

**Administrative-Finance Committee**  
**August 13, 2012**  
**6:30 P.M. – Conference Room**

- 1. Call to Order**
- 2. Establishment of Quorum**
- 3. Public Comment**
- 4. Discussion Items**
  - a. Liquor License request – Chuck’s Southern Comforts
  - b. VFW “Walk All Our Soldiers Home” parade
  - c. Draft FYE April 30, 2012 Audit
  - d. Line of Credit
- 5. Other Business**
- 6. Next Meeting – September 10, 2012**
- 7. Adjournment**

AGENDA MEMO  
Administrative/Finance Committee  
August 13, 2012

**Issue Statement**

An Ordinance amending Section 3-3-7-4 of the City Code to increase the number of Class D liquor licenses from seven to eight.

**Background/History**

Chuck's Southern Comfort Café has worked with the City of Darien to open a barbeque restaurant in the former Cornerstone building. They have requested a liquor license that would allow them to serve alcohol in the restaurant and have a bar area that would serve food as well, which falls under the definition of the Class D license. Currently there are seven Class D licenses, and in order for them to operate under this plan the number of licenses would need to be increased from six to seven.

**Staff/Committee Recommendation**

Staff recommends approval of this ordinance.

**Alternate Consideration**

Not approving the ordinance would be an alternate consideration.

**CITY OF DARIEN  
DU PAGE COUNTY, ILLINOIS**

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**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AMENDING SECTION 3-3-7-4 OF THE DARIEN CITY CODE**

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**ADOPTED BY THE  
MAYOR AND CITY COUNCIL  
OF THE  
CITY OF DARIEN  
THIS 20<sup>th</sup> DAY OF AUGUST, 2012**

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**Published in pamphlet form by authority of  
the Mayor and City Council of the City of  
Darien, DuPage County, Illinois, this \_\_\_\_\_  
\_\_\_\_\_ day of \_\_\_\_\_, 2012.**

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AMENDING SECTION 3-3-7-4 OF THE DARIEN CITY CODE**

**SECTION 1:** Section 3-3-7-4 of the Darien City Code, "Class D License," is hereby amended to provide as follows [deleted language stricken]:

**3-3-7-4: CLASS D LICENSE:**

(C) The number of class D licenses shall be seven-(7) eight (8).

**SECTION 2:** This Ordinance shall be in full force and effect from and after its passage and approval, and shall subsequently be published in pamphlet form as provided by law.

**PASSED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 20<sup>th</sup> day of August, 2012.**

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 20<sup>th</sup> day of August, 2012.**

\_\_\_\_\_  
KATHLEEN MOESLE WEAVER, MAYOR

ATTEST:

\_\_\_\_\_  
JOANNE RAGONA, CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

**AGENDA MEMO**  
**Administrative/Finance Committee**  
**August 13, 2012**

**ISSUE STATEMENT**

The City Council is requested to approve a motion authorizing the temporary closure of streets for the VFW "Walk All Our Soldiers Home" parade and authorizing the police department to assist in traffic control.

**BACKGROUND HISTORY**

The VFW would like to host a "Walk All Our Soldiers Home" parade at 10 am on Saturday, September 22, 2012. The parade route will start at Mark DeLay School, and require the temporary closure of roads as the parade proceeds from Wilmette to Hinsbrook, to Beechnut, to Ironwood, to Seminole, and East on 71<sup>st</sup> Street, ending in Darien Community Park. Barricades from Municipal Services may also be necessary.

The VFW has been informed and agreed that any costs incurred by the City of Darien, including personnel costs for Police Department overtime, would need to be reimbursed to the City. This is identical to the handling of the Darien Dash and Hornet Hustle requests previously approved by the City of Darien.

**STAFF/COMMITTEE RECOMMENDATION**

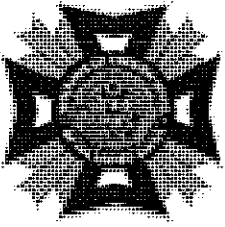
Staff recommends that the City Council support the VFW through the temporary closure of the above listed streets to facilitate the safety and efficient operation of the parade.

**ALTERNATE CONSIDERATION**

The alternate consideration would be to not approve the motion at this time.

**DECISION MODE**

This item will be placed on the August 20, 2012 Agenda for formal Council consideration and approval.



# **WALK ALL OUR SOLDIERS HOME**

More than 200 veterans and soldiers reside in the Darien community, but these returning heroes do not have a place to call home. Help us provide a place for these men and women who have fought selflessly for our freedom

**Join us for the first annual**

**“WALK ALL OUR SOLDIERS HOME”**

**Walk-a-thon Fundraiser**

**Saturday, September 22, 2012 at 10 a.m.**

**Begins:** Mark DeLay School – 6801 Wilmette Avenue

**Ends:** Reception at Darien Community Park – 71<sup>st</sup> Street and Clarendon Hills Road

Walk with our soldiers to show your appreciation for their service and to help raise funds for this very important cause.

Ask family, friends, neighbors and local businesses to sponsor you in the walk - Just \$5.00 a brick will help us give our soldiers a home – One brick at a time. Top sellers will enjoy special prizes and meet active duty soldiers and veterans. Plus, donations are tax deductible.

Attached is a sign-up sheet for your sponsors. The soldiers and veterans are truly thankful for your dedication to helping “Walk all our Soldiers Home.”

Info; [www.darienvfw2838.org](http://www.darienvfw2838.org) or call Bill Marchetti 630-826-4761

Kids 12 & under must be accompanied by an adult.

# CITY OF DARIEN

## MEMO

**TO:** Administrative/Finance Committee Members  
**FROM:** Bryon D. Vana, City Administrator  
**DATE:** August 7<sup>th</sup>, 2012  
**SUBJECT:** August 13<sup>th</sup> Committee Meeting --Draft Audit  
Presentation

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The committee will review the draft audit report and management letter for FYE 4-30-12. The auditors will attend the committee meeting and review the report.

I also attached the spreadsheet showing the General Fund audited revenues and expenditures compared to the estimated numbers that were used in the FYE 4-30-12 budget.

**City of Darien  
 Comparison of Estimated Actual  
 Fund Balance to Audited Fund Balance  
 as of 4/30/12.**

**Working Session Report**

**General Fund  
 Fund Balance**

<u>Estimated Actual</u>	<u>Audited</u>	<u>Difference</u>
\$ 3,406,638	\$ 4,108,526	\$ 701,888.00

**Water Fund  
 Cash Balance**

<u>Estimated Actual</u>	<u>Audited</u>	<u>Difference</u>
\$ 1,194,465	\$ 1,159,075	\$ (35,389.85)

**Motor Fuel Tax Fund  
 Fund Balance**

<u>Estimated Actual</u>	<u>Audited</u>	<u>Difference</u>
\$ 195,640	\$ 209,824	\$ 14,184.00

**Water Depreciation Fund  
 Cash Balance**

<u>Estimated Actual</u>	<u>Audited</u>	<u>Difference</u>
\$ 89,963	\$ 276,274	\$ 186,310.98



**Capital Improvement Fund  
Fund Balance**

<u>Estimated Actual</u>	<u>Audited</u>	<u>Difference</u>
\$ 1,849,286	\$ 1,864,708	\$ 15,422.00

**Debt Service Fund  
Fund Balance**

<u>Estimated Actual</u>	<u>Audited</u>	<u>Difference</u>
\$ 2,502	\$ 4,207	\$ 1,705.00

City of Darien General Fund Revenue For the FYE 4/30/12		FYE 4/30/12 Audited Revenue	FYE 4/30/12 Estimated Revenue	Difference
<b>Taxes</b>				
Real Estate Taxes - Current	3110	2,018,860.00	2,018,000.00	860.00
Real Estate Taxes - Prior	3111	0.00	0.00	0.00
Road and Bridge Tax	3120	187,391.00	187,000.00	391.00
Municipal Utility Tax	3130	1,057,889.00	1,121,000.00	(63,111.00)
Amusement Tax	3140	92,249.00	90,000.00	2,249.00
Hotel/Motel Tax	3150	32,451.00	31,000.00	1,451.00
Personal Property Tax	3425	5,890.00	4,500.00	1,390.00
<b>Total Taxes</b>		<b>3,394,730.00</b>	<b>3,451,500.00</b>	<b>(56,770.00)</b>
<b>License, Permits, Fees</b>				
Business Licenses	3210	39,381.00	40,000.00	(619.00)
Liquor License	3212	53,000.00	53,000.00	0.00
Contractor Licenses	3214	18,710.00	15,000.00	3,710.00
Court Fines	3216	142,598.00	214,000.00	(71,402.00)
Ordinance Fines	3230	28,860.00	25,000.00	3,860.00
Building Permits and Fees	3240	74,573.00	65,000.00	9,573.00
Telecommunication Taxes	3242	953,775.00	965,000.00	(11,225.00)
Cable T.V. Franchise Fee	3244	313,671.00	300,000.00	13,671.00
PEG - Fees - AT&T	3245	12,339.00	0.00	12,339.00
NICOR Franchise Fee	3246	31,772.00	40,000.00	(8,228.00)
Public Hearing Fees	3250	7,907.00	6,200.00	1,707.00
Elevator Inspections	3255	5,090.00	4,800.00	290.00
Public Improvement Permit	3260	250.00	0.00	250.00
Engineering/Prof Fee Reimb	3265	40,122.00	35,000.00	5,122.00
D.U.I. Technology Fines	3267	8,435.00	6,600.00	1,835.00
Police Special Service	3268	155,400.00	130,000.00	25,400.00
Stormwater Management Fees	3270	50.00	0.00	50.00
<b>Total License, Permits, Fees</b>		<b>1,885,933.00</b>	<b>1,899,600.00</b>	<b>(13,667.00)</b>
<b>Charges for Services</b>				
Inspections/Tap on/Permits	3320	975.00	0.00	975.00
<b>Total Charges for Services</b>		<b>975.00</b>	<b>0.00</b>	<b>975.00</b>
<b>Intergovernmental</b>				
State Income Tax	3410	1,813,435.00	1,771,112.00	42,323.00
Local Use Tax	3420	322,118.00	328,000.00	(5,882.00)
Sales Taxes	3430	4,942,309.00	4,900,000.00	42,309.00
<b>Total Intergovernmental</b>		<b>7,077,862.00</b>	<b>6,999,112.00</b>	<b>78,750.00</b>

City of Darien General Fund Revenue For the FYE 4/30/12		FYE 4/30/12 Audited Revenue	FYE 4/30/12 Estimated Revenue	Difference
<b>Other Revenue</b>				
DADC Administration Fee	3450	0.00	0.00	0.00
Interest Income	3510	21,778.00	22,000.00	(222.00)
Gain/Loss on Investment	3515	500.00	0.00	500.00
Water Share Expense	3520	250,000.00	250,000.00	0.00
Towing Fees		94,533.00	0.00	94,533.00
Booking Fees		2,400.00	0.00	2,400.00
Police Report/Prints	3534	6,675.00	6,000.00	675.00
DARE Contribution	3536	500.00	0.00	500.00
Grants	3560	46,754.00	0.00	46,754.00
Rents	3561	385,100.00	393,000.00	(7,900.00)
Reimbursement - Work-Comp		81,044.00	0.00	81,044.00
Operations Revenue		3,450.00	0.00	3,450.00
Other Reimbursements	3562	274,597.00	175,000.00	99,597.00
Reimbursement - Rear Yard		1,500.00	0.00	1,500.00
Residential Concrete Reimb	3563	145,123.00	66,912.00	78,211.00
Loan Proceeds	3568	483,466.00	483,465.00	1.00
Mail Box Reimbursement	3569	2,350.00	0.00	2,350.00
Sales of Wood Chips	3572	4,430.00	0.00	4,430.00
Sale of Equipment	3575	24,479.00	23,000.00	1,479.00
Drug seizure receipts		8,922.00	0.00	8,922.00
Miscellaneous Revenue	3580	73,756.00	100,000.00	(26,244.00)
<b>Total Other Revenue</b>		<b>1,911,357.00</b>	<b>1,519,377.00</b>	<b>391,980.00</b>
<b>Business District</b>				
<b>Other Revenue</b>				
Rents	3561	0.00	0.00	0.00
Maintenance - Reimbursable	3567	0.00	0.00	0.00
Operations Revenue	3576	3,450.00	0.00	3,450.00
<b>Total Other Revenue</b>		<b>3,450.00</b>	<b>0.00</b>	<b>3,450.00</b>
<b>Total General Fund Revenue</b>		<b>14,274,307.00</b>	<b>13,869,589.00</b>	<b>404,718.00</b>

City of Darien General Fund Expenditures For the FYE 4/30/12	FYE 4/30/12 Audited Expenditures	FYE 4/30/112 Estimated Expenditures	Difference
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**Administrative Department**

Salaries				
Salaries	4010	435,145.00	436,000.00	855.00
Overtime	4030	0.00	2,000.00	2,000.00
Total Salaries		435,145.00	438,000.00	2,855.00
Benefits				
Social Security	4110	23,896.00	23,600.00	(296.00)
Medicare	4111	6,376.00	6,500.00	124.00
I.M.R.F.	4115	54,880.00	49,500.00	(5,380.00)
Medical/Life Insurance	4120	60,015.00	68,000.00	7,985.00
Supplemental Pensions	4135	24,253.00	25,000.00	747.00
Total Benefits		169,420.00	172,600.00	3,180.00
Materials and Supplies				
Dues and Subscriptions	4213	2,944.00	2,000.00	(944.00)
Liability Insurance	4219	52,379.00	52,900.00	521.00
Legal Notices	4221	8,427.00	8,000.00	(427.00)
Maintenance - Building	4223	6,354.00	10,000.00	3,646.00
Maintenance - Equipment	4225	7,778.00	12,000.00	4,222.00
Maintenance - Grounds	4227	799.00	7,000.00	6,201.00
Maintenance - Vehicles	4229	170.00	0.00	(170.00)
Postage/Mailings	4233	3,882.00	4,600.00	718.00
Printing and Forms	4235	3,679.00	3,500.00	(179.00)
Public Relations	4239	26,527.00	28,000.00	1,473.00
Rent - Equipment	4243	2,340.00	2,400.00	60.00
Service Charge	4251	0.00	0.00	0.00
Supplies - Office	4253	9,722.00	10,000.00	278.00
Supplies - Other	4257	503.00	2,000.00	1,497.00
Training and Education	4263	878.00	1,500.00	622.00
Travel/Meetings	4265	240.00	500.00	260.00
Telephone	4267	57,716.00	61,500.00	3,784.00
Utilities (Elec,Gas,Wtr,Sewer)	4271	3,299.00	3,500.00	201.00
Vehicle (Gas and Oil)	4273	6,741.00	7,000.00	259.00
Total Materials and Supplies		194,378.00	216,400.00	22,022.00
Contractual				
Audit	4320	11,675.00	11,675.00	0.00
Consulting/Professional	4325	82,239.00	93,950.00	11,711.00
Const/Prof Reimbursable	4328	0.00	0.00	0.00
Contingency	4330	3,622.00	10,000.00	6,378.00
Janitorial Service	4345	13,002.00	15,500.00	2,498.00
Total Contractual		110,538.00	131,125.00	20,587.00
Other Charges				
Transfer to Other Funds	4605	0.00	1,600,000.00	1,600,000.00
Total Other Charges		0.00	1,600,000.00	1,600,000.00
Total Expenditures - Administrative		909,481.00	2,558,125.00	1,648,644.00

City of Darien General Fund Expenditures For the FYE 4/30/12		FYE 4/30/12 Audited Expenditures	FYE 4/30/12 Estimated Expenditures	Difference
<b>City Council Department</b>				
Salaries				
Salaries	4010	<u>42,450.00</u>	<u>42,750.00</u>	<u>300.00</u>
Total Salaries		42,450.00	42,750.00	300.00
Benefits				
Social Security	4110	2,632.00	2,651.00	19.00
Medicare	4111	616.00	620.00	4.00
I.M.R.F.	4115	<u>36.00</u>	<u>1,900.00</u>	<u>1,864.00</u>
Total Benefits		3,284.00	5,171.00	1,887.00
Materials and Supplies				
Boards and Commissions	4205	1,246.00	2,000.00	754.00
Dues and Subscriptions	4213	749.00	2,500.00	1,751.00
Liability Insurance	4219	43,281.00	42,060.00	(1,221.00)
Public Relations	4239	1,143.00	1,500.00	357.00
Supplies - Office	4253	0.00	0.00	0.00
Travel/Meetings	4265	<u>516.00</u>	<u>750.00</u>	<u>234.00</u>
Total Materials and Supplies		46,935.00	48,810.00	1,875.00
Contractual				
Consulting/Professional	4325	24,393.00	27,000.00	2,607.00
Trolley Contracts	4366	<u>64.00</u>	<u>900.00</u>	<u>836.00</u>
Total Contractual		<u>24,457.00</u>	<u>27,900.00</u>	<u>3,443.00</u>
Total Expenditures - City Council		<u>117,126.00</u>	<u>124,631.00</u>	<u>7,505.00</u>

City of Darien General Fund Expenditures For the FYE 4/30/12		FYE 4/30/12 Audited Expenditures	FYE 4/30/11 Estimated Expenditures	Difference
<b>Community Development Department</b>				
<b>Salaries</b>				
Salaries	4010	<u>272,560.00</u>	<u>263,500.00</u>	(9,060.00)
Total Salaries		<u>272,560.00</u>	<u>263,500.00</u>	(9,060.00)
<b>Benefits</b>				
Social Security	4110	14,862.00	15,000.00	138.00
Medicare	4111	3,827.00	4,000.00	173.00
I.M.R.F.	4115	33,024.00	28,600.00	(4,424.00)
Medical/Life Insurance	4120	36,105.00	39,000.00	2,895.00
Supplemental Pensions	4135	<u>3,323.00</u>	<u>3,600.00</u>	<u>277.00</u>
Total Benefits		<u>91,141.00</u>	<u>90,200.00</u>	(941.00)
<b>Materials and Supplies</b>				
Boards and Commissions	4205	2,043.00	2,300.00	257.00
Dues and Subscriptions	4213	453.00	750.00	297.00
Liability Insurance	4219	35,427.00	40,000.00	4,573.00
Maintenance - Vehicles	4229	107.00	1,900.00	1,793.00
Postage/Mailings	4233	1,222.00	1,600.00	378.00
Printing and Forms	4235	792.00	500.00	(292.00)
Supplies - Office	4253	21.00	500.00	479.00
Training and Education	4263	510.00	400.00	(110.00)
Travel/Meetings	4265	80.00	0.00	(80.00)
Vehicle (Gas and Oil)	4273	<u>1,633.00</u>	<u>1,900.00</u>	<u>267.00</u>
Total Materials and Supplies		<u>42,288.00</u>	<u>49,850.00</u>	<u>7,562.00</u>
<b>Contractual</b>				
Consulting/Professional	4325	33,062.00	28,500.00	(4,562.00)
Conslt/Prof Reimbursable	4328	<u>67,276.00</u>	<u>50,500.00</u>	<u>(16,776.00)</u>
Total Contractual		<u>100,338.00</u>	<u>79,000.00</u>	<u>(21,338.00)</u>
Total Expenditures - Community Development		<u>506,327.00</u>	<u>482,550.00</u>	<u>(23,777.00)</u>

City of Darien General Fund Expenditures For the FYE 4/30/12		FYE 4/30/12 Audited Expenditures	FYE 4/30/112 Estimated Expenditures	Difference
<b>Streets Department</b>				
<b>Salaries</b>				
Salaries	4010	594,397.00	483,400.00	(110,997.00)
Overtime	4030	9,448.00	60,000.00	50,552.00
Total Salaries		603,845.00	543,400.00	(60,445.00)
<b>Benefits</b>				
Social Security	4110	35,788.00	56,045.00	20,257.00
Medicare	4111	8,469.00	13,110.00	4,641.00
I.M.R.F.	4115	71,379.00	101,500.00	30,121.00
Medical/Life Insurance	4120	126,374.00	140,000.00	13,626.00
Supplemental Pensions	4135	2,677.00	2,500.00	(177.00)
Total Benefits		244,687.00	313,155.00	68,468.00
<b>Materials and Supplies</b>				
Liability Insurance	4219	55,267.00	70,000.00	14,733.00
Maintenance - Building	4223	18,595.00	21,000.00	2,405.00
Maintenance - Equipment	4225	27,772.00	21,050.00	(6,722.00)
Maintenance - Vehicles	4229	24,358.00	23,000.00	(1,358.00)
Postage/Mailings	4233	1,197.00	1,000.00	(197.00)
Rent - Equipment	4243	18,044.00	23,500.00	5,456.00
Supplies - Office	4253	1,918.00	1,500.00	(418.00)
Supplies - Other	4257	35,144.00	35,500.00	356.00
Small Tools & Equipment	4259	14,751.00	14,500.00	(251.00)
Training and Education	4263	712.00	1,000.00	288.00
Uniforms	4269	3,947.00	6,900.00	2,953.00
Utilities (Elec, Gas, Wtr, Sewer)	4271	3,029.00	3,600.00	571.00
Vehicle (Gas and Oil)	4273	65,923.00	77,000.00	11,077.00
Total Materials and Supplies		270,657.00	299,550.00	28,893.00
<b>Contractual</b>				
Consulting/Professional	4325	46,423.00	50,000.00	3,577.00
Forestry	4350	27,438.00	36,900.00	9,462.00
Street Light Oper & Maint.	4359	87,746.00	80,000.00	(7,746.00)
Mosquito Abatement	4365	40,887.00	40,887.00	0.00
Street Sweeping	4373	18,380.00	29,000.00	10,620.00
Drainage Projects	4374	30,918.00	30,000.00	(918.00)
Tree Trim/Removal	4375	98,405.00	84,490.00	(13,915.00)
Total Contractual		350,197.00	351,277.00	1,080.00
<b>Capital Outlay</b>				
Residential Concrete Program	4381	146,455.00	66,912.00	(79,543.00)
Equipment	4815	146,266.00	300,500.00	154,234.00
Debt Retire	4905	0.00	0.00	0.00
Total Capital Outlay		292,721.00	367,412.00	74,691.00
Total Expenditures - Streets		1,762,107.00	1,874,794.00	112,687.00

City of Darien General Fund Expenditures For the FYE 4/30/12		FYE 4/30/12 Audited Expenditures	FYE 4/30/112 Estimated Expenditures	Difference
<b>Police Department</b>				
<b>Salaries</b>				
Salaries	4010	427,123.00	426,000.00	(1,123.00)
Salaries - Officers	4020	3,440,754.00	3,434,000.00	(6,754.00)
Overtime	4030	491,446.00	550,000.00	58,554.00
Total Salaries		4,359,323.00	4,410,000.00	50,677.00
<b>Benefits</b>				
Social Security	4110	27,018.00	29,000.00	1,982.00
Medicare	4111	51,193.00	55,000.00	3,807.00
I.M.R.F.	4115	54,112.00	49,000.00	(5,112.00)
Medical/Life Insurance	4120	419,350.00	483,000.00	63,650.00
Police Pension	4130	1,185,029.00	1,174,292.00	(10,737.00)
Supplemental Pensions	4135	48,495.00	52,800.00	4,305.00
Total Benefits		1,785,197.00	1,843,092.00	57,895.00
<b>Materials and Supplies</b>				
Animal Control	4201	1,049.00	800.00	(249.00)
Auxiliary Police	4203	4,149.00	9,600.00	5,451.00
Boards and Commissions	4205	440.00	5,000.00	4,560.00
Dues and Subscriptions	4213	3,681.00	3,700.00	19.00
Investigation and Equipment	4217	20,760.00	55,000.00	34,240.00
Liability Insurance	4219	201,097.00	220,000.00	18,903.00
Maintenance - Building	4223	47,375.00	44,175.00	(3,200.00)
Maintenance - Equipment	4225	10,576.00	9,500.00	(1,076.00)
Maintenance - Vehicles	4229	50,347.00	38,000.00	(12,347.00)
Postage/Mailings	4233	3,120.00	3,000.00	(120.00)
Printing and Forms	4235	3,524.00	3,000.00	(524.00)
Public Relations	4239	5,658.00	10,750.00	5,092.00
Rent - Equipment	4243	1,628.00	4,500.00	2,872.00
Supplies - Office	4253	6,091.00	7,500.00	1,409.00
Supplies - Other	4257	0.00	0.00	0.00
Training and Education	4263	16,704.00	20,000.00	3,296.00
Travel/Meetings	4265	5,852.00	9,000.00	3,148.00
Telephone	4267	14,567.00	14,000.00	(567.00)
Uniforms	4269	31,836.00	71,000.00	39,164.00
Utilities (Elec, Gas, Wtr, Sewer)	4271	5,283.00	9,500.00	4,217.00
Vehicle (Gas and Oil)	4273	145,421.00	120,000.00	(25,421.00)
Total Materials and Supplies		579,158.00	658,025.00	78,867.00
<b>Contractual</b>				
Consulting/Professional	4325	349,101.00	350,000.00	899.00
Contractual Services	4335	24,304.00	26,240.00	1,936.00
Dumeg/Fial/Child Center	4337	26,610.00	24,000.00	(2,610.00)
Total Contractual		400,015.00	400,240.00	225.00
<b>Capital Outlay</b>				
Equipment	4815	630,010.00	700,000.00	69,990.00
Total Capital Outlay		630,010.00	700,000.00	363.06
Total Expenditures - Police		7,753,703.00	8,011,357.00	257,654.00



City of Darien General Fund Expenditures For the FYE 4/30/12		FYE 4/30/12 Audited Expenditures	FYE 4/30/112 Estimated Expenditures	Difference
<b>Business Districts Department</b>				
Materials and Supplies				
Liability Insurance	4219	3,459.00	3,459.00	0.00
Maintenance - Building	4223	0.00	0.00	0.00
Maintenance - Equipment	4225	21,746.00	17,500.00	(4,246.00)
Maintenance - Grounds	4227	10,378.00	35,000.00	24,622.00
Utilities (Elec,Gas,Wtr,Sewer)	4271	4,562.00	2,500.00	(2,062.00)
Total Materials and Supplies		40,145.00	58,459.00	18,314.00
Debt Service				
Debt Service - 2007A Bonds	4952	538,232.00	399,000.00	(139,232.00)
Total Debt Service		538,232.00	399,000.00	(139,232.00)
Total Expenditures - Business District		578,377.00	457,459.00	(120,918.00)
Total General Fund Expenditures		11,627,121.00	13,508,916.00	1,881,795.00

CITY OF DARIEN, ILLINOIS  
ANNUAL FINANCIAL REPORT  
For the Year Ended  
April 30, 2012

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, 2012

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MAYOR

Kathleen Moesle Weaver

CITY COUNCIL

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

CITY TREASURER

Michael J. Coren

CITY CLERK

Joanne Ragona

CITY ATTORNEY

John B. Murphy

**FINANCIAL SECTION**



**INDEPENDENT AUDITOR'S REPORT**

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, 2012, 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, 2012, 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 City of Darien, Illinois adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended April 30, 2012. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on the any of the City of Darien, Illinois' governmental funds' assets or liabilities nor was there any effect to the total amount of any of the City of Darien, Illinois' governmental fund balances as of and for the year ended April 30, 2012.

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

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 the financial information listed as schedules and supplemental data in the accompanying 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 the schedules and supplemental data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements 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, 2011 (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 2011 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 2011 supplementary information is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Naperville, Illinois  
August 13, 2012

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

CITY OF DARIEN, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,242,881	\$ 1,435,349	\$ 5,678,230
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	2,311,307	-	2,311,307
Accounts	-	899,668	899,668
Intergovernmental	2,099,432	-	2,099,432
Other	356,413	-	356,413
Net pension asset	75,883	-	75,883
Unamortized bond issuance costs	15,251	25,824	41,075
Inventories	23,806	-	23,806
Capital assets not being depreciated	5,288,336	100,000	5,388,336
Capital assets being depreciated	9,833,148	6,973,553	16,806,701
<b>Total assets</b>	<b>24,246,457</b>	<b>9,434,394</b>	<b>33,680,851</b>
<b>LIABILITIES</b>			
Accounts payable	185,661	295,206	480,867
Accrued payroll	202,551	36,825	239,376
Accrued interest payable	68,352	50,779	119,131
Unearned revenue	2,311,307	-	2,311,307
Deposits payable	113,153	-	113,153
Other payables	2,708	-	2,708
Darien Helping Darien Fund	1,182	-	1,182
DTC maintenance escrow	10,000	-	10,000
Noncurrent liabilities			
Due within one year	755,700	176,965	932,665
Due in more than one year	4,760,601	3,089,059	7,849,660
<b>Total liabilities</b>	<b>8,411,215</b>	<b>3,648,834</b>	<b>12,060,049</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	10,153,408	3,859,172	14,012,580
Restricted for			
Special service area	8,737	-	8,737
Public safety	20,301	-	20,301
Highways and streets	209,824	-	209,824
Debt service	4,207	-	4,207
Unrestricted	5,438,765	1,926,388	7,365,153
<b>TOTAL NET ASSETS</b>	<b>\$ 15,835,242</b>	<b>\$ 5,785,560</b>	<b>\$ 21,620,802</b>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 1,584,351	\$ 1,246,573	\$ -	\$ -
Highways and streets	1,694,510	590,841	659,569	150,000
Public safety	10,356,702	267,443	55,676	-
Interest and fiscal charges on long-term debt	197,851	-	-	-
Total governmental activities	13,833,414	2,104,857	715,245	150,000
Business-Type Activities				
Water operations	4,672,392	4,587,672	-	-
Total business-type activities	4,672,392	4,587,672	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 18,505,806</b>	<b>\$ 6,692,529</b>	<b>\$ 715,245</b>	<b>\$ 150,000</b>

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (337,778)	\$ -	\$ (337,778)
	(294,100)	-	(294,100)
	(10,033,583)	-	(10,033,583)
	(197,851)	-	(197,851)
	(10,863,312)	-	(10,863,312)
	-	(84,720)	(84,720)
	-	(84,720)	(84,720)
	(10,863,312)	(84,720)	(10,948,032)
General Revenues			
Taxes			
Property	2,332,315	-	2,332,315
Replacement	5,890	-	5,890
Income	1,813,435	-	1,813,435
Sales	4,942,309	-	4,942,309
Local use	322,118	-	322,118
Telecommunications	953,775	-	953,775
Utility	1,057,889	-	1,057,889
Amusement	92,249	-	92,249
Hotel/motel	32,451	-	32,451
Road and bridge	187,391	-	187,391
Investment income	42,121	19,977	62,098
Miscellaneous	157,649	3,403	161,052
Total	11,939,592	23,380	11,962,972
CHANGE IN NET ASSETS	1,076,280	(61,340)	1,014,940
NET ASSETS, MAY 1	16,136,762	5,846,900	21,983,662
Prior period adjustment	(1,377,800)	-	(1,377,800)
NET ASSETS, MAY 1, RESTATED	14,758,962	5,846,900	20,605,862
NET ASSETS, APRIL 30	\$ 15,835,242	\$ 5,785,560	\$ 21,620,802

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2012

	General	Capital Improvements	Nonmajor	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,173,296	\$ 1,877,100	\$ 192,485	\$ 4,242,881
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	2,163,487	-	147,820	2,311,307
Intergovernmental	2,056,554	-	42,878	2,099,432
Other	355,487	-	926	356,413
Inventory	23,806	-	-	23,806
<b>TOTAL ASSETS</b>	<b>\$ 6,772,630</b>	<b>\$ 1,877,100</b>	<b>\$ 384,109</b>	<b>\$ 9,033,839</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 171,023	\$ 12,392	\$ 2,246	\$ 185,661
Accrued payroll	202,551	-	-	202,551
Deferred revenue	2,163,487	-	147,820	2,311,307
Deposits payable	113,153	-	-	113,153
Other payables	2,708	-	-	2,708
Darien Helping Darien Fund	1,182	-	-	1,182
DTC maintenance escrow	10,000	-	-	10,000
<b>Total liabilities</b>	<b>2,664,104</b>	<b>12,392</b>	<b>150,066</b>	<b>2,826,562</b>
<b>FUND BALANCES</b>				
Nonspendable				
Inventory	23,806	-	-	23,806
Restricted				
Special service area	-	-	8,737	8,737
Public safety	9,026	-	11,275	20,301
Highways and streets	-	-	209,824	209,824
Debt service	-	-	4,207	4,207
Unrestricted				
Assigned				
Capital improvements	-	1,864,708	-	1,864,708
Unassigned				
General Fund	4,075,694	-	-	4,075,694
<b>Total fund balances</b>	<b>4,108,526</b>	<b>1,864,708</b>	<b>234,043</b>	<b>6,207,277</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,772,630</b>	<b>\$ 1,877,100</b>	<b>\$ 384,109</b>	<b>\$ 9,033,839</b>

See accompanying notes to financial statements.



CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2012

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 6,207,277
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	15,121,484
Net pension asset is shown as an asset on the statement of net assets	75,883
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(4,465,000)
Notes payable	(483,466)
Compensated absences payable	(501,332)
Net pension obligation	(46,893)
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	(19,610)
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	15,251
Accrued interest payable is not recorded in governmental funds but is recorded on the statement of net assets	(68,352)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 15,835,242</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, 2012

	General	Capital Improvements	Nonmajor	Total
<b>REVENUES</b>				
Taxes	\$ 4,348,505	\$ 202,256	\$ 111,199	\$ 4,661,960
Licenses and permits	932,158	-	-	932,158
Intergovernmental	7,133,538	150,000	659,569	7,943,107
Charges for services	925,048	-	-	925,048
Investment income	21,778	18,684	1,659	42,121
Miscellaneous	405,300	-	-	405,300
<b>Total revenues</b>	<b>13,766,327</b>	<b>370,940</b>	<b>772,427</b>	<b>14,909,694</b>
<b>EXPENDITURES</b>				
Current				
General government	1,573,079	-	-	1,573,079
Highways and streets	1,762,107	-	485,493	2,247,600
Public safety	7,753,703	-	-	7,753,703
Capital outlay	-	2,082,177	51,595	2,133,772
Debt service				
Principal	510,970	125,000	-	635,970
Interest and fiscal charges	27,262	76,569	104,375	208,206
<b>Total expenditures</b>	<b>11,627,121</b>	<b>2,283,746</b>	<b>641,463</b>	<b>14,552,330</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,139,206</b>	<b>(1,912,806)</b>	<b>130,964</b>	<b>357,364</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Installment contract proceeds	483,466	-	-	483,466
Transfers in	-	3,005,946	-	3,005,946
Transfers (out)	(3,000,000)	-	(5,946)	(3,005,946)
Proceeds from sale of assets	24,444	656,875	-	681,319
<b>Total other financing sources (uses)</b>	<b>(2,492,090)</b>	<b>3,662,821</b>	<b>(5,946)</b>	<b>1,164,785</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(352,884)</b>	<b>1,750,015</b>	<b>125,018</b>	<b>1,522,149</b>
<b>FUND BALANCES, MAY 1</b>	<b>4,461,410</b>	<b>114,693</b>	<b>109,025</b>	<b>4,685,128</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 4,108,526</b>	<b>\$ 1,864,708</b>	<b>\$ 234,043</b>	<b>\$ 6,207,277</b>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2012

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,522,149
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	846,139
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	(847,364)
Proceeds from the disposal of capital assets is reported in the governmental funds, but gain or loss on the disposal of capital assets is calculated and reported in the statement of activities	(647,200)
The issuance of loans payable is reported as an other financing source in governmental funds but as an increase in principal outstanding in the statement of activities	(483,466)
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	635,970
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	9,540
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	3,268
The change in compensated absences payable is shown as an expense on the statement of activities	38,830
The change in the net pension obligation is shown as an expense on the statement of activities	(10,943)
The change in the net pension asset is shown as a reduction of expense on the statement of activities	11,810
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,076,280</u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS

April 30, 2012

	<u>Business-Type Activities Water Operations</u>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,435,349
Receivables (net, where applicable, of allowances for uncollectibles)	
Water - billed	13,967
Water - unbilled	<u>885,701</u>
Total current assets	<u>2,335,017</u>
<b>NONCURRENT ASSETS</b>	
Unamortized bond issuance costs	<u>25,824</u>
Capital assets	
Assets not being depreciated	100,000
Assets being depreciated	
Cost	15,806,540
Accumulated depreciation	<u>(8,832,987)</u>
Net capital assets being depreciated	<u>6,973,553</u>
Net capital assets	<u>7,073,553</u>
Total noncurrent assets	<u>7,099,377</u>
Total assets	<u>9,434,394</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	295,206
Accrued payroll	36,825
Accrued interest payable	50,779
Bonds payable	170,000
Compensated absences payable	<u>6,965</u>
Total current liabilities	<u>559,775</u>
<b>LONG-TERM LIABILITIES</b>	
Bonds payable	3,055,000
Unamortized bond discount	(10,619)
Compensated absences payable	39,468
Net pension obligation	<u>5,210</u>
Total long-term liabilities	<u>3,089,059</u>
Total liabilities	<u>3,648,834</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	3,859,172
Unrestricted	<u>1,926,388</u>
TOTAL NET ASSETS	<u>\$ 5,785,560</u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2012

	Business-Type Activities
	<u>Water Operations</u>
<b>OPERATING REVENUES</b>	
Water sales	\$ 4,562,083
Inspections/tap on/permits	16,385
Sale of meters	3,586
Other water sales	<u>5,618</u>
Total operating revenues	<u>4,587,672</u>
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>	
Personnel services	676,529
Materials and supplies	629,229
Contractual services	2,808,839
Capital related - uncapitalized	<u>70,401</u>
Total operating expenses excluding depreciation	<u>4,184,998</u>
<b>OPERATING INCOME BEFORE DEPRECIATION</b>	402,674
<b>DEPRECIATION</b>	<u>344,539</u>
<b>OPERATING INCOME</b>	<u>58,135</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	19,977
Miscellaneous income	3,403
Interest expense	<u>(142,855)</u>
Total nonoperating revenues (expenses)	<u>(119,475)</u>
<b>CHANGE IN NET ASSETS</b>	(61,340)
<b>NET ASSETS, MAY 1</b>	<u>5,846,900</u>
<b>NET ASSETS, APRIL 30</b>	<u>\$ 5,785,560</u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended April 30, 2012

	<u>Business-Type Activities Water Operations</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 4,454,944
Payments to suppliers	(3,592,841)
Payments to employees	<u>(627,647)</u>
Net cash from operating activities	<u>234,456</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal payments	(165,000)
Interest and fiscal charges	(142,672)
Miscellaneous receipts	<u>3,403</u>
Net cash from capital and related financing activities	<u>(304,269)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>19,977</u>
Net cash from investing activities	<u>19,977</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(49,836)
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	<u>1,485,185</u>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<u>\$ 1,435,349</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 58,135
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	344,539
Changes in assets and liabilities	
Accounts receivable	(132,728)
Prepaid expenses	5,033
Accounts payable	(89,405)
Accrued payroll	16,860
Compensated absences payable	30,806
Net pension obligation	<u>1,216</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 234,456</u>

See accompanying notes to financial statements.

CITY OF DARIEN, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

April 30, 2012

	Pension Trust Fund	Agency
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,387,253	\$ 13,059
Investments		
U.S. Treasury obligations	947,478	-
Annuities	55,646	-
U.S. agency obligations	6,818,038	-
Money market mutual funds	382,707	-
Municipal bonds	694,812	-
Corporate bonds	1,743,746	-
Equity mutual funds	7,925,497	-
Receivables		
Accrued interest	93,540	-
Prepaid expenses	4,367	-
<b>Total assets</b>	<b>20,053,084</b>	<b>\$ 13,059</b>
<b>LIABILITIES</b>		
Accounts payable	4,978	\$ -
Due to others	-	10,716
Impact fees payable	-	2,317
Deposits payable	-	26
<b>Total liabilities</b>	<b>4,978</b>	<b>\$ 13,059</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<b><u>\$ 20,048,106</u></b>	

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, 2012

<b>ADDITIONS</b>	
Contributions	
Employer	\$ 1,185,043
Employee	<u>310,448</u>
Total contributions	<u>1,495,491</u>
Investment income	
Net appreciation in fair value of investments	311,214
Interest	<u>586,555</u>
Total investment income	897,769
Less investment expense	<u>(45,036)</u>
Net investment income	<u>852,733</u>
Total additions	<u>2,348,224</u>
<b>DEDUCTIONS</b>	
Pension benefits	1,135,485
Contractual services	17,917
Administrative expenses	<u>6,079</u>
Total deductions	<u>1,159,481</u>
<b>NET INCREASE</b>	1,188,743
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
May 1	<u>18,859,363</u>
April 30	<u><u>\$ 20,048,106</u></u>

See accompanying notes to financial statements.



CITY OF DARIEN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity

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

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

Police Pension Employees Retirement System

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

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

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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.

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary fund:

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

The City reports the following fiduciary funds:

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

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

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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.

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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."

g. Inventories

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report 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

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.

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

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences (Continued)

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

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balances/Net Assets (Continued)

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

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

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

m. Interfund Transactions

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

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

n. Accounting Estimates

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



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

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2. DEPOSITS AND INVESTMENTS

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

a. City Deposits and Investments

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

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

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.

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

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2. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

Investments

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

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

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

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

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

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, corporate bonds, common and preferred stock, Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value), and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

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

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2012:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 947,478	\$ 95,933	\$ 259,804	\$ 591,741	\$ -
U.S. agency obligations	6,818,038	-	2,801,180	3,365,014	651,844
Annuities	55,646	55,646	-	-	-
Corporate Bonds	1,743,746	-	958,462	785,284	-
Municipal bonds	694,812	-	133,903	508,100	52,809
<b>TOTAL</b>	<b>\$ 10,259,720</b>	<b>\$ 151,579</b>	<b>\$ 4,153,349</b>	<b>\$ 5,250,139</b>	<b>\$ 704,653</b>

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

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2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments (Continued)

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

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

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, 2012, the Police Pension Fund has greater than 5% of its portfolio invested in U.S. agency obligations (34.40%), corporate bonds (8.80%), equity mutual funds (39.99%), and negotiable CDs (6.31%).

3. RECEIVABLES

a. Property Taxes

Property taxes for 2011 attached as an enforceable lien on January 1, 2011, 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, 2012, and are payable in two installments, on or about June 1, 2012 and September 1, 2012. 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 2011 tax levy is intended to fund expenditures for the 2012-2013 fiscal year, these taxes are deferred as of April 30, 2012.

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

3. RECEIVABLES (Continued)

a. Property Taxes (Continued)

The 2012 tax levy, which attached as an enforceable lien on property as of January 1, 2012, has not been recorded as a receivable as of April 30, 2012 as the tax has not yet been levied by the City and will not be levied until December 2012 and, therefore, the levy is not measurable at April 30, 2012.

b. Due from Other Governments and Other Receivables

	General	Nonmajor Governmental	Total
<b>GOVERNMENTAL ACTIVITIES</b>			
Intergovernmental			
Sales tax	\$ 1,090,666	\$ -	\$ 1,090,666
Local use tax	73,247	-	73,247
Income tax	658,769	-	658,769
Motor fuel tax	-	42,878	42,878
Telecommunications tax	233,872	-	233,872
Total	<u>2,056,554</u>	<u>42,878</u>	<u>2,099,432</u>
Other receivables			
Franchise fees	79,027	-	79,027
Hotel/motel tax	2,000	-	2,000
Amusement tax	6,754	-	6,754
Utility tax	25,247	-	25,247
Paypal	39	-	39
Deposit with IPBC terminal reserve	177,853	-	177,853
Accounts	64,567	-	64,567
Miscellaneous	-	926	926
Total	<u>355,487</u>	<u>*926</u>	<u>356,413</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>\$ 2,412,041</u>	<u>\$ 43,804</u>	<u>\$ 2,455,845</u>

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

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2012 was as follows:

	Balances May 1 Restated	Increases	Decreases	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 5,935,536	\$ -	\$ 647,200	\$ 5,288,336
Total capital assets not being depreciated	5,935,536	-	647,200	5,288,336
Capital assets being depreciated				
Buildings and improvements	5,981,225	-	-	5,981,225
Machinery, vehicles, and equipment	1,854,551	846,139	-	2,700,690
Infrastructure	12,768,226	-	-	12,768,226
Total capital assets being depreciated	20,604,002	846,139	-	21,450,141
Less accumulated depreciation for				
Buildings and improvements	2,336,547	119,625	-	2,456,172
Machinery, vehicles, and equipment	1,187,463	231,614	-	1,419,077
Infrastructure	7,245,619	496,125	-	7,741,744
Total accumulated depreciation	10,769,629	847,364	-	11,616,993
Total capital assets being depreciated, net	9,834,373	(1,225)	-	9,833,148
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 15,769,909</b>	<b>\$ (1,225)</b>	<b>\$ 647,200</b>	<b>\$ 15,121,484</b>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 51,034
Public safety	161,145
Highways and streets	635,185
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 847,364</b>

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

4. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Total capital assets not being depreciated	100,000	-	-	100,000
Capital assets being depreciated				
Buildings and improvements	6,989,234	-	-	6,989,234
Machinery and equipment	832,615	-	-	832,615
Infrastructure	7,984,691	-	-	7,984,691
Total capital assets being depreciated	15,806,540	-	-	15,806,540
Less accumulated depreciation for				
Buildings and improvements	2,627,456	196,106	-	2,823,562
Machinery and equipment	828,116	500	-	828,616
Infrastructure	5,032,876	147,933	-	5,180,809
Total accumulated depreciation	8,488,448	344,539	-	8,832,987
Total capital assets being depreciated, net	7,318,092	(344,539)	-	6,973,553
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 7,418,092	\$ (344,539)	\$ -	\$ 7,073,553

5. RISK MANAGEMENT

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

Intergovernmental Risk Management Agency (IRMA)

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

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

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.

5. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (IRMA) (Continued)

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, 2012.

Intergovernmental Personnel Benefit Cooperative (IPBC)

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

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

6. LONG-TERM DEBT

a. General Obligation Bonds

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

A summary of changes in long-term debt reported in the governmental activities of the City for the year ended April 30, 2012 is as follows:



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

6. LONG-TERM DEBT (Continued)

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	\$ 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	390,000
\$2,370,000 General Obligation Bonds, Series 2008 are due in annual installments (beginning January 1, 2009) ranging from \$115,000 to \$190,000 with interest from 3.50% to 4.00%. The last payment due is January 1, 2024.	Capital Improvement	1,990,000	-	125,000	1,865,000	130,000
<b>TOTAL GOVERNMENTAL BONDED DEBT</b>		<b>\$ 4,970,000</b>	<b>\$ -</b>	<b>\$ 505,000</b>	<b>\$ 4,465,000</b>	<b>\$ 520,000</b>

Business-Type Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
\$3,900,000 General Obligation Water Bonds, Series 2006 are due in annual installments (beginning December 15, 2007) ranging from \$60,000 to \$300,000 with interest from 4.10% to 4.30%. The last payment is due on December 15, 2025.	Water	\$ 3,390,000	\$ -	\$ 165,000	\$ 3,225,000	\$ 170,000
<b>TOTAL BUSINESS-TYPE BONDED DEBT</b>		<b>\$ 3,390,000</b>	<b>\$ -</b>	<b>\$ 165,000</b>	<b>\$ 3,225,000</b>	<b>\$ 170,000</b>

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

6. LONG-TERM DEBT (Continued)

b. Installment Contracts

- 1) On October 25, 2007, the City entered into an installment contract with Citizens Financial Bank to finance the purchase of three public works vehicles in the amount of \$360,038 with \$50,038 due upon delivery. This contract was retired during the year ended April 30, 2012.
- 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%. This contract was retired during the year ended April 30, 2012.
- 3) On September 19, 2011, the City entered into an installment contract with Hinsdale Bank & Trust Co. to finance the purchase of public safety vehicles and equipment in the amount of \$483,466 with an interest rate of 1.50%.

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities General Obligation Bonds			Business-Type Activities General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 520,000	\$ 176,194	\$ 696,194	\$ 170,000	\$ 135,908	\$ 305,908
2014	545,000	155,719	700,719	180,000	128,896	308,896
2015	565,000	134,256	699,256	185,000	121,472	306,472
2016	585,000	112,006	697,006	195,000	113,840	308,840
2017	615,000	88,969	703,969	205,000	105,650	310,650
2018	635,000	64,563	699,563	215,000	97,040	312,040
2019	165,000	39,363	204,363	220,000	88,010	308,010
2020	170,000	32,969	202,969	230,000	78,770	308,770
2021	175,000	26,381	201,381	240,000	69,110	309,110
2022	185,000	19,600	204,600	255,000	59,030	314,030
2023	190,000	12,200	202,200	265,000	48,320	313,320
2024	115,000	4,600	119,600	275,000	37,058	312,058
2025	-	-	-	290,000	25,370	315,370
2026	-	-	-	300,000	12,900	312,900
<b>TOTAL</b>	<b>\$ 4,465,000</b>	<b>\$ 866,820</b>	<b>\$ 5,331,820</b>	<b>\$ 3,225,000</b>	<b>\$ 1,121,374</b>	<b>\$ 4,346,374</b>

Fiscal Year	Governmental Activities Installment Contract - 2011		
	Principal	Interest	Total
2013	\$ 160,500	\$ 4,532	\$ 165,032
2014	160,500	4,845	165,345
2015	162,466	2,437	164,903
<b>TOTAL</b>	<b>\$ 483,466</b>	<b>\$ 11,814</b>	<b>\$ 495,280</b>

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 2012:

	Balances May 1	Additions	Reductions	Balances April 30	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds	\$ 4,970,000	\$ -	\$ 505,000	\$ 4,465,000	\$ 520,000
Installment contract - 2007	73,009	-	73,009	-	-
Installment contract - 2008	57,961	-	57,961	-	-
Installment contract - 2011	-	483,466	-	483,466	160,500
Unamortized bond discount	(1,182)	-	(1,182)	-	-
Unamortized bond premium	22,878	-	3,268	19,610	-
Compensated absences payable*	540,162	61,265	100,095	501,332	75,200
Net pension obligation*	35,950	10,943	-	46,893	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 5,698,778</b>	<b>\$ 555,674</b>	<b>\$ 738,151</b>	<b>\$ 5,516,301</b>	<b>\$ 755,700</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
General obligation bonds	\$ 3,390,000	\$ -	\$ 165,000	\$ 3,225,000	\$ 170,000
Unamortized bond discount	(11,408)	-	(789)	(10,619)	-
Compensated absences payable	15,627	33,150	2,344	46,433	6,965
Net pension obligation	3,994	1,216	-	5,210	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 3,398,213</b>	<b>\$ 34,366</b>	<b>\$ 166,555</b>	<b>\$ 3,266,024</b>	<b>\$ 176,965</b>

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

e. Line of Credit

On February 18, 2010, the City entered into a line of credit to cover any shortfalls in cash. The maximum amount that can be drawn down is \$1,250,000. Amounts drawn under the line of credit at April 30, 2012 totaled \$0. The line of credit was not used in fiscal year 2012.

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

7. INDIVIDUAL FUND DISCLOSURES

Transfers between funds at April 30, 2012 consist of the following:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 3,000,000
Capital Improvements	3,005,946	-
Nonmajor Governmental	-	5,946
<b>TOTAL</b>	<b>\$ 3,005,946</b>	<b>\$ 3,005,946</b>

The purpose of the transfer is as follows:

- \$3,000,000 transferred from the General Fund to the Capital Improvements Fund for capital projects. This transfer will not be repaid.

8. COMMITMENTS

DuPage Water Commission

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

Fiscal Year Ending April 30	Amount
2013	\$ 284,904
2014	284,904
2015	284,904
2016	284,904
2017	284,904

These amounts have been calculated using the City's current allocation percentage of 3.98%. 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.

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

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9. CONTINGENT LIABILITIES (Continued)

b. DuPage Water Commission

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

c. Economic Incentive Agreement

The City entered into an agreement in April 2012 with two local businesses wherein the City will rebate up to a net present value of \$4,000,000 of incremental sales tax revenue, discounted at 8.15%. The agreement is contingent upon the completion of an expansion project by businesses.

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.

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

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10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (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, 2011 was 12.58% of covered payroll. The City's contribution for the calendar year 2011 was 11.89% 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, 2012, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	
Terminated employees entitled to benefits but not yet receiving them	
Current employees	
Vested	
Nonvested	

TOTAL

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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.

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

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10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (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  $\frac{1}{2}$  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.,  $\frac{1}{2}$ % for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or  $\frac{1}{2}$  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.

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

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, 2009	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)	2010	\$ 303,386	\$ 938,901
	2011	365,099	1,102,913
	2012	297,056	1,173,219
Actual contribution	2010	\$ 303,386	\$ 949,373
	2011	335,252	1,113,781
	2012	284,897	1,185,029
Percentage of APC contributed	2010	100.00%	101.12%
	2011	91.82%	100.99%
	2012	95.91%	101.01%
NPO (asset)	2010	\$ -	\$ (53,205)
	2011	39,944	(64,073)
	2012	52,103	(75,883)

The NPO (asset) as of April 30, 2012 has been calculated as follows:

	Illinois Municipal Retirement	Police Pension
Annual required contribution	\$ 296,202	\$ 1,174,292
Interest on net pension obligation	2,995	(4,485)
Adjustment to annual required contributions	(2,141)	3,412
Annual pension cost	297,056	1,173,219
Contributions made	284,897	1,185,029
Increase (decrease) in net pension obligation (asset)	12,159	(11,810)
Net pension obligation (asset), beginning of year	39,944	(64,073)
<b>NET PENSION OBLIGATION (ASSET), END OF YEAR</b>	<b>\$ 52,103</b>	<b>\$ (75,883)</b>

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Funded Status

The funded status of the plans as of April 30, 2012 were as follows:

	Illinois Municipal Retirement	Police Pension
	December 31, 2011	April 30, 2012
Actuarial valuation date		
Actuarial accrued liability (AAL)	\$ 8,414,833	\$
Actuarial value of plan assets	5,971,006	
Unfunded actuarial accrued liability (UAAL)	2,443,827	
Funded ratio (actuarial value of plan assets/AAL)	70.96%	%
Covered payroll (active plan members)	\$ 2,579,318	\$
UAAL as a percentage of covered payroll	94.75%	%

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

As of April 30, 2012, 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.

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

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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.

13. RESTATEMENT

The net assets of governmental activities has been restated by (\$1,377,800) as of May 1, 2011 to correct a prior period error in recording sale of land.

14. SUBSEQUENT EVENT

On July 12, 2012, the City issued \$2,810,000 General Obligation Refunding Bonds, Series 2012 to advance refund the General Obligation Water Bonds, Series 2006. The bonds are payable in annual installments of \$20,000 to \$290,000 every December 15 starting December 15, 2012 through 2025. Interest is paid semiannually at 2.00% to 3.50%.

**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, 2012  
(With Prior Year Actual)

	2012		Variance Over (Under)	2011 Actual
	Original and Final Budget	Actual		
<b>REVENUES</b>				
Taxes	\$ 4,364,897	\$ 4,348,505	\$ (16,392)	\$ 4,275,179
Licenses, permits and fees	895,650	932,158	36,508	1,007,928
Intergovernmental	6,374,745	7,133,538	758,793	6,800,062
Charges for services	430,492	925,048	494,556	661,340
Investment income	10,000	21,778	11,778	18,675
Miscellaneous	260,000	405,300	145,300	285,730
<b>Total revenues</b>	<b>12,335,784</b>	<b>13,766,327</b>	<b>1,430,543</b>	<b>13,048,914</b>
<b>EXPENDITURES</b>				
Current				
General government	1,643,905	1,573,079	(70,826)	1,516,220
Highways and streets	1,892,245	1,762,107	(130,138)	1,488,535
Public safety	7,575,391	7,753,703	178,312	6,780,838
Debt service				
Principal	371,738	510,970	139,232	494,146
Interest	27,262	27,262	-	49,105
<b>Total expenditures</b>	<b>11,510,541</b>	<b>11,627,121</b>	<b>116,580</b>	<b>10,328,844</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>825,243</b>	<b>2,139,206</b>	<b>1,313,963</b>	<b>2,720,070</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Installment contract proceeds	-	483,466	483,466	-
Transfers in (out)	(3,000,000)	(3,000,000)	-	(1,600,000)
Proceeds from sale of assets	-	24,444	24,444	92,615
<b>Total other financing sources (uses)</b>	<b>(3,000,000)</b>	<b>(2,492,090)</b>	<b>507,910</b>	<b>(1,507,385)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,174,757)</b>	<b>(352,884)</b>	<b>\$ 1,821,873</b>	<b>1,212,685</b>
<b>FUND BALANCE, MAY 1</b>		<b>4,461,410</b>		<b>3,248,725</b>
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 4,108,526</b>		<b>\$ 4,461,410</b>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2012

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
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%
2011	5,971,006	8,414,833	70.96%	2,443,827	2,579,318	94.75%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND

For the Year Ended April 30, 2012

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)
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%
2012			#DIV/0!	-		#DIV/0!

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2012

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2012	284,897	296,202	96.18%

(See independent auditor's report.)



CITY OF DARIEN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

For the Year Ended April 30, 2012

---

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2012	1,185,029	1,174,292	100.91%

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2012

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1. BUDGETS

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

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

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

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

2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Fund	Budget	Actual
General	\$ 11,510,541	\$ 11,627,121

## MAJOR GOVERNMENTAL FUNDS

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

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

CITY OF DARIEN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2012  
(With Prior Year Actual)

	2012			2011 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
<b>TAXES</b>				
Property taxes - current	\$ 2,000,287	\$ 2,018,860	\$ 18,573	\$ 2,001,191
Road and bridge tax	185,000	187,391	- 2,391	181,771
Municipal utility tax	1,040,000	1,057,889	17,889	1,120,830
Telecommunication tax	998,000	953,775	(44,225)	826,674
Amusement tax	105,000	92,249	(12,751)	104,205
Hotel/motel tax	31,000	32,451	1,451	33,543
Replacement tax	5,610	5,890	280	6,965
<b>Total taxes</b>	<b>4,364,897</b>	<b>4,348,505</b>	<b>(16,392)</b>	<b>4,275,179</b>
<b>LICENSES, PERMITS, AND FEES</b>				
Business licenses	44,000	39,381	(4,619)	40,110
Liquor licenses	42,650	53,000	10,350	45,650
Contractors licenses	15,000	18,710	3,710	21,090
Court fines	190,000	142,598	(47,402)	169,576
Ordinance fines	35,000	28,860	(6,140)	38,258
Building permits and fees	60,000	74,573	14,573	131,982
Cable TV franchise fees	300,000	313,671	13,671	297,317
PEG fees AT&T	-	12,339	12,339	10,811
NICOR franchise fees	40,000	31,772	(8,228)	40,985
Public hearing fees	5,000	7,907	2,907	6,804
Elevator inspections	3,500	5,090	1,590	5,087
Public improvement permit fees	-	250	250	5,150
Engineering fee reimbursements	50,000	40,122	(9,878)	53,387
Legal fee reimbursements	500	-	(500)	-
DUI technology fines	10,000	8,435	(1,565)	3,353
Police special service	100,000	155,400	55,400	137,570
Stormwater management fees	-	50	50	798
<b>Total licenses, permits, and fees</b>	<b>895,650</b>	<b>932,158</b>	<b>36,508</b>	<b>1,007,928</b>
<b>INTERGOVERNMENTAL</b>				
State income taxes	1,589,971	1,813,435	223,464	1,841,183
Local use tax	234,774	322,118	87,344	357,258
Sales tax	4,550,000	4,942,309	392,309	4,582,422
DADC administrative fees	-	-	-	10,001
Grants	-	46,754	46,754	8,117
Drug seizure receipts	-	8,922	8,922	1,081
<b>Total intergovernmental</b>	<b>6,374,745</b>	<b>7,133,538</b>	<b>758,793</b>	<b>6,800,062</b>

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2012  
(With Prior Year Actual)

	2012		Variance Over (Under)	2011 Actual
	Original and Final Budget	Actual		
<b>CHARGES FOR SERVICES</b>				
Towing fees	\$ -	\$ 94,533	\$ 94,533	\$ -
Booking fees	-	2,400	2,400	-
Police report/prints	4,500	6,675	2,175	5,887
Inspection/tap on/permits	-	975	975	3,875
Rents	323,992	385,100	61,108	446,341
Other reimbursements	100,000	274,597	174,597	129,508
Residential concrete reimbursement	-	145,123	145,123	55,756
Reimbursement - rear yard drain	-	1,500	1,500	-
Maintenance reimbursements	2,000	3,915	1,915	4,331
Mail box reimbursement	-	2,350	2,350	3,110
Sales of wood chips	-	4,430	4,430	4,960
Operations revenue	-	3,450	3,450	7,572
<b>Total charges for services</b>	<b>430,492</b>	<b>925,048</b>	<b>494,556</b>	<b>661,340</b>
<b>INVESTMENT INCOME</b>				
Investment income	10,000	21,778	11,778	18,675
<b>Total investment income</b>	<b>10,000</b>	<b>21,778</b>	<b>11,778</b>	<b>18,675</b>
<b>MISCELLANEOUS</b>				
Water share	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
D.A.R.E. contributions	-	500	500	500
Reimbursement - workers compensation	-	81,044	81,044	-
Miscellaneous	10,000	73,756	63,756	35,230
<b>Total miscellaneous</b>	<b>260,000</b>	<b>405,300</b>	<b>145,300</b>	<b>285,730</b>
<b>TOTAL REVENUES</b>	<b>\$ 12,335,784</b>	<b>\$ 13,766,327</b>	<b>\$ 1,430,543</b>	<b>\$ 13,048,914</b>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2012  
(With Prior Year Actual)

	2012		Variance Over (Under)	2011 Actual
	Original and Final Budget	Actual		
<b>GENERAL GOVERNMENT</b>				
<b>Administration</b>				
<b>Personnel services</b>				
Salaries	\$ 422,000	\$ 435,145	\$ 13,145	\$ 428,006
Overtime	4,000	-	(4,000)	42
Social security	23,600	23,896	296	23,443
Medicare	6,000	6,376	376	6,105
IMRF	49,500	54,880	5,380	48,388
Medical/life insurance	68,825	60,015	(8,810)	67,201
Supplemental pensions	23,000	24,253	1,253	22,296
<b>Total personnel services</b>	<b>596,925</b>	<b>604,565</b>	<b>7,640</b>	<b>595,481</b>
<b>Materials and supplies</b>				
Dues and subscriptions	2,450	2,944	494	1,825
Liability insurance	52,900	52,379	(521)	50,743
Legal notices	8,000	8,427	427	6,131
Maintenance - building	11,000	6,354	(4,646)	12,097
Maintenance - equipment	13,000	7,778	(5,222)	12,470
Maintenance - grounds	7,000	799	(6,201)	5,826
Maintenance - vehicles	-	170	170	1,847
Postage/mailings	5,200	3,882	(1,318)	2,582
Printing and forms	4,000	3,679	(321)	1,282
Public relations	28,000	26,527	(1,473)	41,646
Rent - equipments	2,400	2,340	(60)	1,755
Supplies - office	11,000	9,722	(1,278)	9,441
Supplies - other	3,000	503	(2,497)	671
Training and education	4,500	878	(3,622)	482
Travel/meetings	2,000	240	(1,760)	133
Telephone	61,500	57,716	(3,784)	53,602
Utilities	3,500	3,299	(201)	3,171
Gas and oil	7,900	6,741	(1,159)	6,594
Vehicle	2,000	-	(2,000)	-
<b>Total materials and supplies</b>	<b>229,350</b>	<b>194,378</b>	<b>(34,972)</b>	<b>212,298</b>
<b>Contractual services</b>				
Audit	11,650	11,675	25	16,575
Consulting/professional	93,950	82,239	(11,711)	79,204
Contingency	10,000	3,622	(6,378)	7,898
Janitorial services	16,500	13,002	(3,498)	14,184
<b>Total contractual services</b>	<b>132,100</b>	<b>110,538</b>	<b>(21,562)</b>	<b>117,861</b>
<b>Total administration</b>	<b>958,375</b>	<b>909,481</b>	<b>(48,894)</b>	<b>925,640</b>
<b>City Council</b>				
<b>Personnel services</b>				
Salaries	42,745	42,450	(295)	42,750
Social security	2,660	2,632	(28)	2,651
Medicare	620	616	(4)	620
IMRF	1,900	36	(1,864)	1,492
<b>Total personnel services</b>	<b>47,925</b>	<b>45,734</b>	<b>(2,191)</b>	<b>47,513</b>

(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, 2012  
(With Prior Year Actual)

	2012		Variance Over (Under)	2011 Actual
	Original and Final Budget	Actual		
<b>GENERAL GOVERNMENT (Continued)</b>				
<b>City Council (Continued)</b>				
<b>Materials and supplies</b>				
Board and commissions	\$ 2,500	\$ 1,246	\$ (1,254)	\$ 1,323
Cable operations	2,500	749	(1,751)	-
Dues and subscriptions	-	-	-	43
Liability insurance	42,060	43,281	1,221	15,175
Public relations	1,500	1,143	(357)	574
Supplies - office	-	-	-	51
Travel/meetings	750	516	(234)	70
<b>Total materials and supplies</b>	<b>49,310</b>	<b>46,935</b>	<b>(2,375)</b>	<b>17,236</b>
<b>Contractual services</b>				
Consulting/professional	27,000	24,393	(2,607)	25,418
Tolley contracts	900	64	(836)	354
<b>Total contractual services</b>	<b>27,900</b>	<b>24,457</b>	<b>(3,443)</b>	<b>25,772</b>
<b>Total city council</b>	<b>125,135</b>	<b>117,126</b>	<b>(8,009)</b>	<b>90,521</b>
<b>Community development</b>				
<b>Personnel services</b>				
Salaries	270,500	272,560	2,060	268,383
Overtime	1,000	-	(1,000)	-
Social security	15,000	14,862	(138)	14,480
Medicare	3,950	3,827	(123)	3,785
IMRF	32,100	33,024	924	29,964
Medical/life insurance	37,000	36,105	(895)	36,330
Supplemental pensions	3,600	3,323	(277)	2,400
<b>Total personnel services</b>	<b>363,150</b>	<b>363,701</b>	<b>551</b>	<b>355,342</b>
<b>Materials and supplies</b>				
Boards and commissions	2,400	2,043	(357)	1,975
Dues and subscriptions	750	453	(297)	440
Liabilities insurance	46,750	35,427	(11,323)	20,719
Maintenance - vehicles	1,900	107	(1,793)	475
Postage/mailings	-	1,222	1,222	930
Printing and forms	2,600	792	(1,808)	883
Supplies - office	450	21	(429)	282
Training and educational	500	510	10	95
Travel/meetings	400	80	(320)	40
Gas and oil	1,995	1,633	(362)	1,643
<b>Total materials and supplies</b>	<b>57,745</b>	<b>42,288</b>	<b>(15,457)</b>	<b>27,482</b>
<b>Contractual services</b>				
Consulting/professional	28,500	33,062	4,562	40,579
Consulting/professional reimbursable	50,500	67,276	16,776	49,202
<b>Total contractual services</b>	<b>79,000</b>	<b>100,338</b>	<b>21,338</b>	<b>89,781</b>
<b>Total community development</b>	<b>499,895</b>	<b>506,327</b>	<b>6,432</b>	<b>472,605</b>

(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, 2012  
(With Prior Year Actual)

	2012			2011 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
<b>GENERAL GOVERNMENT (Continued)</b>				
Business district				
Personnel services				
Liability insurance	\$ 5,500	\$ 3,459	\$ (2,041)	\$ 5,500
Total professional services	5,500	-3,459	(2,041)	5,500
Contractual services				
Maintenance - building	-	-	-	12
Maintenance - grounds	35,000	21,746	(13,254)	11,183
Utilities	2,500	10,378	7,878	4,198
Maintenance - equipment	17,500	4,562	(12,938)	6,561
Total contractual services	55,000	36,686	(18,314)	21,954
Total business district	60,500	40,145	(20,355)	27,454
Total general government	1,643,905	1,573,079	(70,826)	1,516,220
<b>HIGHWAYS AND STREETS</b>				
Public works				
Personnel services				
Salaries	483,400	594,397	110,997	477,416
Overtime	95,000	9,448	(85,552)	76,862
Social security	56,045	35,788	(20,257)	53,148
Medicare	13,110	8,469	(4,641)	11,965
IMRF	101,500	71,379	(30,121)	99,488
Medical/life insurance	153,000	126,374	(26,626)	115,391
Supplemental pensions	2,500	2,677	177	5,308
Total personnel services	904,555	848,532	(56,023)	839,578
Materials and supplies				
Liability insurance	72,672	55,267	(17,405)	48,553
Maintenance - building	31,166	18,595	(12,571)	13,917
Maintenance - equipment	21,050	27,772	6,722	25,308
Maintenance - vehicles	23,000	24,358	1,358	23,533
Postage/mailings	1,000	1,197	197	820
Rent - equipment	25,500	18,044	(7,456)	19,171
Supplies - office	2,300	1,918	(382)	995
Supplies - other	35,500	35,144	(356)	39,428
Small tools and equipment	15,250	14,751	(499)	5,358
Training and education	4,050	712	(3,338)	1,971
Uniforms	6,750	3,947	(2,803)	4,033
Utilities	3,650	3,029	(621)	3,407
Gas and oil	57,350	65,923	8,573	62,245
Total materials and supplies	299,238	270,657	(28,581)	248,739
Contractual services				
Consulting/professional	49,000	46,423	(2,577)	73,353
Forestry	36,960	27,438	(9,522)	61,545
Street light operation and maintenance	80,000	87,746	7,746	85,856
Tree trim - removal	99,490	98,405	(1,085)	16,214

(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, 2012  
(With Prior Year Actual)

	2012		Variance Over (Under)	2011 Actual
	Original and Final Budget	Actual		
<b>HIGHWAYS AND STREETS (Continued)</b>				
Public works (Continued)				
Contractual services (Continued)				
Residential concrete program	\$ -	\$ 146,455	\$ 146,455	\$ 51,383
Street sweeping	29,419	18,380	(11,039)	18,891
Mosquito abatement	41,500	40,887	(613)	40,887
Drainage projects	40,000	30,918	(9,082)	10,129
Total contractual services	376,369	496,652	120,283	358,258
Capital outlay				
Equipment	312,083	146,266	(165,817)	41,960
Total capital outlay	312,083	146,266	(165,817)	41,960
Total public works	1,892,245	1,762,107	(130,138)	1,488,535
Total highways and streets	1,892,245	1,762,107	(130,138)	1,488,535
<b>PUBLIC SAFETY</b>				
Police department				
Personnel services				
Salaries	428,573	427,123	(1,450)	421,179
Salaries - officers	3,428,441	3,440,754	12,313	3,204,198
Overtime	500,983	491,446	(9,537)	428,341
Social security	29,000	27,018	(1,982)	24,493
Medicare	55,000	51,193	(3,807)	49,549
IMRF	49,000	54,112	5,112	41,699
Medical/life insurance	483,000	419,350	(63,650)	420,465
Police pension	1,174,292	1,185,029	10,737	1,113,655
Supplemental pensions	52,800	48,495	(4,305)	49,042
Total personnel services	6,201,089	6,144,520	(56,569)	5,752,621
Materials and supplies				
Animal control	2,000	1,049	(951)	285
Auxiliary police	9,600	4,149	(5,451)	776
Boards and commissions	27,500	440	(27,060)	1,642
Dues and subscriptions	4,745	3,681	(1,064)	3,356
Investigation and equipment	62,739	20,760	(41,979)	36,744
Liability insurance	252,800	201,097	(51,703)	186,823
Maintenance - building	44,175	47,375	3,200	24,913
Maintenance - equipment	15,500	10,576	(4,924)	76,140
Maintenance - vehicles	38,000	50,347	12,347	52,451
Postage/mailings	3,000	3,120	120	2,272
Printing and forms	3,000	3,524	524	1,526
Public relations	10,750	5,658	(5,092)	9,306
Rent - equipment	6,600	1,628	(4,972)	1,507
Supplies - office	7,500	6,091	(1,409)	6,807
Supplies - other	-	-	-	113
Training and education	25,015	16,704	(8,311)	11,106
Travel/meetings	11,100	5,852	(5,248)	5,441

(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, 2012  
(With Prior Year Actual)

	2012		Variance Over (Under)	2011 Actual
	Original and Final Budget	Actual		
<b>PUBLIC SAFETY (Continued)</b>				
Police department (Continued)				
Materials and supplies (Continued)				
Telephone	\$ 14,388	\$ 14,567	\$ 179	\$ 10,688
Uniforms	71,485	31,836	(39,649)	43,956
Utilities	12,000	5,283	(6,717)	6,625
Gas and oil	120,000	145,421	25,421	113,000
Total materials and supplies	741,897	579,158	(162,739)	595,477
Contractual services				
Consulting/professional	350,015	349,101	(914)	10,015
Contractual services	24,000	24,304	304	-
Darien area dispatch	-	-	-	396,122
Dumeg/finl/child center	26,240	26,610	370	26,240
Total contractual services	400,255	400,015	(240)	432,377
Capital outlay				
Equipment	232,150	630,010	397,860	363
Total capital outlay	232,150	630,010	397,860	363
Total police department	7,575,391	7,753,703	178,312	6,780,838
Total public safety	7,575,391	7,753,703	178,312	6,780,838
<b>DEBT SERVICE</b>				
Principal	371,738	510,970	139,232	494,146
Interest	27,262	27,262	-	49,105
Total debt service	399,000	538,232	139,232	543,251
<b>TOTAL EXPENDITURES</b>	<b>\$ 11,510,541</b>	<b>\$ 11,627,121</b>	<b>\$ 116,580</b>	<b>\$ 10,328,844</b>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2012  
(With Prior Year Actual)

	2012		Variance Over (Under)	2011 Actual
	Original and Final Budget	Actual		
<b>REVENUES</b>				
Taxes	\$ 200,770	\$ 202,256	\$ 1,486	\$ 200,770
Intergovernmental	-	150,000	150,000	24,177
Investment income	-	18,684	18,684	4,639
<b>Total revenues</b>	<b>200,770</b>	<b>370,940</b>	<b>170,170</b>	<b>229,586</b>
<b>EXPENDITURES</b>				
Capital outlay	2,186,328	2,082,177	(104,151)	2,102,673
Debt service				
Principal payments	200,770	125,000	(75,770)	120,000
Interest and fiscal charges	-	76,569	76,569	80,769
<b>Total expenditures</b>	<b>2,387,098</b>	<b>2,283,746</b>	<b>(103,352)</b>	<b>2,303,442</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,186,328)</b>	<b>(1,912,806)</b>	<b>273,522</b>	<b>(2,073,856)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,000,000	3,005,946	5,946	1,673,285
Proceeds from sale of assets	-	656,875	656,875	-
<b>Total other financing sources (uses)</b>	<b>3,000,000</b>	<b>3,662,821</b>	<b>662,821</b>	<b>1,673,285</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 813,672</b>	<b>1,750,015</b>	<b>\$ 936,343</b>	<b>(400,571)</b>
<b>FUND BALANCE, MAY 1</b>		<b>114,693</b>		<b>515,264</b>
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 1,864,708</b>		<b>\$ 114,693</b>

(See independent auditor's report.)

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

### CAPITAL PROJECTS FUNDS

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

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

CITY OF DARIEN, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2012

ASSETS

	Special Revenue			Capital Projects		
	Motor Fuel Tax	Special Service Area	Drug Seizure	Debt Service	Road Improvement	Total
Cash and cash equivalents	\$ 169,010	\$ 8,737	\$ 10,531	\$ 4,207	\$ -	\$ 192,485
Receivables	-	-	-	147,820	-	147,820
Property taxes	42,878	-	-	-	-	42,878
Intergovernmental	-	-	926	-	-	926
Other	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 211,888</b>	<b>\$ 8,737</b>	<b>\$ 11,457</b>	<b>\$ 152,027</b>	<b>\$ -</b>	<b>\$ 384,109</b>

LIABILITIES AND FUND BALANCES

	Special Revenue			Capital Projects		
	Motor Fuel Tax	Special Service Area	Drug Seizure	Debt Service	Road Improvement	Total
Accounts payable	\$ 2,064	\$ -	\$ 182	\$ -	\$ -	\$ 2,246
Deferred revenue	-	-	-	147,820	-	147,820
<b>Total liabilities</b>	<b>2,064</b>	<b>-</b>	<b>182</b>	<b>147,820</b>	<b>-</b>	<b>150,066</b>
<b>FUND BALANCES</b>						
Restricted	-	8,737	-	-	-	8,737
Special service area	-	-	11,275	-	-	11,275
Public safety	-	-	-	-	-	-
Highways and streets	209,824	-	-	-	-	209,824
Debt service	-	-	-	4,207	-	4,207
<b>Total fund balances</b>	<b>209,824</b>	<b>8,737</b>	<b>11,275</b>	<b>4,207</b>	<b>-</b>	<b>234,043</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 211,888</b>	<b>\$ 8,737</b>	<b>\$ 11,457</b>	<b>\$ 152,027</b>	<b>\$ -</b>	<b>\$ 384,109</b>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2012

	Special Revenue			Capital Projects		
	Motor Fuel Tax	Special Service Area	Drug Seizure	Debt Service	Road Improvement	Total
<b>REVENUES</b>						
Taxes	\$ -	\$ 5,052	\$ -	\$ 106,147	\$ -	\$ 111,199
Intergovernmental	659,569	-	-	-	-	659,569
Investment income	964	149	231	233	82	1,659
<b>Total revenues</b>	<b>660,533</b>	<b>5,201</b>	<b>231</b>	<b>106,380</b>	<b>82</b>	<b>772,427</b>
<b>EXPENDITURES</b>						
Current						
Highways and streets	480,104	5,389	-	-	-	485,493
Capital outlay	51,595	-	-	-	-	51,595
Debt service	-	-	-	104,375	-	104,375
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>531,699</b>	<b>5,389</b>	<b>-</b>	<b>104,375</b>	<b>-</b>	<b>641,463</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>128,834</b>	<b>(188)</b>	<b>231</b>	<b>2,005</b>	<b>82</b>	<b>130,964</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers (out)	-	-	-	(5,946)	(5,946)	(5,946)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,946)</b>	<b>(5,946)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>128,834</b>	<b>(188)</b>	<b>231</b>	<b>2,005</b>	<b>(5,864)</b>	<b>125,018</b>
<b>FUND BALANCES, MAY 1</b>	<b>80,990</b>	<b>8,925</b>	<b>11,044</b>	<b>2,202</b>	<b>5,864</b>	<b>109,025</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 209,824</b>	<b>\$ 8,737</b>	<b>\$ 11,275</b>	<b>\$ 4,207</b>	<b>\$ -</b>	<b>\$ 234,043</b>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

Preliminary and Tentative  
For Discussion Purposes Only

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

For the Year Ended April 30, 2012  
(With Prior Year Actual)

	2012		Variance Over (Under)	2011 Actual
	Original and Final Budget	Actual		
<b>REVENUES</b>				
Intergovernmental				
MFT allotment	\$ 555,250	\$ 659,569	\$ 104,319	\$ 613,865
Investment income	-	964	964	676
Miscellaneous	-	-	-	102,552
<b>Total revenues</b>	<b>555,250</b>	<b>660,533</b>	<b>105,283</b>	<b>717,093</b>
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Commodities	286,030	238,649	(47,381)	292,359
Wages	300,000	241,455	(58,545)	295,000
Capital Outlay	-	51,595	51,595	-
<b>Total expenditures</b>	<b>586,030</b>	<b>531,699</b>	<b>(54,331)</b>	<b>587,359</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (30,780)</b>	<b>128,834</b>	<b>\$ 159,614</b>	<b>129,734</b>
<b>FUND BALANCE (DEFICIT), MAY 1</b>		<b>80,990</b>		<b>(48,744)</b>
<b>FUND BALANCE (DEFICIT), APRIL 30</b>		<b>\$ 209,824</b>		<b>\$ 80,990</b>

(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, 2012  
(With Prior Year Actual)

	2012			2011 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
<b>REVENUES</b>				
Taxes	\$ 5,000	\$ 5,052	\$ 52	\$ 7,133
Investment income	-	149	149	86
Total revenues	5,000	5,201	201	7,219
<b>EXPENDITURES</b>				
Current				
Contractual services	6,500	4,848	(1,652)	-
Maintenance contracts	1,400	541	(859)	-
Total expenditures	7,900	5,389	(2,511)	-
NET CHANGE IN FUND BALANCE	<u>\$ (2,900)</u>	(188)	<u>\$ 2,712</u>	7,219
FUND BALANCE, MAY 1		<u>8,925</u>		<u>1,706</u>
FUND BALANCE, APRIL 30		<u>\$ 8,737</u>		<u>\$ 8,925</u>

(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, 2012  
(With Prior Year Actual)

	2012		Variance Over (Under)	2011 Actual
	Original and Final Budget	Actual		
<b>REVENUES</b>				
Taxes	\$ 104,000	\$ 106,147	\$ 2,147	\$ 105,414
Investment income	300	233	(67)	129
Total revenues	104,300	106,380	2,080	105,543
<b>EXPENDITURES</b>				
Debt service				
Interest and fiscal charges	104,500	104,375	(125)	104,000
Total expenditures	104,500	104,375	(125)	104,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(200)	2,005	2,205	1,543
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	-	-	-	(43,285)
Total other financing sources (uses)	-	-	-	(43,285)
NET CHANGE IN FUND BALANCE	<u>\$ (200)</u>	2,005	<u>\$ 2,205</u>	(41,742)
FUND BALANCE, MAY 1		<u>2,202</u>		<u>43,944</u>
FUND BALANCE, APRIL 30		<u>\$ 4,207</u>		<u>\$ 2,202</u>

(See independent auditor's report.)

## MAJOR ENTERPRISE FUND

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

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2012  
(With Prior Year Actual)

	2012		Variance Over (Under)	2011 Actual
	Original and Final Budget	Actual		
<b>OPERATING REVENUES</b>				
Charges for services				
Water sales	\$ 4,501,159	\$ 4,562,083	\$ 60,924	\$ 4,518,645
Inspections/tap on/permits	4,000	16,385	12,385	18,850
Sale of meters	3,500	3,586	86	2,332
Other water sales	4,500	5,618	1,118	9,196
Total operating revenues	4,513,159	4,587,672	74,513	4,549,023
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>				
Personnel services				
Salaries	434,000	486,909	52,909	417,523
Overtime	68,000	26,310	(41,690)	48,954
Social security	32,500	28,561	(3,939)	29,192
Medicare	7,592	6,692	(900)	6,392
IMRF	59,900	47,142	(12,758)	49,186
Medical/life insurance	100,000	77,315	(22,685)	98,998
Supplemental pensions	2,400	3,600	1,200	3,185
Total personnel services	704,392	676,529	(27,863)	653,430
Materials and supplies				
Liability insurance	174,141	133,031	(41,110)	124,872
Maintenance - building	31,471	22,579	(8,892)	76,442
Maintenance - equipment	7,600	6,611	(989)	13,053
Maintenance - water system	130,000	119,588	(10,412)	105,682
Maintenance - laundromat	-	50	50	-
Postage	1,000	309	(691)	60
Quality controls	20,762	14,126	(6,636)	7,585
Service charge	250,000	250,000	-	250,000
Supplies - operation	6,850	1,350	(5,500)	716
Training and education	2,350	1,280	(1,070)	1,455
Telephone	10,400	9,971	(429)	8,437
Uniforms	3,350	2,339	(1,011)	4,590
Utilities	46,500	47,749	1,249	49,915
Vehicle (gas and oil)	18,000	20,246	2,246	15,745
Total materials and supplies	702,424	629,229	(73,195)	658,552
Contractual				
Audit	10,000	10,000	-	10,000
Consulting/professional	13,350	3,742	(9,608)	7,571
Leak detection	17,900	13,823	(4,077)	17,650
Data processing	152,328	150,158	(2,170)	61,322
Innitorial service	-	-	-	-
DuPage Water Commission	2,745,209	2,631,116	(114,093)	2,295,238
Total contractual	2,938,787	2,808,839	(129,948)	2,391,781

(This schedule is continued on the following page.)

CITY OF DARIEN, ILLINOIS

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

For the Year Ended April 30, 2012  
(With Prior Year Actual)

	2012		Variance Over (Under)	2011 Actual
	Original and Final Budget	Actual		
<b>OPERATING EXPENSES</b>				
<b>EXCLUDING DEPRECIATION (Continued)</b>				
Capital outlay				
Equipment	\$ 58,290	\$ 45,469	\$ (12,821)	\$ 97,923
Water meters	25,000	24,932	(68)	26,676
Total capital outlay	83,290	70,401	(12,889)	124,599
Total operating expenses excluding depreciation	4,428,893	4,184,998	(243,895)	3,828,362
OPERATING INCOME	84,266	402,674	318,408	720,661
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	4,000	19,977	15,977	14,742
Miscellaneous income	-	3,403	3,403	1,722
Debt service				
Principal repayment	(164,819)	(165,000)	(181)	(155,000)
Interest expense	(142,855)	(142,855)	-	(140,752)
Total nonoperating revenues (expenses)	(303,674)	(284,475)	19,199	(279,288)
NET INCOME (LOSS) BUDGETARY BASIS	\$ (219,408)	118,199	\$ 337,607	441,373
Adjustments to GAAP basis				
Principal repayment		165,000		155,000
Depreciation		(344,539)		(348,741)
Total adjustments to GAAP basis		(179,539)		(193,741)
CHANGE IN NET ASSETS		(61,340)		247,632
NET ASSETS, MAY 1		5,846,900		5,599,268
NET ASSETS, APRIL 30		\$ 5,785,560		\$ 5,846,900

(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, 2012

	<u>Actual</u>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 1,185,043
Employee	310,448
	<u>1,495,491</u>
Total contributions	
Investment income	
Net appreciation in fair value of investments	311,214
Interest	586,555
	<u>897,769</u>
Total investment income	
Less investment expense	<u>(45,036)</u>
	<u>852,733</u>
Net investment income	
Total additions	<u>2,348,224</u>
<b>DEDUCTIONS</b>	
Pension benefits	1,135,485
Contractual services	17,917
Administrative expenses	6,079
	<u>1,159,481</u>
Total deductions	
<b>NET INCREASE</b>	1,188,743
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
May 1	<u>18,859,363</u>
April 30	<u>\$ 20,048,106</u>

(See independent auditor's report.)

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

For the Year Ended April 30, 2012

	Balances May 1	Additions	Deletions	Balances April 30
<b>ALL FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,880	\$ 179	\$ -	\$ 13,059
<b>TOTAL ASSETS</b>	<b>\$ 12,880</b>	<b>\$ 179</b>	<b>\$ -</b>	<b>\$ 13,059</b>
<b>LIABILITIES</b>				
Due to others	\$ 10,537	\$ 179	\$ -	\$ 10,716
Impact fees payable	2,317	-	-	2,317
Deposits payable	26	-	-	26
<b>TOTAL LIABILITIES</b>	<b>\$ 12,880</b>	<b>\$ 179</b>	<b>\$ -</b>	<b>\$ 13,059</b>
<b>IMPACT FEES FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,854	\$ 179	\$ -	\$ 13,033
<b>TOTAL ASSETS</b>	<b>\$ 12,854</b>	<b>\$ 179</b>	<b>\$ -</b>	<b>\$ 13,033</b>
<b>LIABILITIES</b>				
Due to others	\$ 10,537	\$ 179	\$ -	\$ 10,716
Impact fees payable	2,317	-	-	2,317
<b>TOTAL LIABILITIES</b>	<b>\$ 12,854</b>	<b>\$ 179</b>	<b>\$ -</b>	<b>\$ 13,033</b>
<b>DARIEN ESCROW FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 26	\$ -	\$ -	\$ 26
<b>TOTAL ASSETS</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26</b>
<b>LIABILITIES</b>				
Deposits payable	\$ 26	\$ -	\$ -	\$ 26
<b>TOTAL LIABILITIES</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26</b>

(See independent auditor's report.)

**SUPPLEMENTAL DATA**



CITY OF DARIEN, ILLINOIS

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

April 30, 2012

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
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>\$ 3,225,000</u>	<u>\$ 1,121,374</u>	<u>\$ 4,346,374</u>		<u>\$ 560,687</u>		<u>\$ 560,687</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

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

April 30, 2012

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
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>\$ 375,800</u>	<u>\$ 2,975,800</u>		<u>\$ 187,900</u>		<u>\$ 187,900</u>

(See independent auditor's report.)

CITY OF DARIEN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS, SERIES 2008

April 30, 2012

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
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>\$ 1,865,000    \$ 491,026    \$ 2,356,026</u>				<u>\$ 245,513</u>		<u>\$ 245,513</u>	

:

(See independent auditor's report.)

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

For the Year Ended  
April 30, 2012

CITY OF DARIEN, ILLINOIS  
AUDITOR'S COMMUNICATION TO THE MAYOR AND CITY COUNCIL  
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1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

August 13, 2012

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

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by Statement on Auditing Standards (SAS) No. 114. Our communication at the beginning of our audit process along with our questionnaire regarding SAS No. 99, *Consideration of Fraud in a Financial Statement Audit* was sent to you on May 3, 2012.

SAS No. 115 requires the communication of internal control related matters to those charged with governance. Our management letter, as well as a listing of future pronouncements that may affect the City, are enclosed within this document.

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

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

Sincerely,

Sikich LLP  
By: Louis G. Karrison, CPA  
Partner

August 13, 2012

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Darien, Illinois for the fiscal year ended April 30, 2012, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 13, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 26, 2012. Professional standards also require that we communicate to you the following information related to our audit.

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City of Darien, Illinois, changed accounting policies related to the classification of fund balances by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 54. We noted no transactions entered into by the City of Darien, Illinois during the year for which there is a lack of authoritative guidance or consensus.

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

City of Darien  
August 13, 2012

### **Consultations with Other Independent Accountants**

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

### **Difficulties Encountered in Performing the Audit**

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

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### **Disagreements with Management**

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

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated August 13, 2012.

### **Management Consultations with Other Independent Accountants**

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



City of Darien  
August 13, 2012

**Other Audit Findings or Issues**

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

\* \* \* \* \*

This information is intended solely for the use of the City Council, management of the City of Darien, and should not be used for any other purpose.

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

Sincerely,

Sikich LLP  
By: Louis G. Karrison, CPA  
Partner

City of Darien - 00

Year End: April 30, 2012

Adjusting Journal Entries

Date: 5/1/2011 To 4/30/2012

Number	Date	Name	Account No	Debit	Credit
AJE01	4/30/2012	Now Acct -Republic Bank	02-1005 02-WF		-197,510.00
AJE01	4/30/2012	Due to Other Funds	02-2062 02-WF	197,510.00	
AJE01	4/30/2012	Now Acct -Republic Bank	12-1005 12-WDF	197,510.00	
AJE01	4/30/2012	Due From Other Funds	12-1410 12-WDF		-197,510.00
To eliminate the due to/from between Water subfunds					
AJE02	4/30/2012	UNAMORTIZED BOND ISSUE COSTS	12-1224 12-WDF		-1,919.96
AJE02	4/30/2012	UNAMORTIZED BOND DISCOUNT	12-1225 12-WDF		-789.47
AJE02	4/30/2012	Interest Payable	12-2002 12-WDF	2,527.96	
AJE02	4/30/2012	Bonds Payable	12-2184 12-WDF	165,000.00	
AJE02	4/30/2012	Debt Retire-Water Refunding	02-50-4950 02-WF		-307,673.76
AJE02	4/30/2012	Transfer to Depreciation fund	02-51-4605 02-WF	307,673.76	
AJE02	4/30/2012	Transfer from Water Fund	12-51-3610 12-WDF		-307,673.76
AJE02	4/30/2012	Interest	12-51-4946 12-WDF	142,673.76	
AJE02	4/30/2012	Interest	12-51-4946 12-WDF		-2,527.96
AJE02	4/30/2012	Amortization	12-51-4947 12-WDF	2,709.43	
To reclassify debt payment in the Water fund to reduce outstanding balance, and to record amortization of issuance c and bond discount and adjust interest payable in the Water Fund					
AJE03	4/30/2012	Interest Payable	98-2002 98-G	9,539.68	
AJE03	4/30/2012	Unamortized Discount	98-2035 98-G		-1,181.44
AJE03	4/30/2012	Unamortized Bond Premium	98-2065 98-G	3,268.28	
AJE03	4/30/2012	Bank Loans Payable	98-2100 98-G	73,009.00	
AJE03	4/30/2012	Bank Loans Payable	98-2100 98-G		-483,466.00
AJE03	4/30/2012	Bank Loans Payable West Sub	98-2105 98-G	57,961.00	
AJE03	4/30/2012	Deferred Loss Bond Issuance	98-2189 98-G		-1,270.94
AJE03	4/30/2012	G.O. Bonds 2007B	98-2195 98-G	380,000.00	
AJE03	4/30/2012	2008 GO Bonds Payable	98-2197 98-G	125,000.00	
AJE03	4/30/2012	Amortization on Discount	98-4904 98-G	1,181.44	
AJE03	4/30/2012	Amortization on Premium	98-4905 98-G		-3,268.28
AJE03	4/30/2012	Loan Proceeds	98-00-3558 98-G	483,466.00	
AJE03	4/30/2012	Amortization of Issuance Costs	98-00-4901 98-G	1,270.94	
AJE03	4/30/2012	Principal	98-50-5000 98-G		-635,970.00
AJE03	4/30/2012	Interest	98-50-5001 98-G		-9,539.68
To record changes to long-term debt accounts in the GLTDAG					
AJE04	4/30/2012	Operating - Republic Bank	21-1000 21-RI		-5,495.15
AJE04	4/30/2012	Now Acct -Republic Bank	21-1005 21-RI		-448.10
AJE04	4/30/2012	Illinois Funds	21-1150 21-RI		-2.47
AJE04	4/30/2012	Operating - Republic Bank	25-1000 25-CI	5,495.15	

Preliminary and Tentative  
For Discussion Purposes Only

Number	Date	Name	Account No	Debit	Credit
AJE04	4/30/2012	Now Acct -Republic Bank	25-1005 25-CI	448.10	
AJE04	4/30/2012	Illinois Funds	25-1150 25-CI	2.47	
AJE04	4/30/2012	Transfer to Other Funds	21-74-4605 21-RI	5,945.72	
AJE04	4/30/2012	Transfer from Other Funds	25-00-3612 25-CI		-5,945.72
To close the Road Improvement Fund to Capital Improvement Fund as of 4/30/2012					
AJE05	4/30/2012	Equipment	01-30-4815 01-GF		-139,232.00
AJE05	4/30/2012	Debt Retire	01-30-4905 01-GF	19,000.00	
AJE05	4/30/2012	Debt Retire	01-30-4905 01-GF	8,262.00	
AJE05	4/30/2012	Principal	01-30-4906 01-GF	130,970.00	
AJE05	4/30/2012	Debt Service - 2007A Bonds	01-75-4952 01-GF		-18,000.00
AJE05	4/30/2012	Debt Retire - Property	25-35-4945 25-CI		-76,568.76
AJE05	4/30/2012	Debt Service 2008 Bonds	25-75-4950 25-CI	76,568.76	
To reclassify debt interest from principal to report separately					
AJE06	4/30/2012	Real Estate Taxes Receivable	01-1204 01-GF	169,102.53	
AJE06	4/30/2012	Deferred Revenue	01-2180 01-GF		-169,102.53
AJE06	4/30/2012	Accounts Receivable	25-1201 25-CI	72,881.94	
AJE06	4/30/2012	Deferred Revenue	25-2180 25-CI		-72,881.94
AJE06	4/30/2012	Accounts Receivable	35-1201 35-DS	44,478.17	
AJE06	4/30/2012	Deferred Revenue	35-2180 35-DS		-44,478.17
To adjust property tax receivable/deferred revenue as of 4/30/2012					
AJE07	4/30/2012	Water Sales Receivable-Billed	02-1220 02-WF	4,781.86	
AJE07	4/30/2012	Water Sales	02-00-3310 02-WF		-4,781.86
To properly record the amount of the City's billed receivable in the Water Fund.					
AJE08	4/30/2012	Water Bill Receivable-Unbilled	02-1221 02-WF	130,931.02	
AJE08	4/30/2012	Water Sales	02-00-3310 02-WF		-130,931.02
To properly record the amount of the City's unbilled receivable in the Water Fund.					
AJE09	4/30/2012	IMRF W/H Payable	01-2014 01-GF		-1,165.25
AJE09	4/30/2012	IMRF W/H Payable	01-2014 01-GF		-1,180.15
AJE09	4/30/2012	IMRF W/H Payable	01-2014 01-GF		-1,149.82
AJE09	4/30/2012	IMRF W/H Payable	01-2014 01-GF		-1,095.96
AJE09	4/30/2012	IMRF W/H Payable	02-2014 02-WF		-217.94
AJE09	4/30/2012	IMRF W/H Payable	02-2014 02-WF		-234.79
AJE09	4/30/2012	IMRF W/H Payable	02-2014 02-WF		-209.29
AJE09	4/30/2012	IMRF W/H Payable	02-2014 02-WF		-196.85
AJE09	4/30/2012	I.M.R.F.	01-10-4115 01-GF	254.66	
AJE09	4/30/2012	I.M.R.F.	01-10-4115 01-GF	257.01	

Number	Date	Name	Account No	Debit	Credit
AJE09	4/30/2012	I.M.R.F.	01-10-4115 01-GF	254.37	
AJE09	4/30/2012	I.M.R.F.	01-10-4115 01-GF	252.90	
AJE09	4/30/2012	I.M.R.F.	01-20-4115 01-GF	159.84	
AJE09	4/30/2012	I.M.R.F.	01-20-4115 01-GF	152.15	
AJE09	4/30/2012	I.M.R.F.	01-20-4115 01-GF	152.15	
AJE09	4/30/2012	I.M.R.F.	01-20-4115 01-GF	152.15	
AJE09	4/30/2012	I.M.R.F.	01-30-4115 01-GF	442.51	
AJE09	4/30/2012	I.M.R.F.	01-30-4115 01-GF	482.34	
AJE09	4/30/2012	I.M.R.F.	01-30-4115 01-GF	438.52	
AJE09	4/30/2012	I.M.R.F.	01-30-4115 01-GF	429.40	
AJE09	4/30/2012	I.M.R.F.	01-40-4115 01-GF	70.96	
AJE09	4/30/2012	I.M.R.F.	01-40-4115 01-GF	237.28	
AJE09	4/30/2012	I.M.R.F.	01-40-4115 01-GF	70.96	
AJE09	4/30/2012	I.M.R.F.	01-40-4115 01-GF	217.69	
AJE09	4/30/2012	I.M.R.F.	01-40-4115 01-GF	70.96	
AJE09	4/30/2012	I.M.R.F.	01-40-4115 01-GF	233.82	
AJE09	4/30/2012	I.M.R.F.	01-40-4115 01-GF	35.48	
AJE09	4/30/2012	I.M.R.F.	01-40-4115 01-GF	226.03	
AJE09	4/30/2012	I.M.R.F.	02-50-4115 02-WF	217.94	
AJE09	4/30/2012	I.M.R.F.	02-50-4115 02-WF	234.79	
AJE09	4/30/2012	I.M.R.F.	02-50-4115 02-WF	209.29	
AJE09	4/30/2012	I.M.R.F.	02-50-4115 02-WF	196.85	

To correct IMRF expenditures for  
January - April 2012

AJE10	4/30/2012	A/D - Machinery & Equipment	02-1990 02-WF		-325,189.00
AJE10	4/30/2012	A/D - Machinery & Equipment	02-1990 02-WF		-344,539.00
AJE10	4/30/2012	A/D - Buildings	02-1991 02-WF	325,189.00	
AJE10	4/30/2012	Depreciation	02-10-4620 02-WF	344,539.00	

To adjust Water Fund capital  
assets for FY12

AJE11	4/30/2012	DIS Bond Payable-Contractor	02-2188 02-WF		-1,215.61
AJE11	4/30/2012	IMRF NPO Liability	98-2188 98-G		-10,943.52
AJE11	4/30/2012	Change in IMRF NPO	02-50-4116 02-WF	1,215.61	
AJE11	4/30/2012	Change in IMRF NPO - GG	98-50-5601 98-G	4,030.20	
AJE11	4/30/2012	Change in IMRF NPO - PW	98-50-5602 98-G	4,433.20	
AJE11	4/30/2012	Change in IMRF NPO - PS	98-50-5603 98-G	2,480.12	

To adjust the NPO for IMRF as of  
4/30/2012

AJE12	4/30/2012	Gasoline Inventory	01-1950 01-GF		-10,718.08
AJE12	4/30/2012	Vehicle (Gas and Oil)	01-40-4273 01-GF	10,718.08	

To adjust gasoline inventory to  
actual at 4/30/2012

AJE13	4/30/2012	Accounts Payable-Prior	01-2050 01-GF	3,099.70	
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Preliminary and Tentative  
For Discussion Purposes Only

Number	Date	Name	Account No	Debit	Credit
AJE13	4/30/2012	Accounts Payable-Prior	01-2050 01-GF	6,540.00	
AJE13	4/30/2012	Accounts Payable-Prior	01-2050 01-GF	138.55	
AJE13	4/30/2012	Accounts Receivable	02-1201 02-WF		-2,986.51
AJE13	4/30/2012	Prepaid Expenses	02-1300 02-WF		-5,032.80
AJE13	4/30/2012	Accounts Payable-Prior	02-2050 02-WF	9,058.00	
AJE13	4/30/2012	Investigation and Equipment	01-40-4217 01-GF		-6,540.00
AJE13	4/30/2012	Investigation and Equipment	01-40-4217 01-GF		-138.55
AJE13	4/30/2012	Uniforms	01-40-4269 01-GF		-3,099.70
AJE13	4/30/2012	Other Water Sales	02-00-3390 02-WF	2,986.51	
AJE13	4/30/2012	Quality Control	02-50-4241 02-WF	5,032.80	
AJE13	4/30/2012	Data Processing	02-50-4336 02-WF		-9,058.00
To adjust and write off old water receivable; to reverse 09 audit entry; to reverse 4/30/11 audit entry, to reverse prior period AP and adjust balance					
AJE14	4/30/2012	Land	99-1910 99-G		-2,025,000.00
AJE14	4/30/2012	Vehicles/Equipment	99-1940 99-G	846,139.00	
AJE14	4/30/2012	A/D - Machinery & Equipment	99-1990 99-G		-231,614.00
AJE14	4/30/2012	A/D - Buildings	99-1991 99-G		-119,625.00
AJE14	4/30/2012	A/D - Infrastructure	99-1992 99-G		-496,125.00
AJE14	4/30/2012	Fund Balance - Current	99-2190 99-G	1,377,800.00	
AJE14	4/30/2012	Loss on Disposal	99-4000 99-G	647,200.00	
AJE14	4/30/2012	Depreciation - General Government	99-5000 99-G	51,034.00	
AJE14	4/30/2012	Depreciation - Public Safety	99-5001 99-G	161,145.00	
AJE14	4/30/2012	Depreciation - Public Works	99-5002 99-G	635,185.00	
AJE14	4/30/2012	Purchases - Public Safety	99-50-5501 99-G		-695,966.00
AJE14	4/30/2012	Purchases - Public Works	99-50-5502 99-G		-150,173.00
To record capital asset changes for governmental activities					
				7,262,582.79	-7,262,582.79

CITY OF DARIEN, ILLINOIS  
MANAGEMENT LETTER

April 30, 2012



Certified Public Accountants & Advisors

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

Ladies and Gentlemen:

In planning and performing our audit of the governmental activities, the business type activities each major fund and the aggregate remaining fund information that collectively comprise the basic financial statements of the City of Darien, Illinois (the City) as of and for the year ended April 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the its internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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

Naperville, Illinois  
August 13, 2012

We believe the following to be a deficiency:

#### Internal Controls - Police Department Cash Receipts

During the internal control walkthrough of Police Department cash receipts procedures we noted internal control weaknesses over the tracking and recording of cash receipts. The Department has a manual system in place, which increases the likelihood of error. We also noted that there is little review of the receipts by anyone besides the individual who took payment. We recommend that the Department require a second review of payments made to improve the controls over the collection of payments

#### OTHER INFORMATION

##### Future Accounting Pronouncements

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

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*, amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to permit an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which it participates. In addition, this Statement clarifies the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. This statement is effective for the fiscal year ending April 30, 2013.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* is intended to improve financial reporting by establishing recognition, measurement and disclosure requirements for service concession arrangements (SCA), which are types of public-private or public-public partnerships. This statement provides accounting and financial reporting guidance for governments serving as transferors and those serving as operators in SCAs. Statement 60 is effective for the fiscal year ending April 30, 2013.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, is intended to improve guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as part of the primary government. Statement No. 61 is applicable for the fiscal year ending April 30, 2014. Earlier application is encouraged.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, is intended to improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. This Statement intends to provide more consistent application of applicable guidance in financial statements of state and local governments. Statement No. 62 is applicable for the fiscal year ending April 30, 2013. Earlier application is encouraged.



OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance on the reporting of the consumption of net assets by the government that is applicable to a future reporting period (deferred outflows), and the acquisition of net assets by the government that is applicable to a future reporting period (deferred inflows). Statement No. 63 is applicable for the fiscal periods beginning after December 15, 2011.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*, clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. Statement No. 64 is applicable for the fiscal periods beginning after June 15, 2011.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Statement No. 65 is applicable for the fiscal year ending April 30, 2014.

GASB Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*, is intended to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 66 is applicable for the fiscal year ending April 30, 2014.

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

OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

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

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

APPENDIX A  
STATUS OF COMMENTS FROM APRIL 30, 2011

SIGNIFICANT DEFICIENCY

1. Liability for Accrued Sick Leave

The City's personnel manual specifies that, if certain criteria are met, employees are eligible to receive a payout of accrued sick leave upon retirement from the City. During our testing of payroll and related liabilities, we noted that no liability was reported for eligible employees. Upon inquiry, the City determined that ten employees met the criteria for sick leave payouts as of April 30, 2011. The City proposed and recorded an adjustment of \$195,009 to recognize this liability as of April 30, 2011.

Status - comment implemented as of April 30, 2012.

DEFICIENCY

1. Accounts Payable Detail

During our testing of accounts payable, it was noted that the detail provided by management did not agree to the general ledger balance for two funds. We recommend that the accounts payable detail be reviewed on a regular basis and reconciled to the general ledger to ensure accurate financial reporting.

Status - Although the detail agreed to the general ledger for all funds, we noted separate accounts payable accounts requiring adjustment to eliminate prior year amounts. Comment still applicable as of April 30, 2012.

**AGENDA MEMO**  
**City Council**  
**August 13, 2012**

**ISSUE STATEMENT**

A resolution authorizing the Mayor, City Clerk and Treasurer to sign a Governmental Certificate, Business Loan Agreement and Compliance Agreement to open a line of credit with Republic Bank.

**BACKGROUND/HISTORY**

The City of Darien accepted a proposal from Republic Bank in 2009 to provide banking services. At the time one of the items discussed was a line of credit the City could draw upon in case of emergency or cash flow deficiencies. The City of Darien has had this available in the past, but it is currently expired. At this time staff recommends entering into an agreement with Republic Bank to open the line of credit in the amount of \$1,250,000.00. The City is not using the money at this time; it is only keeping the option of borrowing the funds at a future date. The intention is to use the line of credit in an emergency or if needed for cash flow. Any and all purchases will still need to be approved by the elected officials in accordance with Darien City Code.

The included documents are the Governmental Certificate, Business Loan Agreement and the Compliance Agreement. These documents make the credit line available to the City of Darien. In the event the City of Darien requires the funds, a Promissory Note, Business Loan Affidavit, Disbursement Request and Notice of Final Agreement must also be executed by the Mayor, City Clerk and Treasurer. These documents contain the interest rate, which for this loan is the Republic Bank Prime Rate, which currently stands at 3.25%.

**STAFF/COMMITTEE RECOMMENDATION**

Staff recommends approving the resolution

**ALTERNATE CONSIDERATION**

Not approving the resolution would be an alternate consideration.

**DECISION MODE**

This item will be on the August 20, 2012 City Council agenda for formal approval.

# GOVERNMENTAL CERTIFICATE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,250,000.00	08-13-2012	08-13-2013	5724000-3			PG	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Entity:** City of Darien  
1702 Plainfield Road  
Darien, IL 60563

**Lender:** Republic Bank of Chicago  
Oak Brook Corporate  
2221 Camden Court  
Oak Brook, IL 60523

**WE, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:**

**THE ENTITY'S EXISTENCE.** The complete and correct name of the governmental entity is City of Darien ("Entity"). The Entity is a governmental entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws and regulations of the State of Illinois. The Entity has the full power and authority to own its properties and to transact the business and activities in which it is presently engaged or presently proposes to engage. The Entity maintains an office at 1702 Plainfield Road, Darien, IL 60563. The Entity shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of the Entity and any other governmental or quasi-governmental authority or court applicable to the Entity and the Entity's business activities.

**CERTIFICATES ADOPTED.** At a meeting of the appropriate governing body of the Entity, duly called and held on August 13, 2012, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Certificate were adopted.

**OFFICIALS.** The following named persons is an Officials of City of Darien:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Kathleen Moesle-Weaver	Mayor	Y X	_____
Michael J. Coren	Treasurer	Y X	_____
Joanne Ragona	City Clerk	Y X	_____

**ACTIONS AUTHORIZED.** Any three (3) of the authorized persons listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Entity. Specifically, but without limitation, any three (3) of such authorized persons is authorized, empowered, and directed to do the following for and on behalf of the Entity:

**Borrow Money.** To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Entity and Lender, such sum or sums of money as in their judgment should be borrowed, without limitation.

**Execute Notes.** To execute and deliver to Lender the promissory note or notes, or other evidence of the Entity's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Entity's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

**Grant Security.** To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Entity or in which the Entity now or hereafter may have an interest, including without limitation all of the Entity's real property and all of the Entity's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Entity to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

**Execute Security Documents.** To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

**Negotiate Items.** To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Entity or in which the Entity may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Entity's account with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

**Further Acts.** In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements, including agreements waiving the right to a trial by jury and confessing judgment against the Entity, as the Officials may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Certificate.

**ASSUMED BUSINESS NAMES.** The Entity has filed or recorded all documents or filings required by law relating to all assumed business names used by the Entity. Excluding the name of the Entity, the following is a complete list of all assumed business names under which the Entity does business: None.

**NOTICES TO LENDER.** The Entity will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Entity's name; (B) change in the Entity's assumed business name(s); (C) change in the structure of the Entity; (D) change in the authorized signer(s); (E) change in the Entity's principal office address; (F) change in the Entity's principal residence; or (G) change in any other aspect of the Entity that directly or indirectly relates to any agreements between the Entity and Lender.

**CERTIFICATION CONCERNING OFFICIALS AND CERTIFICATES.** The Officials named above is duly elected, appointed, or employed by or for the Entity, as the case may be, and occupy the positions set opposite th 117 live names. This Certificate now stands of record on the books of

**GOVERNMENTAL CERTIFICATE  
(Continued)**

Loan No: 5724000-3

Page 2

the Entity, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

**CONTINUING VALIDITY.** Any and all acts authorized pursuant to this Certificate and performed prior to the passage of this Certificate are hereby ratified and approved. This Certificate shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Entity's agreements or commitments in effect at the time notice is given.

**IN TESTIMONY WHEREOF,** we have hereunto set our hand and attest that the signatures set opposite the names listed above is their genuine signatures.

We each have read all the provisions of this Certificate, and we each personally and on behalf of the Entity certify that all statements and representations made in this Certificate are true and correct. This Governmental Certificate is dated August 13, 2012.

**CERTIFIED TO AND ATTESTED BY:**

X [Signature]  
Kathleen Moesle-Weaver, Mayor of City of Darien

X [Signature]  
Michael J. Coren, Treasurer of City of Darien

X [Signature]  
Joanne Ragona, City Clerk of City of Darien

**NOTE:** If the Officials signing this Certificate is designated by the foregoing document as one of the officials authorized to act on the Entity's behalf, it is advisable to have this Certificate signed by at least one non-authorized official of the Entity.

LASER PRO Lending, Ver. 12.2.0.003 Copy: Harland Financial Solutions, Inc. 1997, 2012. All Rights Reserved. - E. RUCF, WYACFNUIC27.FD TT-0385 PR-88

# BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,250,000.00	08-13-2012	08-13-2013	5724000-3			PG	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

**Borrower:** City of Darien  
1702 Plainfield Road  
Darien, IL 60563

**Lender:** Republic Bank of Chicago  
Oak Brook Corporate  
2221 Camden Court  
Oak Brook, IL 60523

THIS BUSINESS LOAN AGREEMENT dated August 13, 2012, is made and executed between City of Darien ("Borrower") and Republic Bank of Chicago ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

**TERM.** This Agreement shall be effective as of August 13, 2012, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until August 13, 2013.

**CONDITIONS PRECEDENT TO EACH ADVANCE.** Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

**Loan Documents.** Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

**Borrower's Authorization.** Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

**Payment of Fees and Expenses.** Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

**Representations and Warranties.** The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

**No Event of Default.** There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

**REPRESENTATIONS AND WARRANTIES.** Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any Indebtedness exists:

**Organization.** Borrower is a governmental entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Illinois. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at 1702 Plainfield Road, Darien, IL 60563. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

**Assumed Business Names.** Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: None.

**Authorization.** Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

**Financial Information.** Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

**Legal Effect.** This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

**Properties.** Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

**Hazardous Substances.** Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) a violation of any Environmental Laws; (b) any use, generation,

**BUSINESS LOAN AGREEMENT  
(Continued)**

Loan No: 5724000-3

Page 2

manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

**Litigation and Claims.** No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

**Taxes.** To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

**Lien Priority.** Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

**Binding Effect.** This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

**AFFIRMATIVE COVENANTS.** Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

**Notices of Claims and Litigation.** Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

**Financial Records.** Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

**Financial Statements.** Furnish Lender with the following:

**Annual Statements.** As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Borrower's balance sheet and income statement for the year ended, prepared by Borrower.

**Interim Statements.** As soon as available, but in no event later than thirty (30) days after the end of each fiscal quarter, Borrower's balance sheet and profit and loss statement for the period ended, prepared by Borrower.

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Borrower as being true and correct.

**Additional Information.** Furnish such additional information and statements, as Lender may request from time to time.

**Insurance.** Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

**Insurance Reports.** Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

**Other Agreements.** Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

**Loan Proceeds.** Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

**Taxes, Charges and Liens.** Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.



**BUSINESS LOAN AGREEMENT  
(Continued)**

Loan No: 5724000-3

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**Performance.** Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

**Operations.** Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

**Environmental Studies.** Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

**Compliance with Governmental Requirements.** Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

**Inspection.** Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

**Compliance Certificates.** Unless waived in writing by Lender, provide Lender at least annually, with a certificate executed by Borrower's chief financial officer, or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that, as of the date of the certificate, no Event of Default exists under this Agreement.

**Environmental Compliance and Reports.** Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

**Additional Assurances.** Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

**NEGATIVE COVENANTS.** Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

**Indebtedness and Liens.** (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts, except to Lender.

**Continuity of Operations.** (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

**Loans, Acquisitions and Guaranties.** (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business.

**Agreements.** Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

**CESSATION OF ADVANCES.** If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender has a right of setoff in all Borrower's accounts with Lender (whether

**BUSINESS LOAN AGREEMENT  
(Continued)**

Loan No: 5724000-3

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checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Borrower fails to make any payment when due under the Loan.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Defective Collateralization.** This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Right to Cure.** If any default, other than a default on Indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**EFFECT OF AN EVENT OF DEFAULT.** If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

**Amendments.** This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Attorneys' Fees; Expenses.** Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**Consent to Loan Participation.** Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participator - 122 - and unconditionally agrees that either Lender or such purchaser may

enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

**Governing Law.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Illinois without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Illinois.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Notices.** Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

**Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

**Subsidiaries and Affiliates of Borrower.** To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

**Successors and Assigns.** All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

**Survival of Representations and Warranties.** Borrower understands and agrees that in extending Loan Advances, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the extension of Loan Advances and delivery to Lender of the Related Documents, shall be continuing in nature, shall be deemed made and redated by Borrower at the time each Loan Advance is made, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

**Time is of the Essence.** Time is of the essence in the performance of this Agreement.

**Waive Jury.** All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

**Advance.** The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

**Agreement.** The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

**Borrower.** The word "Borrower" means City of Darien and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Collateral.** The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"); the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

**GAAP.** The word "GAAP" means generally accepted accounti - 123 -is.

**BUSINESS LOAN AGREEMENT  
(Continued)**

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**Grantor.** The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

**Guarantor.** The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

**Guaranty.** The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Indebtedness.** The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

**Lender.** The word "Lender" means Republic Bank of Chicago, its successors and assigns.

**Loan.** The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

**Note.** The word "Note" means the Note dated August 13, 2012 and executed by City of Darien in the principal amount of \$1,250,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

**Permitted Liens.** The words "Permitted Liens" mean (1) liens and security interests securing Indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

**Security Agreement.** The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

**Security Interest.** The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

**BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED AUGUST 13, 2012.**

**BORROWER:**

**CITY OF DARIEN**

By: \_\_\_\_\_  
Kathleen Moesle-Weaver, Mayor of City of Darien

By: \_\_\_\_\_  
Michael J. Coren, Treasurer of City of Darien

By: \_\_\_\_\_  
Joanna Ragona, City Clerk of City of Darien

**LENDER:**

**REPUBLIC BANK OF CHICAGO**

By: \_\_\_\_\_  
Authorized Officer

# PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,250,000.00	08-13-2012	08-13-2013	5724000-3			PG	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** City of Darien  
1702 Plainfield Road  
Darien, IL 60563

**Lender:** Republic Bank of Chicago  
Oak Brook Corporate  
2221 Camden Court  
Oak Brook, IL 60523

**Principal Amount: \$1,250,000.00**

**Date of Note: August 13, 2012**

**PROMISE TO PAY.** City of Darien ("Borrower") promises to pay to Republic Bank of Chicago ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Two Hundred Fifty Thousand & 00/100 Dollars (\$1,250,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

**PAYMENT.** Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on August 13, 2013. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning September 13, 2012, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the the Republic Bank Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate equal to the Index, resulting in an initial rate of 3.250%. NOTICE: Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT.** Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Republic Bank of Chicago, Oak Brook Corporate, 2221 Camden Court, Oak Brook, IL 60523.

**LATE CHARGE.** If a payment is 5 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 18.000%. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**PROMISSORY NOTE  
(Continued)**

Loan No: 5724000-3

Page 2

**Cure Provisions.** If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Illinois without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Illinois.

**CONFESSION OF JUDGMENT.** Borrower hereby irrevocably authorizes and empowers any attorney-at-law to appear in any court of record and to confess judgment against Borrower for the unpaid amount of this Note as evidenced by an affidavit signed by an officer of Lender setting forth the amount then due, attorneys' fees plus costs of suit, and to release all errors, and waive all rights of appeal. If a copy of this Note, verified by an affidavit, shall have been filed in the proceeding, it will not be necessary to file the original as a warrant of attorney. Borrower waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect. No single exercise of the foregoing warrant and power to confess judgment will be deemed to exhaust the power, whether or not any such exercise shall be held by any court to be invalid, voidable, or void; but the power will continue undiminished and may be exercised from time to time as Lender may elect until all amounts owing on this Note have been paid in full. Borrower hereby waives and releases any and all claims or causes of action which Borrower might have against any attorney acting under the terms of authority which Borrower has granted herein arising out of or connected with the confession of judgment hereunder.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$30.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

**LINE OF CREDIT.** This Note evidences a revolving line of credit. Advances under this Note, as well as directions for payment from Borrower's accounts, may be requested orally or in writing by Borrower or by an authorized person. Lender may, but need not, require that all oral requests be confirmed in writing. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

**CITY OF DARIEN**

By: \_\_\_\_\_  
Kathleen Moesle-Weaver, Mayor of City of Darien

By: \_\_\_\_\_  
Michael J. Coren, Treasurer of City of Darien

By: \_\_\_\_\_  
Joanne Ragona, City Clerk of City of Darien

# COMPLIANCE AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,250,000.00	08-13-2012	08-13-2013	5724000-3			PG	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** City of Darien  
1702 Plainfield Road  
Darien, IL 60563

**Lender:** Republic Bank of Chicago  
Oak Brook Corporate  
2221 Camden Court  
Oak Brook, IL 60523

In order to induce REPUBLIC BANK OF CHICAGO, an Illinois Banking Corporation ("Bank") to make the above referenced loan, and in consideration of Bank making said loan, the undersigned hereby agree, covenant, and warrant to Bank that the undersigned will fully cooperate with Bank, or any closing agent employed by Bank with regard to said loan, in order to 1) correct any clerical errors, inaccuracies or misstatements which may be discovered by Bank in its loan review procedures, and 2) execute such new, additional or missing documents or Instruments as may now or hereafter be required by law or by any rule or regulation promulgated by Bank's regulatory agencies, or which may be required by Bank in order for it to comply with any law or any rule or regulation promulgated by Bank's regulatory agencies, or which the Bank, in its sole discretion, may deem necessary or desirable in order to sell, convey or market said loan to any agency of the Federal Government or any other third party.

The undersigned specifically authorize the Bank to unilaterally correct clerical, typographical or other errors in and to the loan documents so that the loan documents fully comply and are consistent with the terms and conditions upon which the loan was granted.

The undersigned agree that, if the undersigned shall fail to comply with the terms of this Agreement, such failure shall be deemed a breach under any Note, Mortgage or Security Agreement or other loan document evidencing or securing the above referenced loan, and such breach, if not cured within the period provided in such Note, Mortgage, Security Agreement or other loan document, shall cause all sums then due under any such Note to become immediately due and payable.

City of Darien

By: \_\_\_\_\_  
Kathleen Moesle-Weaver, Mayor

By: \_\_\_\_\_  
Michael J. Coren, Treasurer

By: \_\_\_\_\_  
Joanne Ragona, City Clerk

# BUSINESS LOAN AFFIDAVIT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,250,000.00	08-13-2012	08-13-2013	5724000-3			PG	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** City of Darien  
1702 Plainfield Road  
Darien, IL 60563

**Lender:** Republic Bank of Chicago  
Oak Brook Corporate  
2221 Camden Court  
Oak Brook, IL 60523

The undersigned, as a duly authorized officer of City of Darien, ("Borrower"), upon oath, deposes and states as follows:

- 1) That said Borrower has been granted a loan in the amount of ONE MILLION TWO HUNDRED FIFTY THOUSAND NO/100 DOLLARS (\$1,250,000.00) by REPUBLIC BANK OF CHICAGO.
- 2) That the proceeds of said loan will be used for the following purpose and for no other purpose: WORKING CAPITAL
- 3) That such loan constitutes a business loan which is exempted from the disclosure requirement of Regulation Z (Truth in Lending) of the Board of Governors of the Federal Reserve System.
- 4) That such loan constitutes a business loan as the same may be defined by the Illinois Interest Act as now or hereafter amended.
- 5) That the Guaranty, Note, Mortgage, Security Agreement, Financing Statement, Collateral Assignment and/or other loan documents have been examined and understood by the Borrower. It is specifically understood that the Guaranty contains a confession of judgment and jury waiver clause.

City of Darien

By: \_\_\_\_\_  
Kathleen Moesle-Weaver, Mayor

By: \_\_\_\_\_  
Michael J. Coren, Treasurer

By: \_\_\_\_\_  
Joanne Ragona, City Clerk

Subscribed and sworn to before me

This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

THIS AFFIDAVIT IS GIVEN UNDER OATH. DO NOT SIGN UNTIL YOU HAVE READ IT.



# DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,250,000.00	08-13-2012	08-13-2013	5724000-3			PG	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** City of Darien  
1702 Plainfield Road  
Darien, IL 60563

**Lender:** Republic Bank of Chicago  
Oak Brook Corporate  
2221 Camden Court  
Oak Brook, IL 60523

**LOAN TYPE.** This is a Variable Rate Nondisclosable Revolving Line of Credit Loan to a Government Entity for \$1,250,000.00 due on August 13, 2013.

**PRIMARY PURPOSE OF LOAN.** The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.
- Business.

**DISBURSEMENT INSTRUCTIONS.** Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$1,250,000.00 as follows:

Undisbursed Funds:	\$1,250,000.00
Note Principal:	\$1,250,000.00

**FINANCIAL CONDITION.** BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED AUGUST 13, 2012.

**BORROWER:**

**CITY OF DARIEN**

By: \_\_\_\_\_  
Kathleen Moesle-Weaver, Mayor of City of Darien

By: \_\_\_\_\_  
Michael J. Coren, Treasurer of City of Darien

By: \_\_\_\_\_  
Joanne Ragona, City Clerk of City of Darien

# NOTICE OF FINAL AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,250,000.00	08-13-2012	08-13-2013	5724000-3			PG	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** City of Darien  
1702 Plainfield Road  
Darien, IL 60563

**Lender:** Republic Bank of Chicago  
Oak Brook Corporate  
2221 Camden Court  
Oak Brook, IL 60523

**BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, (B) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (C) THE WRITTEN LOAN AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.**

As used in this Notice, the following terms have the following meanings:

**Loan.** The term "Loan" means the following described loan: a Variable Rate Nondisclosable Revolving Line of Credit Loan to a Government Entity for \$1,250,000.00 due on August 13, 2013.

**Loan Agreement.** The term "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, relating to the Loan, including without limitation the following:

### LOAN DOCUMENTS

Governmental Certificate: City of Darien  
Promissory Note

Business Loan Affidavit - Business Loan Affidavit  
Notice of Final Agreement

Business Loan Agreement  
Compliance Agreement - Compliance Agreement  
Disbursement Request and Authorization

**Parties.** The term "Parties" means Republic Bank of Chicago and any and all entities or individuals who are obligated to repay the loan or have pledged property as security for the Loan, including without limitation the following:

**Borrower:** City of Darien

Each Party who signs below, other than Republic Bank of Chicago, acknowledges, represents, and warrants to Republic Bank of Chicago that it has received, read and understood this Notice of Final Agreement. This Notice is dated August 13, 2012.

**BORROWER:**

**CITY OF DARIEN**

By: \_\_\_\_\_  
Kathleen Moesle-Weaver, Mayor of City of Darien

By: \_\_\_\_\_  
Michael J. Coren, Treasurer of City of Darien

By: \_\_\_\_\_  
Joanne Ragona, City Clerk of City of Darien

**LENDER:**

**REPUBLIC BANK OF CHICAGO**

X \_\_\_\_\_  
Authorized Officer

# NOTICE OF FINAL AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,250,000.00	08-13-2012	08-13-2013	5724000-3			PG	

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**BORROWER:**

**CITY OF DARIEN**

By: \_\_\_\_\_  
Kathleen Moesle-Weaver, Mayor of City of Darien

By: \_\_\_\_\_  
Michael J. Coren, Treasurer of City of Darien

By: \_\_\_\_\_  
Joanne Ragana, City Clerk of City of Darien

**LENDER:**

**REPUBLIC BANK OF CHICAGO**

X \_\_\_\_\_  
Authorized Officer