES				
Taxes	\$ 5,000	\$ 5,061	\$ 61	\$ 5,031
Investment income	-	111	111	146
Total revenues	5,000	5,172	172	5,177
EXPENDITURES				
Current				
Contractual services	8,400	4,978	(3,422)	4,982
Total expenditures	8,400	4,978	(3,422)	4,982
NET CHANGE IN FUND BALANCE	\$ (3,400)	194	\$ 3,594	195
FUND BALANCE, MAY 1		8,932		8,737
FUND BALANCE, APRIL 30		\$ 9,126		\$ 8,932

(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

Preliminary and Tentative
For Discussion Purposes OnlySCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER OPERATIONS FUNDFor the Year Ended April 30, 2014
(With Prior Year Actual)

	2014		Variance Over (Under)	2013 Actual
	Original and Final Budget	Actual		
OPERATING REVENUES				
Charges for services				
Water sales	\$ 6,318,567	\$ 6,007,223	\$ (311,344)	\$ 5,714,354
Inspections/tap on/permits	4,000	13,987	9,987	24,502
Sale of meters	3,500	3,241	(259)	4,828
Other water sales	4,500	3,347	(1,153)	8,055
Total operating revenues	6,330,567	6,027,798	(302,769)	5,751,739
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Personnel services				
Salaries	453,325	462,986	9,661	459,195
Overtime	50,000	129,715	79,715	27,999
Social security	34,306	31,096	(3,210)	30,592
Medicare	8,023	7,291	(732)	7,155
IMRF	71,552	77,508	5,956	50,451
Medical/life insurance	110,584	80,028	(30,556)	71,392
Supplemental pensions	2,400	1,385	(1,015)	1,200
Total personnel services	730,190	790,009	59,819	647,984
Materials and supplies				
Liability insurance	194,311	183,625	(10,686)	119,280
Maintenance - building	62,770	49,602	(13,168)	22,039
Maintenance - equipment	12,100	15,000	2,900	21,359
Maintenance - water system	149,250	152,945	3,695	125,074
Postage	1,000	48	(952)	501
Quality controls	16,390	13,273	(3,117)	9,921
Service charge	250,000	250,000	-	250,000
Supplies - operation	7,160	773	(6,387)	256
Training and education	5,439	393	(5,046)	1,415
Telephone	10,749	10,134	(615)	9,828
Uniforms	3,100	2,875	(225)	2,318
Utilities	48,825	42,443	(6,382)	46,681
Vehicle (gas and oil)	22,575	14,999	(7,576)	23,843
Total materials and supplies	783,669	736,110	(47,559)	632,515
Contractual				
Audit	10,000	10,000	-	10,000
Consulting/professional	13,000	8,014	(4,986)	7,605
Leak detection	20,100	12,130	(7,970)	14,718
Data processing	152,328	171,912	19,584	153,109
DuPage Water Commission	3,951,321	4,135,356	184,035	3,527,280
Total contractual	4,146,749	4,337,412	190,663	3,712,712

(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, 2014
(With Prior Year Actual)

	2014			2013 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
OPERATING EXPENSES				
EXCLUDING DEPRECIATION (Continued)				
Capital outlay				
Equipment	\$ 72,000	\$ 149,060	\$ 77,060	\$ 68,987
Water meters	25,000	14,975	(10,025)	14,967
Infrastructure	10,000	22,303	12,303	-
Hydrant painting	41,000	35,520	(5,480)	-
Capital improvements	70,000	850	(69,150)	-
SCADA system	-	-	-	22,200
Total capital outlay	218,000	222,708	4,708	106,154
Total operating expenses excluding depreciation	5,878,608	6,086,239	207,631	5,099,365
OPERATING INCOME (LOSS)	451,959	(58,441)	(510,400)	652,374
NONOPERATING REVENUES (EXPENSES)				
Investment income	4,000	11,367	7,367	18,592
Miscellaneous income	-	71,798	71,798	9,151
Debt service				
Principal repayment	(198,274)	(200,000)	(1,726)	(190,000)
Interest expense	(110,622)	(110,622)	-	(161,120)
Total nonoperating revenues (expenses)	(304,896)	(227,457)	77,439	(323,377)
NET INCOME (LOSS) BUDGETARY BASIS	\$ 147,063	(285,898)	\$ (432,961)	328,997
Adjustments to GAAP basis				
Principal repayment		200,000		190,000
Depreciation		(335,144)		(339,134)
Total adjustments to GAAP basis		(135,144)		(149,134)
CHANGE IN NET POSITION		(421,042)		179,863
NET POSITION, MAY 1		5,939,599		5,785,560
Prior period adjustment		-		(25,824)
NET POSITION, MAY 1, RESTATED		5,939,599		5,759,736
NET POSITION, APRIL 30	\$ 5,518,557		\$ 5,939,599	

(See independent auditor's report.)

FIDUCIARY FUNDS

Agency Funds - to account for amounts held in deposit.

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended April 30, 2014

All Funds	Balances May 1	Additions	Deletions	Balances April 30
ASSETS				
Cash and cash equivalents	\$ 13,244	\$ 5,280	\$ -	\$ 18,524
TOTAL ASSETS	\$ 13,244	\$ 5,280	\$ -	\$ 18,524
LIABILITIES				
Due to others	\$ 10,901	\$ 142	\$ -	\$ 11,043
Impact fees payable	2,317	5,138	-	7,455
Deposits payable	26	-	-	26
TOTAL LIABILITIES	\$ 13,244	\$ 5,280	\$ -	\$ 18,524
 Impact Fees Fund				
ASSETS				
Cash and cash equivalents	\$ 13,218	\$ 5,280	\$ -	\$ 18,498
TOTAL ASSETS	\$ 13,218	\$ 5,280	\$ -	\$ 18,498
LIABILITIES				
Due to others	\$ 10,901	\$ 142	\$ -	\$ 11,043
Impact fees payable	2,317	5,138	-	7,455
TOTAL LIABILITIES	\$ 13,218	\$ 5,280	\$ -	\$ 18,498
 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

Preliminary and Tentative
For Discussion Purposes Only

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

April 30, 2014

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				June 15	Amount	December 15	Amount
2015	\$ 185,000	\$ 7,631	\$ 192,631	2014	\$ 3,815	2014	\$ 3,816
	<u>\$ 185,000</u>	<u>\$ 7,631</u>	<u>\$ 192,631</u>		<u>\$ 3,815</u>		<u>\$ 3,816</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

April 30, 2014

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				June 15	Amount	December 15	Amount
2015	\$ 425,000	\$ 72,000	\$ 497,000	2014	\$ 36,000	2014	\$ 36,000
2016	440,000	55,000	495,000	2015	27,500	2015	27,500
2017	460,000	37,400	497,400	2016	18,700	2016	18,700
2018	475,000	19,000	494,000	2017	9,500	2017	9,500
	<u>\$ 1,800,000</u>	<u>\$ 183,400</u>	<u>\$ 1,983,400</u>		<u>\$ 91,700</u>		<u>\$ 91,700</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2008**

April 30, 2014

Date of Issue	June 15, 2008
Date of Maturity	January 1, 2024
Authorized Issue	\$2,370,000
Interest Rates	3.50% - 4.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Harris Bank

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				July 1	Amount	Jan 1	Amount
2015	\$ 140,000	\$ 62,256	\$ 202,256	2014	\$ 31,128	2015	\$ 31,128
2016	145,000	57,006	202,006	2015	28,503	2016	28,503
2017	155,000	51,570	206,570	2016	25,785	2017	25,785
2018	160,000	45,564	205,564	2017	22,782	2018	22,782
2019	165,000	39,362	204,362	2018	19,681	2019	19,681
2020	170,000	32,968	202,968	2019	16,484	2020	16,484
2021	175,000	26,380	201,380	2020	13,190	2021	13,190
2022	185,000	19,600	204,600	2021	9,800	2022	9,800
2023	190,000	12,200	202,200	2022	6,100	2023	6,100
2024	115,000	4,600	119,600	2023	2,300	2024	2,300
	<u>\$ 1,600,000</u>	<u>\$ 351,506</u>	<u>\$ 1,951,506</u>		<u>\$ 175,753</u>		<u>\$ 175,753</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

April 30, 2014

Date of Issue	July 12, 2012
Date of Maturity	December 15, 2025
Authorized Issue	\$2,810,000
Interest Rates	2.00% - 3.50%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Mellon

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				Jun 15	Amount	Dec 15	Amount
2015	\$ 20,000	\$ 84,125	\$ 104,125	2014	\$ 42,063	2014	\$ 42,062
2016	215,000	83,725	298,725	2015	41,863	2015	41,862
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>\$ 2,770,000</u>	<u>\$ 652,000</u>	<u>\$ 3,422,000</u>		<u>\$ 326,005</u>		<u>\$ 325,995</u>

(See independent auditor's report.)

City of Darien
Minutes of the Administrative Finance Committee
April 7, 2014

The Meeting was called to order by Alderman Ted Schauer at 6:02 pm. Committee members Alderman Joe Kenny and Alderman Tina Beilke were present. Staff members present included City Administrator Bryon Vana and Assistant City Administrator Scott Coren.

A resolution agreeing to work with the Village of Woodridge and Village of Downers Grove to provide a fireworks display at Ziegfield Troy Golf Course on the Fourth of July by contributing an amount not to exceed \$8,000

Assistant Administrator Coren said the City of Darien contributed to a fireworks display with the Village of Woodridge and the Village of Downers Grove until 2009, when the City Council eliminated the expense from the budget in response to reduced revenues during the recession. Without Darien's contribution, Woodridge and Downers Grove originally reduced the scope of the show to keep their costs level, but after a few years decided the show needed to go back to the original length, with each entity contributing more. This year, the two municipalities requested Darien resume contributing to the show, as Darien residents watch the show and receive the benefit. The City Council agreed to put \$8,000 in the draft budget to prepare for this expense.

The Village of Woodridge traditionally leads this show, as the firing area is within their jurisdiction. They have sent out a request for proposal to fireworks display companies, with an amount not to exceed \$24,000. Their request is for the City of Darien to contribute \$8,000, which is one third of the overall cost. Years ago, the formula for contributing to the fireworks was based on population, but the request at this time to split the cost equally in thirds.

Alderman Beilke made a motion to approve, Alderman Kenny seconded the motion, and it passed 3-0.

Minutes

Alderman Kenny made a motion to approve the minutes as amended, Alderman Beilke seconded the motion, and it passed 3-0.

Other Business

Alderman Kenny discussed an item on the Treasurer's report, in which the chairman of the Citizen of the Year committee was reimbursed approximately \$1,000 for costs related to the Citizen of the Year dinner. Staff offered to pay for items directly or in groups as

the costs came in, but the chairman preferred to do it all at once. Alderman Kenny asked staff to encourage the chairman to pay for items more frequently with the city credit card.

Adjournment

There being no further business Alderman Kenny made a motion to adjourn, with a second by Alderman Schauer. The motion carried 3-0 at 6:23 pm.

Approved:

Ted Schauer, Chairman _____

Joseph Kenny, Member _____

Tina Beilke, Member _____

City of Darien
Minutes of the Administrative Finance Committee
July 7, 2014

The Meeting was called to order by Alderman Ted Schauer at 6:09 pm. Committee members Alderman Joe Kenny and Alderman Tina Beilke were present. Staff members present included City Administrator Bryon Vana, Assistant City Administrator Scott Coren, and Director of Municipal Services Dan Gombac.

Plainfield Water Main Project

Director Gombac described the importance of the additional water main on Plainfield Road, which is over 50 years old and would be very difficult to repair in the future. Adding this quantity at this time would allow DuPage County to bury it at this time and avoid future problems.

Alderman Schauer made a motion to approve, Alderman Kenny seconded the motion, and it passed 3-0.

Copier Purchase

Assistant Administrator Coren went over the bidding process, which included eight different companies bidding on each of three new copiers that need to be replaced in the police department and municipal services. Three different companies offered the lowest price for each machine. Staff recommended going for the lowest priced machine that met minimum specifications.

Alderman Schauer made a motion to approve the minutes as amended, Alderman Beilke seconded the motion, and it passed 3-0.

Website Redevelopment

The aldermen reviewed two different website proposals from Municipal Web Services and CivicPlus. These two companies had extensive experience with municipal web development, which involves a large number of public contacts. The aldermen selected Municipal Web Services, which provided the lowest price for the project and had many other successful municipal partners.

The committee provided many ideas and feedback for the upcoming site, which will be brought together during the design phase of the site.

Alderman Schauer made a motion to approve the minutes as amended, Alderman Beilke seconded the motion, and it passed 3-0.

Adjournment

There being no further business Alderman Kenny made a motion to adjourn, with a second by Alderman Schauer. The motion carried 3-0 at 6:55 pm.

Approved:

Ted Schauer, Chairman

Joseph Kenny, Member

Tina Beilke, Member
