

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

Prepared by the General Administration Department

Michael J. Coren
City Treasurer

CITY OF DARIEN, ILLINOIS
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INTRODUCTORY SECTION

CITY OF DARIEN, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2011

MAYOR

Kathleen Moesle Weaver

CITY COUNCIL

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

CITY TREASURER

Michael J. Coren

CITY CLERK

Joanne Ragona

CITY ATTORNEY

John B. Murphy

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Darien, Illinois as of and for the year ended April 30, 2011, which collectively comprise the City of Darien, Illinois' basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of Darien, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Darien, Illinois as of April 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

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

Aurora, Illinois
August 15, 2011

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Darien, we offer readers of Darien's financial statements this narrative overview and analysis of the financial activities of the City of Darien for the fiscal year ended April 30, 2011. Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found on pages iii to vi in this report and the City's financial statements.

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

FINANCIAL HIGHLIGHTS

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the basic financial statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources; as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

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

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

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

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

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

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

Notes to the Financial Statements

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

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

Normal Impacts

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

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

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

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

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

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

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

Current Year Impacts

As noted earlier, net assets may serve over time as a useful indicator of a governments' financial position. In the case of the City of Darien, total net assets increased approximately \$.93 million from \$21.05 million to \$21.98 million. The City of Darien has a goal to maintain a specific level of fund balance and when it is projected that the amount is increasing, fund balance is used to cover expenditures rather than raise revenue. The City of Darien total assets equal \$34.28 million. The City of Darien total liabilities equal \$12.29 million.

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

A portion of the net assets of the governmental activities is restricted for street maintenance, road improvements, and special assessments. The unrestricted combined balance, for both governmental and business type activities, of \$5.82 million may be used to meet the ongoing City obligations to their citizens and creditors. All net asset categories show positive balances at yearend.

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

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

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

Normal Impacts

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

Revenues

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

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

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

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

Expenses

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

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

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

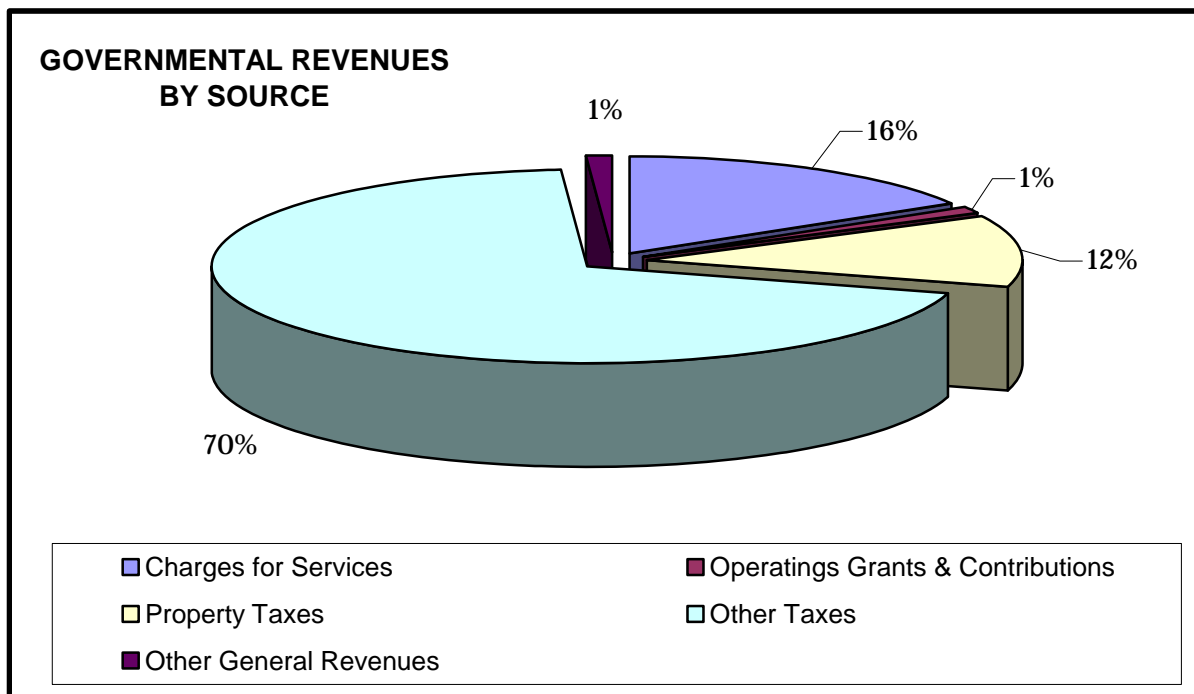
Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuel and parts. Some functions may experience unusual commodity specific increases.

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

Current Year Impacts

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

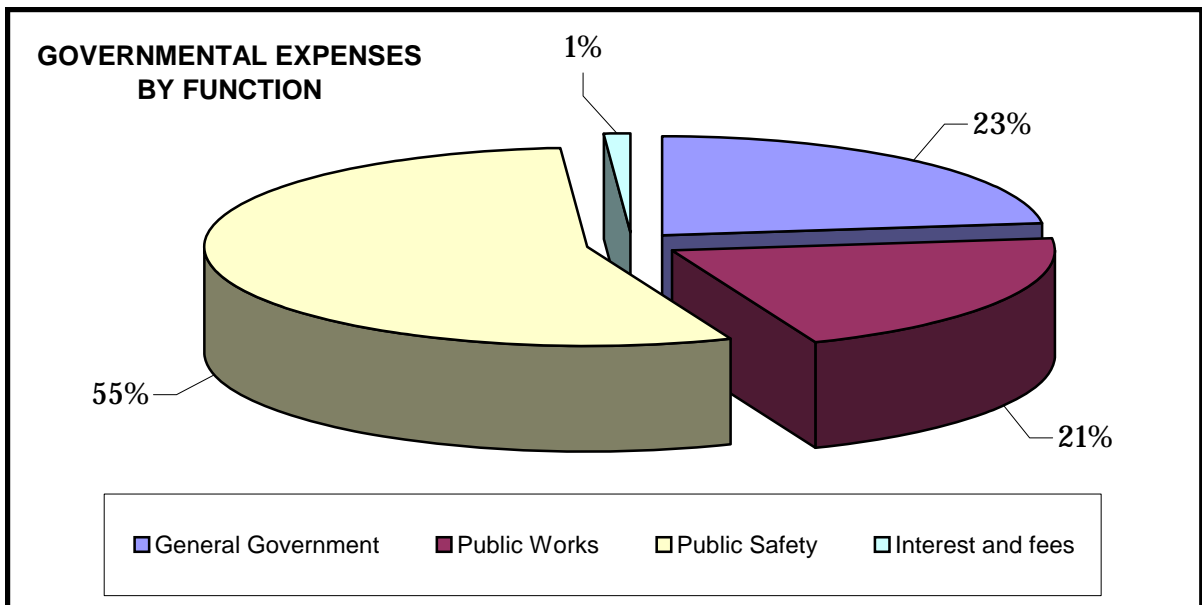
GOVERNMENTAL ACTIVITIES



Revenues

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

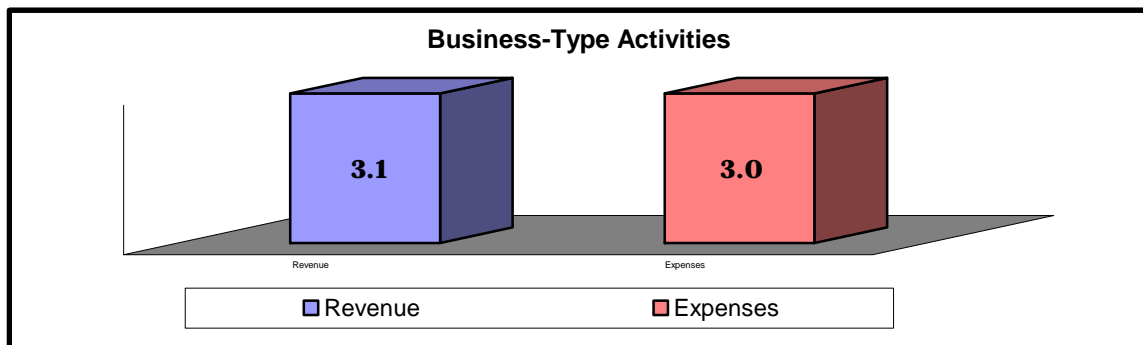
CITY OF DARIEN
Management's Discussion and Analysis
For the Year Ended April 30, 2011



Expenses

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

Business Type Activities



The Business-Type activity of the City of Darien includes the Water Department. The Water Department serves the city residents and businesses; Pricing of water is based on fee determined by the supplier of water, the DuPage Water Commission. Sales of water (revenues) can be affected by climate, at times, with warmer and drier summers bringing higher demand. The operating revenues of the Water Department increased by \$.90 million in comparison to the prior year, due to increased demand by consumers and the addition of new customers that were added on to the system.

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

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

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City of Darien uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds: The focus of the City of Darien's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Darien financing requirements.

The City of Darien's major funds include; the General Fund, Motor Fuel Tax Fund, Capital Improvement and Debt Service Fund.

At the end of the current fiscal year, the City of Darien's governmental funds reported a combined (major and non-major) ending fund balance of \$4.69 million; an increase of \$.88 million over fiscal 2010

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

At the end of fiscal 2011, the City of Darien had total capital assets (net of accumulated depreciation) of \$24.57 million, invested in a broad range of capital assets including police and public works equipment, buildings, water facilities, roads, streets, and sewer lines. The total decrease in the City's capital assets for the current year was \$1.09 million. For more detailed information see note 4. Capital Assets, page 29.

(See Independent Auditor's Report)

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

Debt Administration

The debt administration discussion covers two types of debt reported by the City's financial statements. The City's governmental activities include the note payable and a general obligation bond issuance for the acquisition and construction of major capital facilities. Overall, the City's governmental activities report a total debt of \$5.70 million. The City began the fiscal year with a balance of \$6.15 million in debt, and did not issue any new debt.

In the City's business-type activities a total debt of \$3.40 million is reported. Debt was reduced in the City business-type activity during 2011 by \$140 thousand, and issued no new debt. The business activity debt is paid primarily by revenues generated by the Water Department's sale of water fee for service. The revenue bonds of the business-type activity are obligations of the business-type activity only and are used for infrastructure and building improvements to the system. (More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.)

FACTORS BEARING ON THE CITY'S FUTURE

The general economic conditions of DuPage County, Cook County, and the Chicago metropolitan statistical area are affected by the national economic downturn. The unemployment rate for the most recent period available for this year, is 9.8% County-wide (Local Area Unemployment Statistics LAUS web site). The City's future is also affected by the sales tax base, which can vary based upon the vacancy rate of the local retail establishments, which are affected by the national economy.

The City's expenditures are comprised mostly of salaries and benefits. The City of Darien, along with all other municipalities, is also struggling to deal with the seemingly endless double-digit annual percentage increases in the premium cost of health insurance. Other factors bearing on the City's future include increases in water rates charged, and the general state of the economy. All of the local economic factors, revenue projections, and analysis of the City's expenditures are factored in the future fiscal budget plans.

REQUESTS FOR INFORMATION

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

Bryon Vana
City Administrator
1702 Plainfield Road
Darien, Illinois 60561

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

CITY OF DARIEN, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2011

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

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2011

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

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

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2011

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

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

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2011

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

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2011

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

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

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 877,806
Amounts reported for governmental activities in the statement of activities are different because:	
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	(754,432)
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	614,146
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	94,221
Certain costs associated with the issuances of bonds are deferred and amortized over the life of the bonds on the statement of activities:	
Amortization of issuance costs	(1,271)
Discount on issuance	(1,182)
Premium on issuance	3,269
The change in compensated absences payable is shown as an expense on the statement of activities	(127,141)
The change in the net pension obligation is shown as an expense on the statement of activities	(35,950)
The change in the net pension asset is shown as a reduction of expense on the statement of activities	<u>10,868</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 680,334</u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

April 30, 2011

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

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2011

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

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2011

	<u>Business-Type Activities Water Operations</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 4,576,113
Payments to suppliers	(3,113,407)
Payments to employees	<u>(642,487)</u>
Net cash from operating activities	<u>820,219</u>
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	(155,000)
Interest and fiscal charges	(149,455)
Miscellaneous receipts	<u>1,722</u>
Net cash from capital and related financing activities	<u>(302,733)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>14,742</u>
Net cash from investing activities	<u>14,742</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	532,228
CASH AND CASH EQUIVALENTS, MAY 1	<u>952,957</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 1,485,185</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 371,920
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	348,741
Changes in assets and liabilities	
Accounts receivable	27,090
Accounts payable	61,525
Accrued payroll	2,842
Compensated absences payable	4,107
Net pension obligation	<u>3,994</u>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 820,219</u></u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

April 30, 2011

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

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
POLICE PENSION FUND

For the Year Ended April 30, 2011

ADDITIONS

Contributions	
Employer	\$ 1,113,781
Employee	369,341
	<hr/>
Total contributions	1,483,122
	<hr/>
Investment income	
Net appreciation in fair value of investments	999,736
Interest	561,376
	<hr/>
Total investment income	1,561,112
	<hr/>
Less investment expense	(47,086)
	<hr/>
Net investment income	1,514,026
	<hr/>
Total additions	2,997,148

DEDUCTIONS

Pension benefits	976,616
Contractual services	16,593
Administrative expenses	10,695
	<hr/>
Total deductions	1,003,904

NET INCREASE 1,993,244

NET ASSETS HELD IN TRUST
FOR PENSION BENEFITS

May 1	<hr/>
	16,866,119
April 30	\$ 18,859,363
	<hr/> <hr/>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity

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

The City's financial statements include a pension trust fund.

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary, and two elected police employees constitute the pension board. The City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees, and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund.

Darien Area Dispatch Center

The Darien Area Dispatch Center (the Dispatch Center) is a joint communications operation with the communities of Darien and Lisle to assist in responding to these communities. While the City assists in some administrative procedures, the Dispatch Center is a jointly governed organization funded by the communities involved. During fiscal 2012, the Dispatch Center will be dissolved.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

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

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

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

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), the servicing of general long-term debt (debt service fund), and the management of funds held in trust that can be used for governmental services (permanent fund). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the City has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The City utilizes pension trust funds and agency funds which are generally used to account for assets that the City holds in fiduciary capacity or on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary fund:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following fiduciary funds:

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

City investments with a maturity of one year or less when purchased are stated at cost or amortized cost. City investments with a maturity greater than one year and all pension fund investments are stated at fair value in accordance with GASB Statement No. 31.

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

f. Interfund Receivables/Payables

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Inventories

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

h. Prepaid Items/Expenses

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

i. Capital Assets

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences

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

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

k. Long-Term Obligations

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

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

l. Fund Balances/Net Assets

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Interfund Transactions

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

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

n. Accounting Estimates

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

2. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, cash and investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

a. City Deposits and Investments

The City's investment policy authorizes the City to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value), and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The City's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

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

Deposits with Financial Institutions

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

Investments

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

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 9	\$ 9	\$ -	\$ -	\$ -
IMET	51,929	51,929	-	-	-
TOTAL	\$ 51,938	\$ 51,938	\$ -	\$ -	\$ -

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

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The City limits its exposure to credit risk by limiting investments to the types of securities listed above; pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with the City’s investment policy; diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. Illinois Funds and IMET are rated AAA.

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

Investments (Continued)

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

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

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

b. Police Pension Fund Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township, or municipal corporation of the State of Illinois, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock, Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value), and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

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

Deposits with Financial Institutions

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

Investments

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

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

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments (Continued)

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

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment. As of April 30, 2011, the Police Pension Fund has greater than 5% of its portfolio invested in U.S. Treasury obligations (7.96%), U.S. agency obligations (39.23%), equity mutual funds (36.37%), and negotiable CDs (10.44%).

3. RECEIVABLES

a. Property Taxes

Property taxes for 2010 attached as an enforceable lien on January 1, 2010, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2011, and are payable in two installments, on or about June 1, 2011 and September 1, 2011. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1 percent of the tax levy, to reflect actual collection experience. As the 2010 tax levy is intended to fund expenditures for the 2011-2012 fiscal year, these taxes are deferred as of April 30, 2011.

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

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

3. RECEIVABLES (Continued)

b. Due from Other Governments and Other Receivables

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

4. CAPITAL ASSETS

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

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

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

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General government	\$ 51,034
Public safety	61,721
Highways and streets	<u>641,677</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 754,432

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Total capital assets not being depreciated	<u>100,000</u>	-	-	<u>100,000</u>
Capital assets being depreciated				
Buildings and improvements	6,664,045	-	-	6,664,045
Machinery and equipment	832,615	-	-	832,615
Infrastructure	7,984,691	-	-	7,984,691
Total capital assets being depreciated	<u>15,481,351</u>	-	-	<u>15,481,351</u>
Less accumulated depreciation for				
Buildings and improvements	2,102,155	200,112	-	2,302,267
Machinery and equipment	827,420	696	-	828,116
Infrastructure	4,884,943	147,933	-	5,032,876
Total accumulated depreciation	<u>7,814,518</u>	<u>348,741</u>	-	<u>8,163,259</u>
Total capital assets being depreciated, net	<u>7,666,833</u>	<u>(348,741)</u>	-	<u>7,318,092</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 7,766,833</u>	<u>\$ (348,741)</u>	<u>\$ -</u>	<u>\$ 7,418,092</u>

5. RISK MANAGEMENT

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

Intergovernmental Risk Management Agency (IRMA)

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

5. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (IRMA) (Continued)

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

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

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The City is aware of no additional contributions due to IRMA as of April 30, 2011.

Intergovernmental Personnel Benefit Cooperative (IPBC)

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

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

6. LONG-TERM DEBT

a. General Obligation Bonds

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

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

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

A summary of changes in long-term debt reported in the governmental activities of the City for the year ended April 30, 2011 is as follows:

Governmental Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
\$1,400,000 Taxable General Obligation Bonds, Series 2007A are due in annual installments (beginning December 15, 2008) ranging from \$320,000 to \$380,000 with interest from 4.875% to 5.000%. The last payment is due December 15, 2011.	General	\$ 740,000	\$ -	\$ 360,000	\$ 380,000	\$ 380,000
\$2,600,000 General Obligation Bonds, Series 2007B are due in annual installments (beginning December 15, 2012) ranging from \$390,000 to \$475,000 with interest at 4.000%. The last payment is due December 15, 2017.	Debt Service	2,600,000	-	-	2,600,000	-
\$2,370,000 General Obligation Bonds, Series 2008 are due in annual installments (beginning January 1, 2009) ranging from \$115,000 to \$190,000 with interest from 3.50% to 4.00%. The last payment due is January 1, 2024.	Capital Improvement	2,110,000	-	120,000	1,990,000	125,000
TOTAL GOVERNMENTAL BONDED DEBT		\$ 5,450,000	\$ -	\$ 480,000	\$ 4,970,000	\$ 505,000

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	\$ 3,545,000	\$ -	\$ 155,000	\$ 3,390,000	\$ 165,000
TOTAL BUSINESS-TYPE BONDED DEBT		\$ 3,545,000	\$ -	\$ 155,000	\$ 3,390,000	\$ 165,000

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

6. LONG-TERM DEBT (Continued)

b. Installment Contracts

- 1) On October 25, 2007, the City entered into an installment contract with Citizens Financial Bank to finance the purchase of three public works vehicles in the amount of \$360,038 with \$50,038 due upon delivery.
- 2) On November 1, 2008, the City entered into an installment contract to finance the purchase of public works vehicles and equipment in the amount of \$235,958 with an interest rate of 3.75%.

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

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

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

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

6. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities

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

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

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

e. Line of Credit

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

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

7. INDIVIDUAL FUND DISCLOSURES

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

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

The purpose of the transfers are as follows:

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

8. COMMITMENTS

DuPage Water Commission

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

Fiscal Year Ending April 30,	Amount
2012	\$ 277,704
2013	277,704
2014	277,704
2015	277,704
2016	277,704

These amounts have been calculated using the City's current allocation percentage of 3.89%. In future years, this allocation percentage will be subject to change.

9. CONTINGENT LIABILITIES

a. Litigation

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

b. DuPage Water Commission

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

10. EMPLOYEE RETIREMENT SYSTEMS

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

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution for the calendar year ended December 31, 2010 was 11.93% of covered payroll. The City's contribution for the calendar year 2010 was 10.81% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. At April 30, 2011, the Police Pension Plan membership consisted of:

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired as a police officer prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

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

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

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Administrative Costs

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

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2008	April 30, 2010
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	23 Years, Closed
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	N/A
d) Postretirement benefit increases	3.00%	3.00%

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

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

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

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

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Funded Status

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

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

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

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

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

11. LEASE AGREEMENTS

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

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

12. OTHER POSTEMPLOYMENT BENEFITS

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DARIEN, ILLINOIS

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

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

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

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

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2011

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2005	\$ 6,529,176	\$ 7,629,287	85.58%	\$ 1,100,111	\$ 2,854,033	38.55%
2006	7,274,695	8,153,033	89.23%	878,338	3,032,211	28.97%
2007	7,840,978	8,665,653	90.48%	824,675	3,171,262	26.00%
2008	6,094,965	8,110,781	75.15%	2,015,816	3,101,518	64.99%
2009	5,596,856	8,049,960	69.53%	2,453,104	3,169,693	77.39%
2010	6,345,481	8,800,442	72.10%	2,454,961	2,962,084	82.88%

(See independent auditor's report.)

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

For the Year Ended April 30, 2011

Actuarial 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)
2006	\$ 12,064,972	\$ 22,368,563	53.94%	\$ 10,303,591	\$ 2,736,155	376.57%
2007	13,686,772	24,412,636	56.06%	10,725,864	2,897,550	370.17%
2008	14,711,377	26,025,510	56.53%	11,314,133	2,839,516	398.45%
2009	14,488,861	28,067,625	51.62%	13,578,764	3,059,620	443.81%
2010	16,866,119	30,626,124	55.07%	13,760,005	3,282,075	419.25%
2011	18,838,718	31,056,795	60.66%	12,218,077	3,089,788	395.43%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2011

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

For the Year Ended April 30, 2011

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2011

1. BUDGETS

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds. Budget amounts are as originally adopted by the City Council. All annual appropriations lapse at fiscal year end. As the City does not budget for its Drug Seizure Fund, it is not legally required to do so, budget to actual schedules are not presented for the Drug Seizure Fund.

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

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

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

2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

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

MAJOR GOVERNMENTAL FUNDS

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

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

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

CITY OF DARIEN, ILLINOIS

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

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

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

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

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

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

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

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

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

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

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

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

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

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

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

(This schedule is continued on the following pages.)

CITY OF DARIEN, ILLINOIS

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

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

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

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

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

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

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

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

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

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

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

CITY OF DARIEN, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

April 30, 2011

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2011

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

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

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

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

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

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

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

CITY OF DARIEN, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
WATER OPERATIONS FUNDFor the Year Ended April 30, 2011
(With Prior Year Actual)

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

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL (Continued)
WATER OPERATIONS FUNDFor the Year Ended April 30, 2011
(With Prior Year Actual)

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

(See independent auditor's report.)

FIDUCIARY FUNDS

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

Agency Funds - to account for amounts held in deposit.

CITY OF DARIEN, ILLINOIS

SCHEDULE OF CHANGES IN NET ASSETS
POLICE PENSION FUND

For the Year Ended April 30, 2011

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended April 30, 2011

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

(See independent auditor's report.)

SUPPLEMENTAL DATA

CITY OF DARIEN, ILLINOIS

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

April 30, 2011

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
2012	\$ 165,000	\$ 142,674	\$ 307,674	2011	\$ 71,337	2011	\$ 71,337
2013	170,000	135,908	305,908	2012	67,954	2012	67,954
2014	180,000	128,896	308,896	2013	64,448	2013	64,448
2015	185,000	121,472	306,472	2014	60,736	2014	60,736
2016	195,000	113,840	308,840	2015	56,920	2015	56,920
2017	205,000	105,650	310,650	2016	52,825	2016	52,825
2018	215,000	97,040	312,040	2017	48,520	2017	48,520
2019	220,000	88,010	308,010	2018	44,005	2018	44,005
2020	230,000	78,770	308,770	2019	39,385	2019	39,385
2021	240,000	69,110	309,110	2020	34,555	2020	34,555
2022	255,000	59,030	314,030	2021	29,515	2021	29,515
2023	265,000	48,320	313,320	2022	24,160	2022	24,160
2024	275,000	37,058	312,058	2023	18,529	2023	18,529
2025	290,000	25,370	315,370	2024	12,685	2024	12,685
2026	300,000	12,900	312,900	2025	6,450	2025	6,450
	<u>\$ 3,390,000</u>	<u>\$ 1,264,048</u>	<u>\$ 4,654,048</u>		<u>\$ 632,024</u>		<u>\$ 632,024</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

April 30, 2011

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

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

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

April 30, 2011

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total	Interest Due on			
				June 15	Amount	December 15	Amount
2012	\$ -	\$ 104,000	\$ 104,000	2011	\$ 52,000	2011	\$ 52,000
2013	390,000	104,000	494,000	2012	52,000	2012	52,000
2014	410,000	88,400	498,400	2013	44,200	2013	44,200
2015	425,000	72,000	497,000	2014	36,000	2014	36,000
2016	440,000	55,000	495,000	2015	27,500	2015	27,500
2017	460,000	37,400	497,400	2016	18,700	2016	18,700
2018	475,000	19,000	494,000	2017	9,500	2017	9,500
	<u>\$ 2,600,000</u>	<u>\$ 479,800</u>	<u>\$ 3,079,800</u>		<u>\$ 239,900</u>		<u>\$ 239,900</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2008

April 30, 2011

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

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

(See independent auditor's report.)