

TOWN OF DARIEN, CONNECTICUT



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2010

Comprehensive Annual Financial Report

of the

**Town of Darien,
Connecticut**

Fiscal Year Ended June 30, 2010

**Prepared by: Finance Department
Kathleen Clarke Buch
Finance Director**

TOWN OF DARIEN, CONNECTICUT

FINANCIAL REPORT

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Introductory Section

TOWN OF DARIEN
FINANCE DEPARTMENT
2 RENSHAW ROAD
DARIEN, CONNECTICUT 06820-5397
TELEPHONE (203) 656-7334
FAX (203) 656-7398



KATHLEEN CLARKE BUCH, CPEO
FINANCE DIRECTOR

December 27, 2010

To the Members of the Board of Finance
of the Town of Darien

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Town of Darien, Connecticut for the year ended June 30, 2010. This report was prepared by the Town's Finance Department, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. We believe the data, as presented, is accurate in all material aspects and that it is presented in a manner designed to illustrate fairly the financial position and results of operations of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The CAFR is presented in three sections: introductory, financial and statistical. This report follows the format for annual financial reports that the Governmental Accounting Standards Board suggests and the Government Finance Officers Association promotes through its Certificate of Achievement for Excellence in Financial Reporting program. The introductory section includes this transmittal letter, the Town's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis (MD&A), basic financial statements, required supplementary information, and the combining and individual fund statements and schedules, as well as the auditors' report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Town is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the Connecticut Single Audit Act. Information related to these audits, including the schedule of federal awards, state financial assistance, findings and recommendations, and auditors' reports on the internal control over financial reporting and compliance with applicable laws and regulations are issued under separate covers and not included in this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. Internal control policies and procedures are recognized as important elements of the Town's accounting system. Such controls are designed to establish reasonable, but not absolute, assurance that assets are protected against loss from unauthorized use or disposition and to provide the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept

of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits to be derived; and (2) the valuation of these costs and benefits requires estimates and judgments by management. Management believes that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Board of Finance appointed the accounting firm of McGladrey Pullen, LLC as the Town's independent auditor for the year 2009-2010. In addition to meeting the requirements set forth in State Statutes, the audit was also designed to meet the requirements of the Federal and State Single Audit Acts. The auditors' report on the basic financial statements is in the financial section of this report. The auditors' reports related specifically to the Federal and State Single Audits are issued in separate reports.

Please refer to Management's Discussion and Analysis (MD&A), which follows the independent auditor's report for further information. The MD&A provides an introduction, overview and analysis of the basic financial statements.

ORGANIZATION AND SERVICES

The Town of Darien is located in lower Fairfield County on Long Island Sound. It is situated between Stamford and Norwalk and bordered on the north by New Canaan. Less than one hour from New York City, Darien is on the main line of the Metro North Commuter Railroad, and is served by the Connecticut Turnpike (I-95), the Merritt Parkway (R-15) and the Boston Post Road (US Route 1).

The Town of Darien was founded in 1737. The Town has a Representative Town Meeting (RTM) form of government, with a 5 member Board of Selectmen, 7 member Board of Finance and a 9 member Board of Education. The Town operates under the State of Connecticut General Statutes and the Charter and Code of Ordinances of the Town of Darien. The Charter was originally adopted in 1959 and the Code of Ordinances was adopted in 1972. Both are subject to revision on an ongoing basis. The 100 member RTM is the legislative body for the Town. The First Selectman, elected biennially, is the Chief Executive Officer of the Town. The Board of Finance, elected quadrennially to overlapping terms, serves as the Town's fiscal policy maker. Services provided by the Town to residents and taxpayers include general administrative services, public safety, education, public works, parks and recreation, health, social service, planning and zoning, and sewer services.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Town and the Board of Education maintain a comprehensive budgetary reporting system to monitor the results of budget operations and ensure budgetary control and compliance with approved budgets.

All annual budgets are recommended by the Board of Selectmen and Board of Education to the Board of Finance, which, following careful review, recommends final budgets for approval by the RTM. The Board of Finance approves interdepartment budget transfers of \$1,000 and above. The Board of Education has freedom of transfer within the approved Education budget, according to State law. Necessary and justified additional appropriations are recommended by the Board of Finance for RTM approval.

Purchase orders are encumbered and considered as expenditures for budget reporting purposes to ensure the availability of budget appropriations. Purchase orders are not released unless funding is available.

Open encumbrances, reflecting goods and services not received are shown as a reservation of fund balance in the financial statements under generally accepted accounting principles (GAAP).

ECONOMIC CONDITION AND OUTLOOK

Darien is a community with high per capita income and housing values. Unemployment in Darien is lower than the state and national averages, standing at 5.9 percent compared to 8.9 percent and 9.6 percent for the state and nation. This is in keeping with the trends of the last ten years and is expected to remain stable.

Inflation in Darien is higher than the national average. There is no predominant industry or employer in Darien. As a suburb of New York City, many residents are executives, professional, technical and managerial people employed in New York City and at industrial and corporate headquarters of nationally known firms located in surrounding Fairfield County communities. Darien is an active retail community, despite its proximity to larger retail centers, with several shopping centers and many specialty shops.

The tax base is primarily residential (approximately 86%) with a limited number of commercial office and retail buildings. As a result of the economic downturn, the value of local construction declined to \$87,759,475, a 10% decrease from the previous year. A total of 619 building permits were issued. This is an increase from the prior year. Growth in Darien will continue to be stable or gradual, due to the limited amount of land available for development.

Property taxes comprise 86.7% of Town General Fund revenues and the current property tax collection rate remains strong at 99.3%. Delinquent collections also remain strong, so that the ratio of total tax collections to the current tax levy is 100%.

Intergovernmental revenues represent a small portion of Town revenues, reflecting only 9% in the current year. As a result of the Town's heavy reliance on property taxes and continually increasing student enrollment projections, the Board of Finance is preparing a five year financial plan that assumes property tax increases averaging slightly more than 5% for the period. School enrollment is expected to remain steady or decline over the next five years, with no further need for additional classroom space. The property tax mill rate enacted for 2010-2011, 11.74, represented an increase of 3.25% which was slightly under the projected average.

LONG-TERM FINANCIAL PLANNING

A five year financial forecast is prepared by the Board of Finance and presented to the Representative Town Meeting each year at the State of the Town meeting in December. The plan addresses both operating and capital expenditures as well as revenues. It is based, in part, on the Five & Six Year Capital Projections prepared by the Board of Education and Board of Selectmen. Factors considered in the Five Year Forecast include student population growth, interest rates for investments and planned debt offerings, locally generated revenues, state grants, inflation rates, planned benefit changes, personnel changes and grand list growth. While not a budget, this document is referred to during the budget process.

The Board of Finance has adopted a Fund Balance Policy. This is also a consideration in development of the Five Year Forecast. The Fund Balance Policy calls for the Town to maintain fund balance within an appropriate range, measured as a percentage of revenues. This allows the Town to maintain sufficient

fund balance to provide protection in case of unforeseen emergencies, to moderate mill rate increases and to avoid excessive accumulation.

The Town and Board of Education are covered under a fully insured medical insurance plan. The Town and Board of Education dental plans and the Board of Education pharmaceutical coverage are self-insured and are being viewed as a manageable financial risk. The Town is responsible for property losses due to fire and other disasters up to \$10,000, floods and earthquakes up to \$50,000 and auto collision of \$500 per vehicle and is fully insured for claims in excess of those amounts. The Town carries Workers' Compensation insurance as mandated by law.

A safety committee exists to review safety measures and make recommendations for improvement when necessary. These programs combined with periodic OSHA and insurer safety inspections are used by the Town to control accidental injury losses and provide a safe environment for employees and the public.

MAJOR INITIATIVES

In fiscal year 2009-2010 the Town of Darien continued its practice of regular replacement of equipment for the Public Works Department, Parks & Recreation Department, Police Department and Volunteer Fire Departments. The Town funds accounts for such replacements on a regular basis to avoid large swings in the budget. During FY 2009-2010, over \$700,000 was expended in these programs.

Several drainage projects began or continued during 2009-2010. These projects were undertaken at a combined cost of over \$385,000.

School projects continued including the replacement of boilers at Royle Elementary School as well as some smaller projects. The combined cost of these projects is over \$480,000.

The majority of larger projects were put on hold due to the economy. Some of these projects, most notably Weed Beach and the Police Station have been cleared by the Board of Selectmen to be restarted.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Darien for its Comprehensive Annual Financial Report (CAFR) for each of the last eighteen fiscal years. The Certificate of Achievement is a prestigious national award, which recognizes conformance with the highest standards for preparation of State and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis was made possible by the cooperation and dedicated services of the entire staff of the Finance Department. The efforts of all those who contributed to the preparation of this report are sincerely appreciated.

Appreciation is further extended to the Board of Finance for their support in the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kathleen Clarke Buch".

Kathleen Clarke Buch
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Darien
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

**TOWN OF DARIEN,
CONNECTICUT**

**PRINCIPAL OFFICIALS
AS OF JUNE 30, 2010**

BOARD OF SELECTMEN:

David M Campbell, First Selectman
David F. Bayne
Gerald A. Nielsen, Jr.
Jayme Stevenson
Callie A. Sullivan

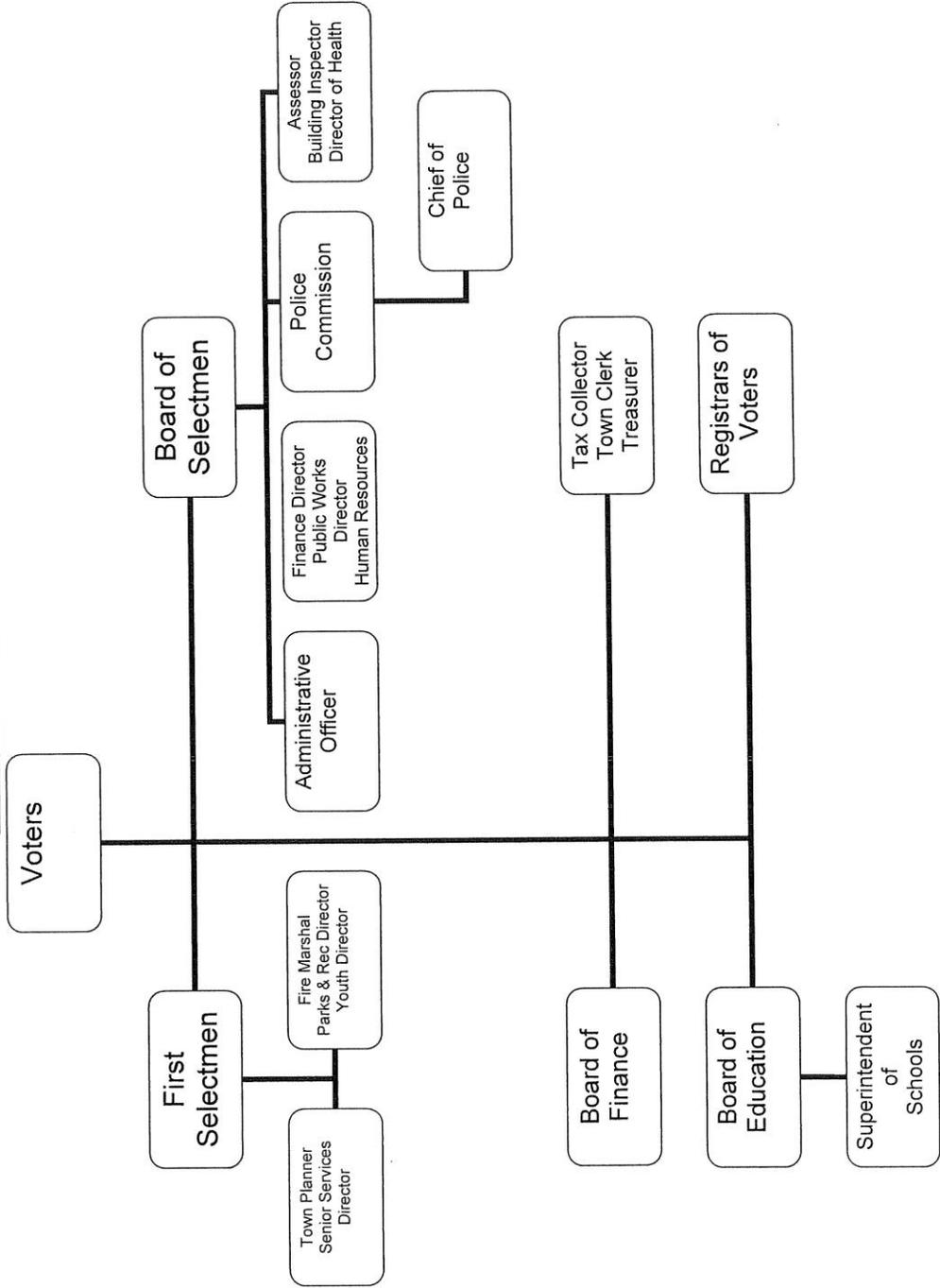
BOARD OF FINANCE:

Murry Stegelmann, Chairman
Martha Banks, Vice Chairman
Lorene Bora
Joseph Duwan
Gwen Mogenson
Elizabeth Smith Mao
Jon Zagrodzky

Administrative Officer
Finance Director
Treasurer
Superintendent of Schools
Tax Collector
Assessor
Town Clerk

Karl Kilduff
Kathleen Clarke Buch
Joan Hendrickson
Donald Fiftal
Robert Locke
Anthony Homicki
Donna E. Rajczewski

Town of Darien Organization Chart



Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Darien
Darien, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Darien, Connecticut (the "Town"), as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated December 27, 2010 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis, budgetary comparison information and the pension and other postemployment benefit plans schedules of funding progress and schedules of employer contributions are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information for the year ended June 30, 2009, was audited by other auditors whose report dated December 16, 2009, expressed an unqualified opinion on such information to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 27, 2010

Town of Darien, Connecticut
Management's Discussion and Analysis
June 30, 2010

This discussion and analysis of the Town of Darien, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2010. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to VI. All amounts are expressed in thousands unless otherwise noted.

FINANCIAL HIGHLIGHTS

Net assets of our governmental activities decreased by \$261 or 0.2%.

During the year, the Town had expenses that were \$261 more than the \$123,215 generated in tax and other revenues for governmental programs.

Total cost of all of the Town's programs was \$123,476 with no new programs added this year.

The General Fund reported a fund balance this year of \$16,775.

The resources available for appropriation were \$356 less than budgeted for the General Fund. Expenditures were kept within spending limits.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to VI. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government. This report also contains supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Town's net assets and changes in them. The Town's net assets, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net assets and the statement of activities, the Town reports its activities as follows:

- **Governmental Activities** - The Town's basic services are reported here, including general government, community environment, public safety, health and social services, library, parks and recreation, public works, education, sewer and solid waste. Property taxes, charges for services, and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town of Darien establishes many other funds to help control and manage financial activities for particular purposes (like the Sewer Operations) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State of Connecticut). The Town's funds are divided into two categories: governmental and fiduciary.

- **Governmental Funds (Exhibits III and IV)** - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- **Fiduciary Funds (Exhibits VIII and IX)** - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's combined net assets decreased from a year ago decreasing from \$117,397 to \$117,136. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental activities.

TABLE 1
NET ASSETS
(In Thousands)

	Governmental Activities	
	2010	2009
Current assets	\$ 32,889	\$ 30,206
Capital assets, net of accumulated depreciation	175,631	181,141
Total assets	208,520	211,347
Long-term liabilities outstanding	87,760	90,469
Other liabilities	3,624	3,481
Total liabilities	91,384	93,950
Net Assets:		
Invested in capital assets, net of debt	86,656	93,214
Unrestricted	30,480	24,183
Total net assets	\$ 117,136	\$ 117,397

Net assets of the Town's governmental activities decreased by 0.2%. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from \$24,183 at June 30, 2009 to \$30,480 at the end of this year.

This change in unrestricted governmental net assets resulted primarily because of continuing investments in capital assets. The Town's investment in capital assets is \$86,656. This amount represents the original cost of assets, less accumulated depreciation and is net of any debt outstanding that was used to acquire those assets.

TABLE 2
CHANGES IN NET ASSETS
(In Thousands)

	Governmental Activities	
	2010	2009
Revenues:		
Program Revenues:		
Charge for services	\$ 10,574	\$ 9,965
Operating grants and contributions	11,195	11,544
Capital grants and contributions	1,216	528
General Revenues:		
Property taxes	99,221	96,462
Grants and contributions not restricted to specific purposes	214	162
Unrestricted investment earnings	218	585
Other general revenues	577	288
Total revenues	123,215	119,534
Program Expenses:		
General government	3,715	3,989
Community environment	910	939
Public safety	11,339	11,410
Health and social services	1,395	1,341
Library	3,061	2,944
Parks and recreation	1,522	1,811
Public works	6,904	5,290
Board of Education	85,558	84,964
Sewer operations	3,656	3,044
Solid waste	1,223	1,293
Debt service	4,193	1,731
Total program expenses	123,476	118,756
(Decrease) increase in net assets	(261)	778
Net assets – beginning	117,397	116,619
Net assets - ending	\$ 117,136	\$ 117,397

The Town's total revenues were \$123,215. The total cost of all programs and services was \$123,476. Our analysis below considers the operations of governmental activities.

Governmental Activities

Property taxes were 80.5% of revenues and charges for services accounted for 8.6%. Capital grants of \$1,216 were primarily grants from the State of Connecticut for school construction projects and infrastructure. Operating grants and contributions decreased by 3%. The 2009-10 property tax collection rate was 99.3%. Licenses and permits increased by \$905 primarily due to increases in Town Clerk fees. Intergovernmental revenue increased primarily due to increased capital grants. School principal and interest subsidy grants on pre-1996 construction projects continue to decline, which corresponds to the decline in the debt service for older school projects. Investment income decreased due to the decrease in interest rates.

On the expense side, public safety was down, primarily due to decreased personnel costs. Education expenses are the most significant component accounting for 69.3%. Board of Education increased because of increased enrollment, negotiated wage increases, increased medical expenses and increased Special Education expenses. Debt service decreased as a result of a refunding and a decision to postpone certain capital projects.

Table 3 presents the cost of each of the Town's five largest programs - general government, public safety, public works, education and the public library - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

TABLE 3
GOVERNMENTAL ACTIVITIES
(In Thousands)

	Total Cost of Service		Net Cost of Services	
	2010	2009	2010	2009
General government	\$ 3,715	\$ 3,989	\$ 2,353	\$ 3,185
Public safety	11,339	11,410	10,129	8,582
Public works	6,904	5,290	4,192	4,739
Education	85,558	84,964	72,272	72,006
Library	3,061	2,944	3,061	2,944

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$22,037, which is an increase from last year's total of \$19,856. Positive results of operations in the General Fund were a significant cause of the increase. The most significant component of the change in fund balance came from the Capital Projects Fund. The Capital Projects Fund fund balance increased by \$5,301. This was a result of the receipt of bond proceeds of \$4,000, while expenditures during the period were \$2,652.

General Fund Budgetary Highlights

Additional appropriations for the year were \$761. A contingency of \$516 was included in the original budget. This contingency covered items such as unsettled labor contracts and other unexpected expenses. Additional appropriations were for a capital project and anticipated overruns in the Board of Education operating budget.

Actual revenues were lower than budgetary estimates by approximately \$356. Town Clerk fees were \$645 higher than budget. Building Permit revenue was \$152 lower than budget and investment income was \$196 lower than budget. The budget assumed that \$1,860 of fund balance would be used to offset expenses, however, that was not needed. Other revenue accounts exceeded the budget estimates, such as Property Tax collections. Actual expenditures were less than budgetary estimates by \$947. The largest single contributor to this was the General Overhead budget at \$325. The Board of Education was also less than budgetary estimates by \$258. While every other segment of the government was lower than budgetary estimates, none were by a significant dollar or percentage amount.

The Town's General Fund balance of \$16,775 reported on Exhibit III differs from the General Fund's budgetary fund balance of \$16,645. This is principally because budgetary fund balance does not include \$130 of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, the Town had \$175,631 invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines - Table 4. This amount represents a net decrease (including additions and deductions) of \$5,510, or 3.0%, over last year.

TABLE 4
CAPITAL ASSETS AT YEAR END (Net of Depreciation)
(In Thousands)

	Governmental Activities	
	2010	2009
Land	\$ 11,277	\$ 10,904
Buildings	143,359	147,671
Land improvement	2,431	2,579
Machinery and equipment	5,022	4,528
Infrastructure	11,187	12,257
Construction in progress	2,355	3,202
Totals	<u>\$ 175,631</u>	<u>\$ 181,141</u>

The Town's fiscal-year 2010-11 capital budget calls for it to spend another \$2,017 for capital projects, principally for building repair, capital equipment and replacement. Capital projects exceeding \$100,000 that were placed on hold due to economic conditions in FY 2009 are being restarted in some cases. Specifically, the renovation of the Police Station and the Weed Beach project have been cleared to restart. More detailed information about the Town's capital assets is presented in Notes 1 and 5 to the financial statements.

Long-Term Debt

At June 30, 2010, the Town had \$86,414 in bonds and notes outstanding versus \$89,722 last year.

Debt was reduced due to principal payments and a refunding. Current year debt principal paid amounted to \$6,838.

The Town's general obligation bonds continue to carry a rating of Aaa, the highest rating possible, a rating that has been assigned by national rating agencies to the Town's debt since 1973. The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$696,444 state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2011 budget tax rates, and fees that will be charged for services. One of those factors is the economy. Unemployment in the Town now stands at 5.9% versus 5.2% a year ago. This compares with the State's unemployment rate of 8.9% and the national rate of 9.6%.

The decrease in inflation in the Darien area mirrored the national Consumer Price Index (CPI). The Town's CPI decrease was .1% for fiscal year 2010 which was the same as the average U.S. Town rate decrease.

These indicators were taken into account when adopting the General Fund budget for 2010-11. Amounts available for appropriation in the General Fund budget are \$109,692, an increase of 2.3% over the final 2010 budget of \$107,252. Property taxes (benefiting from the 2010 rate increases and growth in the grand list) are expected to lead this increase. The Town will use these increases in revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Increased personnel costs and increased education expenses are the largest areas of expenditure increase. Fund balance will provide \$1,100 to support the budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to remain stable by June 30, 2011.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Darien, 2 Renshaw Road, Darien, Connecticut, 06820.

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Basic Financial Statements

STATEMENT OF NET ASSETS

June 30, 2010

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 17,918,685
Investments	5,501,146
Receivables, net	8,524,507
Inventories	22,148
Prepaid expenses	24,305
Deferred charges	110,545
Net OPEB asset	787,359
Capital assets not being depreciated	13,632,301
Capital assets being depreciated, net of accumulated depreciation	161,998,475
Total assets	<u>208,519,471</u>
Liabilities	
Accounts and other payables	2,464,462
Accrued interest payable	984,120
Unearned revenue	174,609
Noncurrent liabilities:	
Due within one year	6,985,648
Due in more than one year	80,774,729
Total liabilities	<u>91,383,568</u>
Net Assets	
Invested in capital assets, net of related debt	86,655,778
Unrestricted	30,480,125
Total Net Assets	<u>\$ 117,135,903</u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Governmental Activities
Governmental activities:					
General government	\$ (3,714,546)	\$ 1,361,336	\$ -	\$ -	\$ (2,353,210)
Community environment	(910,369)	57,122	-	-	(853,247)
Public safety	(11,338,604)	837,188	27,473	344,551	(10,129,392)
Health and social services	(1,395,457)	206,720	202,758	9,824	(976,155)
Library	(3,061,349)	-	-	-	(3,061,349)
Parks and recreation	(1,521,933)	387,845	-	66,551	(1,067,537)
Public works	(6,904,198)	2,108,552	-	603,911	(4,191,735)
Board of Education	(85,558,228)	2,131,138	10,964,239	191,046	(72,271,805)
Sewer operations	(3,656,350)	2,484,660	-	-	(1,171,690)
Solid waste	(1,222,389)	999,268	-	-	(223,121)
Interest on long-term debt	(4,192,974)	-	-	-	(4,192,974)
Total primary government	<u>\$ (123,476,397)</u>	<u>\$ 10,573,829</u>	<u>\$ 11,194,470</u>	<u>\$ 1,215,883</u>	<u>(100,492,215)</u>
General revenues:					
Property taxes					99,221,035
Grants and contributions not restricted to specific programs					214,134
Unrestricted investment earnings					218,373
Miscellaneous					577,582
Total general revenues					<u>100,231,124</u>
Change in net assets					(261,091)
Net assets - beginning					117,396,994
Net assets - ending					<u>\$ 117,135,903</u>

The notes to the financial statements are an integral part of this statement.

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2010

	General	Sewer Operating	Sewer Assessment	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 13,940,555	\$ 1,693,695	\$ 107,127	\$ -	\$ 2,177,308	\$ 17,918,685
Investments	3,001,146	2,500,000	-	-	-	5,501,146
Receivables, net	3,558,882	397,969	4,039,711	378,672	149,273	8,524,507
Due from other funds	5,534,046	3,990	-	4,268,789	370,289	10,177,114
Inventories	-	-	-	-	22,148	22,148
Prepaid expenses	14,335	-	-	9,970	-	24,305
Total assets	\$ 26,048,964	\$ 4,595,654	\$ 4,146,838	\$ 4,657,431	\$ 2,719,018	\$ 42,167,905
Liabilities						
Accounts and other payables	\$ 2,142,716	\$ 34,855	\$ 42,844	\$ 137,021	\$ 96,626	\$ 2,454,062
Due to other funds	4,256,433	29,839	-	5,347,793	569,151	10,203,216
Deferred unearned revenue	2,874,883	396,599	4,039,711	-	162,660	7,473,853
Total liabilities	9,274,032	461,293	4,082,555	5,484,814	828,437	20,131,131
Fund balances						
Reserved for encumbrances	129,936	61,238	-	1,733,126	31,630	1,955,930
Reserved for inventory	-	-	-	-	22,148	22,148
Unreserved, reported in:						
General Fund	16,644,996	-	-	-	-	16,644,996
Special Revenue Funds	-	4,073,123	64,283	-	1,836,803	5,974,209
Capital Project Funds	-	-	-	(2,560,509)	-	(2,560,509)
Total fund balances	16,774,932	4,134,361	64,283	(827,383)	1,890,581	22,036,774
Total liabilities and fund balances	\$ 26,048,964	\$ 4,595,654	\$ 4,146,838	\$ 4,657,431	\$ 2,719,018	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the Town as a whole.	175,630,776
Other long-term assets are available to pay for current-period expenditures and, therefore, are deferred.	7,299,244
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(86,512,461)
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	15,702
Net OPEB asset	787,359
Deferred charges	110,545
Bond premiums	(1,247,916)
Accrued interest payable.	(984,120)

Net assets of governmental activities

\$ 117,135,903

The notes to the financial statements are an integral part of this statement.

(Continued)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) -
GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2010

	General	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 98,967,727	\$ -	\$ -	\$ -	\$ -	\$ 98,967,727
Intergovernmental	10,282,461	-	-	940,531	1,628,720	12,851,712
Charges for services	4,267,391	2,484,660	619,715	-	3,594,590	10,966,356
Income on investments	179,423	21,675	9,751	913	6,611	218,373
Miscellaneous	505,222	-	-	32,144	40,216	577,582
Total revenues	114,202,224	2,506,335	629,466	973,588	5,270,137	123,581,750
EXPENDITURES						
Current:						
General government	2,709,804	-	-	-	1,214,069	3,923,873
Community environment	658,127	-	-	-	-	658,127
Public safety	7,220,282	-	-	-	2,111,974	9,332,256
Health and social services	1,047,524	-	-	-	39,980	1,087,504
Library	3,061,349	-	-	-	-	3,061,349
Parks and recreation	1,081,123	-	-	-	18,885	1,100,008
Public works	2,657,348	-	-	-	427,118	3,084,466
Board of Education	76,971,943	-	-	-	3,578,929	80,550,872
Sewer operations	-	3,655,850	-	-	500	3,656,350
General overhead	5,125,628	-	-	-	-	5,125,628
Solid waste	1,222,389	-	-	-	-	1,222,389
Capital outlay	-	-	-	2,572,324	-	2,572,324
Debt service	10,094,258	-	-	79,980	-	10,174,238
Total expenditures	111,849,775	3,655,850	-	2,652,304	7,391,455	125,549,384
Revenues over (under) expenditures	2,352,449	(1,149,515)	629,466	(1,678,716)	(2,121,318)	(1,967,634)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,216,222	-	-	2,980,377	208,265	4,404,864
Transfers (out)	(3,021,992)	(53,807)	(1,110,597)	-	(218,468)	(4,404,864)
Bond proceeds	-	-	-	4,000,000	-	4,000,000
Issuance of refunding bonds	11,305,000	-	-	-	-	11,305,000
Payment to escrow agent	(12,307,964)	-	-	-	-	(12,307,964)
Bond premium	1,151,070	-	-	-	-	1,151,070
Total other financing sources (uses)	(1,657,664)	(53,807)	(1,110,597)	6,980,377	(10,203)	4,148,106
Change in fund balances (deficits)	694,785	(1,203,322)	(481,131)	5,301,661	(2,131,521)	2,180,472
FUND BALANCES, beginning	16,080,147	5,337,683	545,414	(6,129,044)	4,022,102	19,856,302
FUND BALANCES (DEFICITS), ending	\$ 16,774,932	\$ 4,134,361	\$ 64,283	\$ (827,383)	\$ 1,890,581	\$ 22,036,774

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS, CONTINUED**
For the Year Ended June 30, 2010

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II)
are different because:

Net change in fund balances - total governmental funds (Exhibit IV) \$ 2,180,472

Governmental funds report capital outlays as expenditures. In the statement of activities,
the cost of those assets is allocated over their estimated useful lives and reported as
depreciation expense:

Capital outlay	2,380,265
Loss on disposals	(2,160,299)
Depreciation expense	(5,729,915)

Changes in revenues in the statement of activities that do not provide current financial resources
are not reported as revenues in the funds, and revenues recognized in the funds are not reported
in the statement of activities:

School building grant receipts	(227,226)
Property tax receivable - accrual basis change	134,118
Property tax interest and lien revenue - accrual basis change	119,190
Sewer use - accrual basis change	8,905
Sewer assessment receivable - accrual basis change	(401,431)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources
to governmental funds, while the repayment of the principal of long-term debt consumes
the current financial resources of governmental funds. Neither transaction has any effect
on net assets. Also, governmental funds report the effect of issuance costs, premiums,
discounts and similar items when debt is first issued, whereas these amounts are
amortized and deferred in the statement of activities. The details of these differences in
the treatment of long-term debt and related items are as follows:

Issuance of bonds payable	(15,305,000)
Bond and note principal payments	18,613,154
Amortization of deferred charge on refunding	(150,493)
Amortization of issuance costs	(110,345)
Amortization of premiums	(1,090,027)

The change in net assets of certain activities of internal service fund is reported with
governmental activities

15,702

Changes in some expenses reported in the statement of activities do not require the use of current
financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(106,226)
Net OPEB obligation	1,692,196
Accrued interest	(124,131)

Change in Net Assets of Governmental Activities (Exhibit II)

\$ (261,091)

The notes to the financial statements are an integral part of this statement.

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2010

	Governmental Activities
	<u>Internal Service Funds</u>
ASSETS	
Receivables:	
Due from other funds	\$ 48,949
	<u>48,949</u>
LIABILITIES	
Current liabilities:	
Due to other funds	22,847
Claims incurred but not reported	10,400
Total liabilities	<u>33,247</u>
NET ASSETS	
Unrestricted	15,702
Total net assets	<u>\$ 15,702</u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 169,843
Total operating revenues	<u>169,843</u>
OPERATING EXPENSES	
Salaries, benefits and claims	154,141
Total operating expenses	<u>154,141</u>
Operating income	15,702
NET ASSETS, beginning	<u>-</u>
NET ASSETS, ending	<u>\$ 15,702</u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Governmental Activities
	Internal Service Funds
	<u> </u>
Cash Flows From Operating Activities	
Cash received from charges for services	\$ 169,843
Cash paid to vendors and beneficiaries	(143,741)
Net cash provided by operating activities	<u>26,102</u>
Cash Flows From Noncapital Financing Activities and Transfers	
Due to/from other funds	<u>(26,102)</u>
Net increase in cash and cash equivalents	-
Cash and Cash Equivalents	
Beginning	<u>-</u>
Ending	<u><u>\$ -</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 15,702
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in claims incurred but not reported	10,400
Net cash provided by operating activities	<u><u>\$ 26,102</u></u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2010

	Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,354,539	\$ 367,622
Investments:		
Unit trusts	407,868	-
Equity securities	37,001,196	-
Mutual funds	27,077,970	-
Receivables:		
Interest and dividends	87,244	-
Total assets	<u>\$ 65,928,817</u>	<u>\$ 367,622</u>
LIABILITIES		
Accounts and other payables	<u>\$ 181,723</u>	<u>\$ 367,622</u>
NET ASSETS		
Held in trust for pension benefits and other postemployment benefits	<u>\$ 65,747,094</u>	

The notes to the financial statements are an integral part of this statement.

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
For the Year Ended June 30, 2010

	Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 5,065,793
Plan members	1,230,507
Total contributions	<u>6,296,300</u>
Investment Income	
Net appreciation in fair value of investments	6,600,646
Interest and dividends	1,606,812
Net investment income	<u>8,207,458</u>
Total additions	<u>14,503,758</u>
DEDUCTIONS	
Benefits	3,677,812
Administration	469,434
	<u>4,147,246</u>
Change in net assets	10,356,512
NET ASSETS	
Beginning of year	<u>55,390,582</u>
End of year	<u><u>\$ 65,747,094</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

The reporting entity of the Town consists of all Town departments, the Board of Education, commissions, boards, authorities and funds.

The Town was founded in 1737. The Town has a Representative Town Meeting (RTM) form of government, with a 5 member Board of Selectmen, 7 member Board of Finance and a 9 member Board of Education. The Town operates under the State of Connecticut General Statutes and the Charter and Code of Ordinances of the Town of Darien. The Charter was originally adopted in 1959 and the Code of Ordinances was adopted in 1972. Both are subject to revision on an ongoing basis. The 100 member RTM is the legislative body for the Town. The First Selectman, elected biennially, is the Chief Executive Officer of the Town. The Board of Finance, elected quadrennially to overlapping terms, serves as the Town's fiscal policy maker. Services provided by the Town to residents and taxpayers include general administrative services, public safety, education, public works, parks and recreation, health, social service, planning and zoning, and sewer services. The Town has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

The various funds included in the financial statements are described below:

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed.

General Fund is the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

Special Revenue Funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Capital Project Funds account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

The *Trust Funds* account for the activities of the Town's benefit pension plans and other post-employment benefit trust, which accumulates resources for pension and other post-employment benefit payments to qualified employees and retirees. The Trust funds follow the accrual basis of accounting.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The Board of Education Student Activity Fund is the Town's only agency fund.

Additionally, the Town reports the following fund types:

Internal Service Fund – is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost-reimbursement basis.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements (except for agency funds which have no measurement focus). Revenues are recorded when earned and expenses are recorded

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, other postemployment benefits, and claims and judgments, are recorded only when payment is due.

Property taxes, when levied for, intergovernmental revenues when eligibility requirements are met, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

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

The Sewer Operating Fund accounts for the operations of the Town's Sanitary Sewer System.

The Sewer Assessment Fund is used to account for receipt and assessment functions for sewers.

The Capital projects Fund is used to account for the financial resources for the acquisition and construction of major capital facilities.

Additionally, the Town reports the following fund types:

The *Pension Trust Funds* account for the activities of the Darien Retirement System, which accumulates resources for pension benefit payments to qualified Town employees and Police Officers.

Internal Service Fund – is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost-reimbursement basis.

The *OPEB Trust Funds* account for the activities of the Town's other post-employment benefit trust, which accumulates resources for pension and other post-employment benefit payments to qualified employees and retirees. The Trust funds follow the accrual basis of accounting.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

The *Agency Funds* account for monies held as a custodian for outside groups and agencies. Agency funds have no measurement focus and are reported on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments are reported at fair value, except for investments in 2a7 like pools which are stated at amortized costs.

Receivables and 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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are reported net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

The Town's property tax is levied each July 1, on the assessed value listed on the prior October 1, Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach the property does not exist until July 1. Therefore, taxes are due and payable in equal installments on July 1, and January 1, following the date of the Grand List. Interest of 1½% per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31, and are payable in one installment due January 1. An amount of \$108,000 has been

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

established as an allowance for uncollectible taxes. At June 30, 2010, this represents 5.25% of all property taxes receivable.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not 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:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Infrastructure	10-40
Vehicles	2-20
Office equipment	5
Computer equipment	3

Compensated Absences

Employees are paid by prescribed formula for absence due to vacation or sickness. Days may be carried forward under the prescribed formula.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

The Town and Board of Education liability for vacation pay is based upon the carryforward of unused vacation days up to the number of vacation days earned during the two most recent years of employment for Town employees other than police, and unused vacation days up to one week for police.

The Town pays one-third of unused accumulated sick leave in excess of 150 days for Town employees and police officers at retirement. The liability reported in the financial statements is based upon one-third of the days accumulated in excess of this limit.

The Board of Education liability for sick leave payments is incurred only upon retirement of custodians and maintenance workers who have been employed for over ten years. The liability represents 1.25 times the number of years employed times the employee's daily pay or the employee's accumulated sick leave balance, whichever is lower. The liability is reported in the government-wide statement of net assets.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types 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 debt service expenditures.

Pension Accounting

Pension Trust Funds:

Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental Funds:

The net pension obligation (asset), the cumulative difference between annual pension cost and the Town's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. Expenditures are recognized when they are paid or are expected to be paid with current available resources.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

Funding Policy:

The Town makes annual contributions based upon the Town Charter and union contracts.

Net other post-employment benefit obligations (NOPEB)

In fiscal year 2009, the Town implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions." The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2008. The Town makes annual contributions based upon committee decisions using the actuarial valuation to the OPEB trust fund.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute either expenditures or liabilities.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

Fund Equity and Net Assets

In the government-wide and proprietary fund financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents the net assets of the Town, which are not restricted for any project or other purpose. A deficit will require future funding.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

In the fund financial statements, fund balances of governmental funds are classified in two separate categories. The two categories, and their general meanings, are as follows:

Reserved fund balance – indicates that portion of fund equity which has been legally segregated for specific purposes or is not available for appropriation.

Unreserved designated fund balance – indicates that portion of fund equity for which the Town has made tentative plans.

Unreserved undesignated fund balance or deficits – indicates that portion of fund equity which is available for appropriation and expenditure in future periods. A deficit will require future funding.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

- On the first Tuesday in March, the Boards of Selectmen and Education submit their respective budgets to the Board of Finance.
- On the second Tuesday in March, the Board of Finance conducts a public hearing at which taxpayer comments are heard.
- On the third Tuesday in April, the Board of Finance establishes its recommended Budget and the means to finance it including a tax rate for publication and submission to the Representative Town Meeting (RTM).
- On the second Monday in May, the Budget as approved by the Board of Finance is submitted to a Representative Town Meeting at which the budget is legally enacted through passage of a resolution by the RTM. The RTM has authority to either approve the recommended budget or reduce it; it is not permitted to vote an increase. The operating budget includes proposed expenditures and the means of financing them.
- The legal level of control (the lowest level at which expenditures cannot exceed the appropriation) is at the department level for the General Fund and at the fund level for Special Revenue Funds. The department head approves budget transfers of \$1 to \$300 within the department. The Board of Selectmen approves interdepartment budget transfers of \$301 to \$999 and the Board of Finance approves inter and intradepartment budget transfers of \$1,000 and above.
- Any subsequent appropriations that alter the total operating budget must be approved by the RTM.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

- Except for the accounting for encumbrances, budgets are adopted on a modified accrual basis of accounting.
- The Board of Education, which is not a separate legal entity but a separate department of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and RTM approval.
- Budgeted amounts shown are as originally adopted, or as amended by the Board of Finance and Representative Town Meeting during the course of the year. Additional appropriations totaling \$761,446 were approved during the year.
- Generally, all unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward.

The Sewer Operating Fund, a major fund, has an annual legally adopted budget. Other nonmajor funds with annually adopted budgets are the Parking Operations Fund and the Animal Control Fund. Establishment of the budget requires Board of Selectmen, Board of Finance and RTM approval. There were no additional appropriations approved during the year for the Sewer Operating Fund. All budgets are on the modified accrual basis of accounting.

Expenditures of funds for long-term capital improvements are budgeted by project each year. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Note 3. Cash, Cash Equivalents and Investments

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an "out of state bank," as defined by the Statutes, which is not a "qualified public depository."

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposit will not be returned. The Town's deposit policy for custodial credit risk requires pre-qualification of institutions with which the Town does business. The pre-qualification requirements include, but are not limited to, proof of creditworthiness, five years or more of operations, evidence of adequate insurance coverage, proof of state registration, and proof of compliance with state and federal capital adequacy guidelines. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut or up to the FDIC limit in out-of-state banks.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$20,688,667 of the Town's bank balance of \$20,640,115 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 16,792,459
Collateralized, held by banks	<u>3,847,656</u>
Total amount subject to custodial credit risk	<u><u>\$ 20,640,115</u></u>

Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within three months of maturity. At June 30, 2010 the Town's cash equivalents amounted to \$951,488. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard and Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Connecticut CLASS Plus	AAAm

Investments

Investments as of June 30, 2010 in all funds are as follows:

	<u>Fair Value</u>
Unit trusts - pension trust funds	\$ 407,868
Common stock - pension trust funds	37,001,196
Pooled open-end mutual fund account:	
Pension trust funds	27,077,970
Governmental funds - certificates of deposit	<u>5,501,146</u>
Total	<u><u>\$ 69,988,180</u></u>

Interest Rate Risk – The Town's investment policy limits the maximum investment maturity to one year.

Credit Risk – investments – As indicated above, State Statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as the State Statutes.

Concentration of Credit Risk – The Town's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town's total investments.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the exposure of the Town’s debt type investments to this risk using the segmented time distribution model is as follows:

	Asset and Mortgage Backed	Corporate Bonds	Government Bonds	Foreign Bonds	Pooled Fixed Income
Fixed Mutual Funds	\$29,077,970	\$ 7,926	\$ -	\$27,070,044	\$ -

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town maintains a listing of financial institutions approved to provide custody based on their creditworthiness in accordance with the Town’s investment policy. The investment policy details the information which must be provided by financial institutions on an annual basis to become or remain qualified for investment transactions. At June 30, 2010, the Town had \$36,341,891 worth of uninsured and unregistered common stock that was held by the Bank of America or by its trust department or agent that was not in the Pension Trust’s name.

Note 4. Receivables

Receivables as of year-end for the Town’s individual major funds, and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor and Other Funds	Total
Receivables:						
Interest on delinquent taxes	\$ 622,416	\$ -	\$ -	\$ -	\$ -	\$ 622,416
Taxes	1,567,660	-	-	-	-	1,567,660
Accounts	360,017	348,993	-	-	149,273	858,283
Special assessments	-	-	4,039,711	-	-	4,039,711
Intergovernmental	1,114,219	-	-	378,672	-	1,492,891
Interest receivable	-	47,605	-	-	-	47,605
Investment income	3,036	1,371	-	-	-	4,407
Gross receivables	3,667,348	397,969	4,039,711	378,672	149,273	8,632,973
Less allowance for property tax uncollectibles	(108,466)	-	-	-	-	(108,466)
Net Total Receivables	\$ 3,558,882	\$ 397,969	\$ 4,039,711	\$ 378,672	\$ 149,273	\$ 8,524,507

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 1,157,421	\$ -
Interest and delinquent property tax	591,295	-
Special assessments not yet due	4,039,711	-
Grant drawdowns prior to meeting all eligibility requirements	-	69,795
School building grants	1,114,219	-
Sewer use receivables	348,993	-
Interest on sewer use receivable	47,605	-
Fees collected in advance	-	104,814
	<hr/>	<hr/>
Total deferred/unearned revenue for governmental funds	<u>\$ 7,299,244</u>	<u>\$ 174,609</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Total
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 10,904,283	\$ 372,494	\$ -	\$ -	\$ 11,276,777
Construction in progress	3,202,257	1,314,209	(1,000)	(2,159,942)	2,355,524
Total capital assets not being depreciated	14,106,540	1,686,703	(1,000)	(2,159,942)	13,632,301
Capital assets being depreciated:					
Buildings	189,563,223	14,260	-	31,268	189,608,751
Land improvements	3,922,294	-	-	-	3,922,294
Machinery and equipment	10,655,569	449,473	(292,789)	733,171	11,545,424
Infrastructure	37,436,136	229,829	(2,759,715)	1,395,503	36,301,753
Total capital assets being depreciated	241,577,222	693,562	(3,052,504)	2,159,942	241,378,222
Less accumulated depreciation for:					
Buildings	41,892,835	4,357,232	-	-	46,250,067
Land improvements	1,343,259	148,208	-	-	1,491,467
Machinery and equipment	6,127,312	678,202	(282,523)	-	6,522,991
Infrastructure	25,179,631	546,273	(610,682)	-	25,115,222
Total accumulated depreciation	74,543,037	5,729,915	(893,205)	-	79,379,747
Total capital assets being depreciated, net	167,034,185	(5,036,353)	(2,159,299)	2,159,942	161,998,475
Governmental Activities Capital Assets, Net	\$ 181,140,725	\$ (3,349,650)	\$ (2,160,299)	\$ -	\$ 175,630,776

Depreciation expense was charged to functions/programs as follows:

General government	\$ 158,868
Community environment	29,198
Public safety	317,062
Health and social services	159
Parks and recreation	99,976
Public works	727,272
Education	4,397,380
Total depreciation expense - governmental activities	<u>\$ 5,729,915</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Construction Commitments

The Town has active construction projects as of June 30, 2010. A summary of capital projects is as follows:

Project	PROJECT EXPENDITURES							Balance
	Additions Deletions	Total Project Authorization	2009-2010	Prior Year Cumulative	Current Year Cumulative	Encumbrances		
Public Works Garage	\$ 1,200,000	\$ -	\$ 1,200,000	\$ -	\$ 1,200,000	\$ 1,200,000	\$ -	\$ -
Clean Water Fund	1,500,000	-	1,500,000	-	1,093,433	1,093,433	-	406,567
Sewer Line Expansion	9,515,000	-	9,515,000	145,639	5,087,823	5,233,462	1,733,126	2,548,412
High School Building	75,799,440	-	75,799,440	75,053	74,919,921	74,994,974	-	804,466
Capital Non-Recurring Expenditures	120,322,003	7,127,768	127,449,771	2,450,916	13,697,741	16,148,657	260,420	111,040,694
Parking Capital	494,565	137,377	631,942	125,334	75,508	200,842	514,025	(82,925)
35 Leroy	4,125,000	-	4,125,000	-	3,885,290	3,885,290	-	239,710
Weed Beach	3,600,000	-	3,600,000	38,523	345,526	384,049	24,145	3,191,806
Police Station Addition	17,680,000	-	17,680,000	4,929	815,630	820,559	9,700	16,849,741
Tokeneke School Building	23,170,000	-	23,170,000	-	22,717,899	22,717,899	-	452,101

Note 6. Interfund Receivables, Payables and Transfers

Individual fund interfund receivable and payable balances at June 30, 2010 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 5,534,046	\$ 4,256,433
Sewer Operating	3,990	29,839
Capital Projects	4,268,789	5,347,793
Non-Major Governmental Funds	370,289	569,151
Internal Service Fund	48,949	22,847
Total	\$ 10,226,063	\$ 10,226,063

All interfund receivables and payables are the result of regularly recurring transactions and represent temporary balances.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Interfund transfers during the year ended June 30, 2010 were as follows:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ 1,216,222	\$ 3,021,992
Sewer Operating Fund	-	53,807
Sewer Assessment Fund	-	1,110,597
Capital Projects	2,980,377	-
Non-Major Governmental Funds	208,265	218,468
Total	<u>\$ 4,404,864</u>	<u>\$ 4,404,864</u>

Transfers are used to account for unrestricted revenues collected mainly in the General Fund to finance various programs accounted for in other funds in accordance with budget authorizations.

Note 7. Leases

Operating Leases

The Town leases some office equipment under operating leases. Total expense for such leases were \$330,934 for the year ended June 30, 2010. These leases are cancelable at any time before the expiration date of the year 2015. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2011	\$ 359,444
2012	355,578
2013	335,514
2014	61,852
2015	16,141
Total	<u>\$ 1,128,529</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 8. Long-Term Debt

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$89,170,000	\$15,305,000	\$18,570,000	\$85,905,000	\$ 6,220,000
Clean water notes	552,365	-	43,154	509,211	44,025
Less deferred amounts on Refunding bonds	(1,795,436)	(532,964)	(683,457)	(1,644,943)	(361,616)
Premium	157,889	1,151,070	61,043	1,247,916	-
Total bonds and notes payable	88,084,818	15,923,106	17,990,740	86,017,184	5,902,409
Compensated absences	1,636,967	1,592,400	1,486,174	1,743,193	1,083,239
Net OPEB obligation	904,837	-	904,837	-	-
Total Governmental Activities Long-Term Liabilities	<u>\$90,626,622</u>	<u>\$17,515,506</u>	<u>\$20,381,751</u>	<u>\$87,760,377</u>	<u>\$ 6,985,648</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Bonds and notes outstanding by issue at June 30, 2010 were:

Description	Year of Maturity	Interest Rate (%)	Balance Outstanding June 30, 2010
General Obligation Bonds:			
Darien High School	2022	3.50-5.00	\$ 180,000
DHS/Tokeneke 2005	2024	3.50-5.00	700,000
Refunding 2005	2024	3.00-4.75	28,367,000
DHS & Tokeneke	2028	3.25-5.00	13,037,500
Library	2028	3.25-5.00	612,500
Refunding 2009	2018	2.00-5.00	24,970,000
DHS 2010	2028	2.39	3,750,000
Police Station 2010	2020	2.39	250,000
Refunding 2010	2020	2.55	<u>9,270,000</u>
Total general obligation bonds			<u>81,137,000</u>
Special Assessment Debt with Town Commitment:			
Peach Hill	2022	3.5-5.00	35,000
Harbor/Ring's End	2022	3.5-5.00	35,000
Refunding 2005	2024	3.00-4.75	1,068,000
Multiple Sewers	2025	3.75-5.75	300,000
Refunding 2009	2018	2.00-5.00	1,295,000
Refunding 2010	2020	2.55	<u>2,035,000</u>
Total special assessment debt with town commitment			<u>4,768,000</u>
State Loans:			
Clean Water	2022	2.00	<u>509,211</u>
Total state loans			<u>509,211</u>
Total outstanding			<u>\$ 86,414,211</u>

During fiscal year 2010, principal and interest payments were funded by the General Fund. The Sewer Operating Fund and Sewer Assessment Fund reimbursed the General Fund \$53,807 and \$1,110,597, respectively, toward these payments. The Sewer Operating Fund is responsible for debt service of the sewer rehabilitation bonds, and the Sewer Assessment Fund is responsible for the majority of debt service for the sewer construction bonds. Payment of the principal and interest on Special Assessment Sewer Bonds is guaranteed by the full faith and credit of the Town.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

The following is a summary of long-term debt principal and interest maturities. The State of Connecticut will provide future payments to subsidize the debt cost. Principal debt subsidies of \$1,114,219 and interest subsidies of \$147,350 will be received over the life of the outstanding debt.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 6,264,025	\$ 3,125,880
2012	7,144,913	2,939,895
2013	7,250,820	2,680,387
2014	7,561,745	2,412,346
2015	7,502,688	2,157,932
2016-2020	32,433,274	6,643,557
2021-2025	15,331,746	1,793,751
2026-2028	2,925,000	234,000
Total	<u>\$ 86,414,211</u>	<u>\$ 21,987,748</u>

Authorized Unissued Bonds

At June 30, 2010, the Town had \$2,970,000 of authorized, unissued bonds for sewer line extension projects, \$13,165,000 for the Darien High School Building Project, \$5,045,000 for the Tokeneke Elementary School Project, \$265,000 for the purchase of the 35 Leroy Building, \$17,430,000 for the Police Station Project and \$2,000,000 for the Weed Beach Project. The Darien High School and Tokeneke Elementary School Projects are partially offset by State of Connecticut grants. This amount is approximately 20.7% of total eligible costs.

Debt Limit

The Town's total indebtedness does not exceed the limit of \$696.444 million allowed by State Statute.

Refundings

On February 23, 2010, the Town issued \$11,305,000 in general obligation bonds with an average interest rate of 2.54% to refund outstanding bonds with an average rate of 3.94%. The bonds refunded were as follows: \$875,000 of outstanding 2004 general obligation bonds, \$7,000,000 of outstanding 2005 general obligation bonds, \$3,900,000 of outstanding 2008 general obligation bonds. The net proceeds of \$12,307,964 (after payment of expenses of \$148,000) were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by the United States of America, to provide all future debt service payments on the refunded bonds. The refunded bonds are considered defeased and the liability for those bonds have been removed from the Statement of Net Assets. The transaction generated a cash flow savings of \$1,231,141 and a present value savings of \$731,941.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

In prior year and the current year, the Town defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2010, \$10,900,000 of the defeased debt is outstanding.

Compensated Absences

The liability for compensated absences increased by \$106,226 this year. These liabilities are paid by the General Fund, Sewer Operating Fund, Parking Operations Fund and Solid Waste Fund.

Note 9. Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or natural disasters. The Town purchases commercial insurance for all risks of loss, except dental claims as discussed below. During the year ended June 30, 2010, deductibles paid by the Town were insignificant. Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

Risk Pooling

The Town is a member of the MIRMA Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The premium paid in 2009/10 was \$659,678. The premium is subject to payroll audit at the close of the coverage period. MIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

Self-Insurance Plans

The Town manages certain of its risks internally and sets aside assets for claim settlements. The General Fund accounts for the Board of Education and Town dental plan and prescription drug plan.

A third party administers the Town's self-insurance program. There is no stop loss coverage. The Town's General Fund liquidates the claims through annual appropriations. The claims liability of \$10,400 reported at June 30, 2010 is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim which includes past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

The analysis of the activity in the claims liability is as follows:

	Claims Payable July 1,	Claims And Changes in Estimates	Claims Paid	Claims Payable June 30,
2008-2009	\$ -	\$ 2,101,395	\$ 2,101,395	\$ -
2009-2010	-	2,506,740	2,496,340	10,400

Note 10. Fund Balance

Reservations

Descriptions of the various reservations of the Town's governmental funds' fund balance accounts are as follows:

Reserved for Inventory – to segregate a portion of fund balance equal to the inventory.

Reserved for Encumbrances – to segregate a portion of fund balance for expenditure upon vendor performance.

A summary of reserved fund balances at June 30, 2010 is presented below:

General Fund:	
Reserved for encumbrances	\$ 129,936
Sewer Operating:	
Reserved for encumbrances	61,238
Capital Projects Fund:	
Reserved for encumbrances	1,733,126
Nonmajor Governmental Funds:	
Reserved for inventory	22,148
Reserved for encumbrances	31,630
Total	<u><u>\$ 1,978,078</u></u>

Deficits

The Capital Projects fund has a fund balance deficit of \$827,383. The deficit will be eliminated when the projects are permanently funded.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

Note 11. Other Post-Employment Benefits

Plan Description

The Town, in accordance with various collective bargaining agreements and State Statutes, is committed to providing health and other benefits to certain eligible retirees and their spouses. The Town has two post-retirement medical programs, the Police Plan and the Non-Police Plan. The Police Plan covers sworn personnel employed as of July 1, 1999 and hired on or before November 20, 2007. The Non-Police Plan covers all other Town and Board of Education employees, including teachers. Under the Police Plan, the Police Union, retirees and beneficiaries currently receiving benefits are required to contribute specified percentages towards the cost of receiving those benefits. The percentage retirees are required to contribute for these benefits vary and are detailed within the Police Union bargaining agreements. The Town does not issue a separate stand-alone financial statement for this program.

At July 1, 2009, Police plan membership consisted of the following:

	<u>Police Post-Retirement Medical Program</u>	<u>Non-Police Post-Retirement Medical Program</u>
Active plan members:		
Retired participants	16	50
Spouses	50	852
Total participants	<u>66</u>	<u>902</u>

Funding Policy

The Town established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits. The Town plans to continue a funding strategy that provides for normal cost and the amortization of the accrued liability. The Town's funding strategy for postemployment obligations are based upon characteristics of benefits on several distinct groups of employees established within their respective collective bargaining units or required by the state and include the following:

- Eligibility for benefits and the level of benefits range from 5 to 25 years of service at time of retirement determined by collective bargaining unit and date of hire.
- Medical benefits funded by the Town range from 72% cost of coverage for the retiree and dependents up until the employee's death, to retirees paying the full cost of the coverage.
- Some retirees receive a stipend from the State of Connecticut towards the cost of their coverage.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Annual OPEB Cost and Net OPEB Obligations

The Town of Darien's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program
Annual required contribution (ARC)	\$ 604,678	\$ 586,352
Interest on net OPEB obligation	37,688	30,175
Adjustment to annual required contribution	(47,939)	(34,066)
Annual OPEB cost	594,427	582,461
Contributions made	1,787,862	1,081,222
Increase in net OPEB obligation	(1,193,435)	(498,761)
Net OPEB obligation, beginning of year	502,509	402,328
Net OPEB obligation (asset), end of year	<u>\$ (690,926)</u>	<u>\$ (96,433)</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2010 and 2009 are presented below.

Police

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/10	\$ 594,427	\$ 1,787,862	300.77%	\$ (690,926)
6/30/09	644,527	142,018	22.03%	502,059

Non-Police

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/10	\$ 582,461	\$ 1,081,222	185.63%	\$ (96,433)
6/30/09	595,699	193,371	32.50%	402,328

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Funding Status and Funding Progress

<i>SCHEDULE OF FUNDING PROGRESS - OPEB</i>						
Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police						
07/01/08	\$ -	\$ 4,530,545	\$ 4,530,545	0.0%	\$3,896,000	116.3%
Non-Police						
07/01/07	\$ -	\$ 4,475,369	\$ 4,475,349	0.0%	N/A	N/A

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Additional information as of the latest actuarial valuations follows:

	Police	Non-Police
Valuation date	6/30/09	6/30/09
Actuarial cost method	Entry Age Normal	Projected Unit Credit
Amortization method	Level Percent	Level Percent
Remaining amortization period	30 years Closed	30 years Closed
Asset valuation method	Market Value	Market Value
Actuarial assumptions: Investment rate of return	7.5%	7.5%
<u>Health Care Trend</u>	<u>Increase</u>	<u>Increase</u>
2010-2011	10.0%	10.0%
2011-2012	9.0%	9.0%
2012-2013	8.0%	8.0%
2013-2014	7.0%	7.0%
2014-2015	6.0%	6.0%
2015-2016 and later	5.0%	5.0%

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 12. Employee Retirement Systems and Pension Plans

Plan Description

The Funded Retirement Plan of the Town of Darien

The Town contributes to a single employer, contributory defined benefit pension plan (the Town Plan) covering substantially all Town employees (except policemen) and non-certified Board of Education employees.

Employees of the Town regularly employed on a permanent full-time basis (excluding policemen and teachers) or any elective officer are covered by the Town Plan.

At July 1, 2009 (date of the last valuation), membership in the Town Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	147
Terminated members entitled to benefits but not yet receiving them	6
Current active members	<u>381</u>
Total	<u><u>534</u></u>

The Town Plans provides retirement benefits, as well as death and disability benefits. All benefits vest after ten years of employment. If any employee leaves covered employment or dies before ten years of employment, accumulated employee contributions plus related investment earnings are refunded.

Benefit and contribution provisions are subject to collective bargaining. These provisions are established by ordinance and may be amended only by concurrence of the Board of Selectmen, Board of Finance and the Representative Town Meeting for non-bargaining unit employees.

Town of Darien Police Pension Fund

The Town contributes to a single employer, contributory defined benefit pension plan covering all Town Policemen (the Police Plan).

At July 1, 2009, membership in the Police Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	52
Current active members	<u>51</u>
Total	<u><u>103</u></u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

The Police Plan provides retirement benefits as well as death and disability benefits. Employees who retire with 20 years or more of credited service are vested and entitled to an annual retirement benefit, payable monthly for life. There is no provision for early retirement. If any employee leaves covered employment or dies before being eligible for a retirement, disability or death benefit, accumulated employee contributions plus 75% of related investment earnings are refunded. Benefit and contribution provisions are subject to collective bargaining.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The pension trust funds' financial statements are prepared on the accrual basis of accounting. Employee and employer contributions are recognized as revenue in the period in which the employee services are performed. All other revenues are recognized when they are earned and expenses are recognized when they are incurred.

Neither the Town Plan nor the Police Plan issues a stand-alone financial report.

Valuation of Investments

An actuarial asset valuation method is used to smooth out fluctuations in fair value. The actuarial asset value recognizes the appreciation (realized and unrealized gains and losses) in any one year over five years at a rate of 20% per year.

Contributions

Town employees are required to contribute 5% of their annual salary. The Police are required to contribute 6% of their annual salary. The Town is required by ordinance to contribute the remaining amounts necessary to provide the retirement benefits. The Town's contributions are actuarially determined on an annual basis. Administrative costs are financed through investment earnings.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

Schedule of Funding Progress

Town						
Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2009	\$ 33,150,591	\$ 38,943,751	\$ 5,793,160	85.12%	\$ 17,138,717	33.8%

Police						
Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2009	\$ 25,437,366	\$ 31,211,236	\$ 5,773,870	81.50%	\$ 3,960,737	145.8%

* The ARC is calculated using the aggregate actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan beginning with the valuation date 7/1/2007.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Schedule of Employer Contributions

Actuarial Assumptions

The data presented in the schedule of funding progress and schedule of employer contributions (Note 13) were determined as part of the actuarial valuation at the date indicated.

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	July 1, 2009
Actuarial cost method	Aggregate (Entry Age method used for Schedule of Funding Progress)
Asset valuation method	5 Years smoothed market

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Actuarial assumptions:	
Rate of return	7.5%
Projected salary increases	4.5%
COLA	None

Annual Pension Cost and Net Pension Asset

The Town's annual pension cost and net pension obligation to the PERS for the current year were as follows:

	Town Plan	Police Plan
Annual required contribution (ARC)	\$ 1,330,023	\$ 866,685
Adjustment to annual required contribution	-	-
Annual pension cost	1,330,023	866,685
Contributions made	1,330,023	866,685
Decrease in net pension asset	-	-
Net pension obligation, beginning of year	-	-
Net pension obligation, end of year	\$ -	\$ -

Trend Information

Town			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 1,330,023	100.0%	\$ -
2009	1,231,739	100.0%	-
2008	1,197,070	95.4%	-

Police			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 866,685	100.0%	\$ -
2009	800,558	100.0%	-
2008	807,655	100.0%	-

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Separate Plan Financial Information

Schedule of Plan Net Assets - Trust Funds For the Year Ended June 30, 2010					
	Police	Town	Police Retiree Medical Reserve	Non-Police Retiree Benefit	Total Trust Funds
Assets:					
Cash and cash equivalents	\$ 75,626	\$ 382,050	\$ 360	\$ 896,503	\$ 1,354,539
Investments, at fair value:					
Unit trusts	177,813	230,055	-	-	407,868
Equity securities	15,630,903	20,710,988	659,305	-	37,001,196
Mutual funds	11,214,622	14,869,998	993,350	-	27,077,970
Receivables:					
Investment income	37,589	49,655	-	-	87,244
Total assets	<u>27,136,553</u>	<u>36,242,746</u>	<u>1,653,015</u>	<u>896,503</u>	<u>65,928,817</u>
Liabilities:					
Accounts payable	77,611	104,112	-	-	181,723
Total liabilities	<u>77,611</u>	<u>104,112</u>	<u>-</u>	<u>-</u>	<u>181,723</u>
Net Assets:					
Net assets held in trust	<u>\$27,058,942</u>	<u>\$36,138,634</u>	<u>\$ 1,653,015</u>	<u>\$ 896,503</u>	<u>\$65,747,094</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Schedule of Changes in Plan Net Assets - Trust Funds
 For the Year Ended June 30, 2010

	Police	Town	Police Retiree Medical Benefit	Non-Police Retiree Benefit	Total Trust Funds
Additions:					
Contributions:					
Employer	\$ 866,685	\$ 1,330,023	\$ 1,787,863	\$ 1,081,222	\$ 5,065,793
Plan members	260,666	969,841	-	-	1,230,507
Total contributions	1,127,351	2,299,864	1,787,863	1,081,222	6,296,300
Investment income:					
Net appreciation in fair value investments	2,823,069	3,621,124	153,904	2,549	6,600,646
Interest and dividends	701,235	902,360	3,217	-	1,606,812
Total investment income	3,524,304	4,523,484	157,121	2,549	8,207,458
Total additions	4,651,655	6,823,348	1,944,984	1,083,771	14,503,758
Deductions:					
Benefits	1,544,759	1,787,574	184,479	161,000	3,677,812
Administration	147,384	188,292	107,490	26,268	469,434
Total deductions	1,692,143	1,975,866	291,969	187,268	4,147,246
Net increase	2,959,512	4,847,482	1,653,015	896,503	10,356,512
Net Assets, beginning of year	24,099,430	31,291,152	-	-	55,390,582
Net Assets, end of year	\$27,058,942	\$36,138,634	\$ 1,653,015	\$ 896,503	\$ 65,747,094

Teachers' Retirement Plan

All Town teachers participate in the State of Connecticut Teachers' Retirement System, a cost sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;
- Attained any age and has accumulated 35 years of credited service, at least 25 years of which are in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$37,003,000.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2010, the Town has recorded in the General Fund intergovernmental revenue schools and Board of Education expenditures in the amount of \$5,724,000 as payments made by the State of Connecticut on behalf of the Town.

The State of Connecticut Teachers' Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller 55 Elm Street, Hartford, Connecticut 06016.

Note 13. Contingent Liabilities

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of management and the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Note 14. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates in the future that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Town:

- GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2011. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The implementation of this statement will result in changes to the classification of fund balances in the Town's governmental funds.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The provisions of Statement 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.

Note 15. Subsequent Event

On September 9, 2010, the Town issued \$4,175,000 of Bond Anticipation Notes that mature on March 17, 2011 and bear interest of 1%.

**Required Supplementary
Information**

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
 (NON-GAAP BUDGETARY BASIS)
 June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Property taxes:				
Property taxes current	\$ 97,149,207	\$ 97,149,207	\$ 97,839,328	\$ 690,121
Property taxes prior	290,000	290,000	647,616	357,616
Suspense tax collections	1,000	1,000	1,464	464
Telecommunication property tax	121,083	121,083	71,485	(49,598)
Interest and liens	230,000	230,000	407,834	177,834
Total property taxes	97,791,290	97,791,290	98,967,727	1,176,437
Licenses and permits:				
Town Clerk	700,000	700,000	1,345,181	645,181
Buildings, plumbing and other	1,133,400	1,133,400	981,021	(152,379)
Refuse disposal permits	250,000	250,000	282,171	32,171
Food establishment	60,000	60,000	59,450	(550)
Private disposal and water supply	35,000	35,000	35,725	725
Fire Marshal's revenue	4,000	4,000	7,867	3,867
Other	37,050	37,050	29,940	(7,110)
Total licenses and permits	2,219,450	2,219,450	2,741,355	521,905
Intergovernmental:				
Capital improvement grant	110,176	110,176	109,270	(906)
Housing Authority	-	-	70,138	70,138
Taxes on State-owned land	58,671	58,671	59,100	429
Pequot distribution	10,864	10,864	7,810	(3,054)
Disabled persons	100	100	125	25
Circuit breaker	56,000	56,000	59,758	3,758
Elderly tax relief	5,000	5,000	2,000	(3,000)
Veterans' exemption	1,800	1,800	1,052	(748)
Court fines	15,000	15,000	17,885	2,885
Boating safety enforcement	18,700	18,700	9,589	(9,111)
Infrastructure - Town aid	122,230	122,230	166,082	43,852
State school reimbursement	291,904	291,904	291,910	6
Education cost-sharing grant	1,616,006	1,616,006	1,310,112	(305,894)
Transportation	647	647	369	(278)
Other	10,000	10,000	2,050	(7,950)
Total intergovernmental	2,317,098	2,317,098	2,107,250	(209,848)

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
 (NON-GAAP BUDGETARY BASIS), Continued
 June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Charges for services:				
Sale of codes, regulations, etc.	3,000	3,000	1,304	(1,696)
Planning and zoning application	18,450	18,450	19,926	1,476
ZBA application fees	20,240	20,240	15,120	(5,120)
EPD application fees	15,500	15,500	17,028	1,528
Other planning fees	4,700	4,700	5,048	348
Services for Sewer Commission Authority	50,000	50,000	50,000	-
Solid Waste Fees	628,580	628,580	662,187	33,607
Services for Parking Fund	82,297	82,297	74,297	(8,000)
Parking Fees	143,000	143,000	134,279	(8,721)
Youth Commission fees	203,875	203,875	198,770	(5,105)
Parking and recreation	120,975	120,975	160,960	39,985
Beach parking permits	198,630	198,630	226,885	28,255
Other	12,000	12,000	14,852	2,852
Total charges for services	1,501,247	1,501,247	1,580,656	79,409
Fines and forfeits	36,000	36,000	22,047	(13,953)
Investment Income	375,000	375,000	179,423	(195,577)
Miscellaneous:				
Metro mobile rent	100,000	100,000	122,595	22,595
Coin operated Xerox machine	11,000	11,000	17,350	6,350
Commission on Aging - van	34,580	36,024	36,024	-
Sale of Recyclables/Metal/Compost	55,000	55,000	81,158	26,158
Other rents	20,500	20,500	32,424	11,924
Insurance recoveries	20,000	20,000	86,942	66,942
Other	30,000	30,000	56,588	26,588
Total miscellaneous	271,080	272,524	433,081	160,557
Total revenues	104,511,165	104,512,609	106,031,539	1,518,930

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
 (NON-GAAP BUDGETARY BASIS), Continued
 June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Other financing sources:				
Transfers in:				-
Sewer Assessment Fund	1,110,597	1,110,597	1,110,597	-
Sewer Operating Funds	53,807	53,807	53,807	-
Other Funds	66,853	66,853	51,818	(15,035)
Total transfers in	<u>1,231,257</u>	<u>1,231,257</u>	<u>1,216,222</u>	<u>(15,035)</u>
Appropriation of fund balance	1,100,000	1,860,000	-	(1,860,000)
Total other financing sources	<u>2,331,257</u>	<u>3,091,257</u>	<u>1,216,222</u>	<u>(1,875,035)</u>
Total revenues and other financing sources	<u>\$ 106,842,422</u>	<u>\$ 107,603,866</u>	107,247,761	<u>\$ (356,105)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	5,724,000
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.	(4,527)
The Board of Education does not budget for certain intergovernmental grants which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.	2,451,212
Bond premium on refunding	1,151,070
Issuance of refunding bonds is not budgeted.	<u>11,305,000</u>
Total Revenues and Other financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds - Exhibit IV.	<u>\$ 127,874,516</u>

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

(NON-GAAP BUDGETARY BASIS)

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government:				
Selectmen's office	\$ 170,542	\$ 203,390	\$ 201,776	\$ 1,614
Administrative Officer	335,259	344,941	339,692	5,249
Human Resources	119,345	125,132	121,558	3,574
RTM	2,160	2,870	2,284	586
Financial management	403,770	432,758	432,431	327
Board of Finance	33,743	34,800	34,800	-
Tax Assessor	279,699	283,550	278,441	5,109
Tax Collector	242,233	242,865	240,749	2,116
Legal services	392,268	464,057	464,026	31
Town Clerk	258,876	260,748	256,517	4,231
Registrar of Voters	107,126	107,541	99,802	7,739
Information services	260,296	258,366	240,573	17,793
Probate court	9,200	9,200	7,414	1,786
Total general government	2,614,517	2,770,218	2,720,063	50,155
Community environment:				
Development Planning	580,575	589,165	573,559	15,606
Planning and Zoning	30,213	31,433	31,405	28
Zoning Appeals	5,288	5,288	3,806	1,482
Environmental Protection	5,260	4,295	2,100	2,195
Regional Planning	7,213	7,213	7,003	210
Beautification	33,000	33,000	33,000	-
Celebrations and observances	21,000	20,949	17,025	3,924
Harbor Master	1,315	1,366	366	1,000
Revitalize Downtown Darien	850	850	750	100
Total community environment	684,714	693,559	669,014	24,545
Public safety:				
Building Department	326,134	329,724	328,578	1,146
Police Department:				
Administration	484,533	495,289	494,317	972
Criminal Investigation	450,408	455,471	455,427	44
Patrol	3,668,131	3,806,946	3,805,164	1,782
Records	288,630	221,091	220,764	327
Youth	180,261	185,736	184,791	945
Marine Patrol	8,000	8,000	7,945	55
Professional Standards	138,723	151,072	150,041	1,031
Traffic and School Crossing	64,830	59,770	58,702	1,068
Fleet Services	162,715	156,346	151,196	5,150
Station maintenance and communication	188,443	187,903	185,936	1,967
Miscellaneous	600	1,000	868	132
Total Police Department	5,635,274	5,728,624	5,715,151	13,473

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
 (NON-GAAP BUDGETARY BASIS), Continued
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Fire service and emergency medical service:				
Darien Fire Department	144,009	144,009	134,254	9,755
Noroton Fire Department	156,810	156,810	150,266	6,544
Noroton Heights Fire Department	133,760	133,760	133,378	382
Board of Fire Commissioners	96,390	97,913	89,366	8,547
Fire Marshal	291,269	295,050	291,662	3,388
Hydrants and main rental	339,000	354,626	354,626	-
Disaster preparedness	20,640	20,640	17,853	2,787
Emergency medical service	78,222	78,222	53,172	25,050
Total fire service and emergency medical service	1,260,100	1,281,030	1,224,577	56,453
Total public safety	7,221,508	7,339,378	7,268,306	71,072
Public works:				
Administration	330,327	341,482	340,128	1,354
Roadway and walkway maintenance	1,776,393	1,875,420	1,848,225	27,195
Waste Management	1,248,614	1,253,014	1,228,924	24,090
Public building management	429,842	428,469	401,147	27,322
Parking facility	81,237	78,237	68,282	9,955
Total public works	3,866,413	3,976,622	3,886,706	89,916
Health and social services:				
Social services	168,337	171,056	166,419	4,637
Social service - outside assistance	21,000	21,000	13,778	7,222
Senior Center	232,825	247,199	244,460	2,739
Senior transportation youth programs	34,580	36,026	36,025	1
Youth services grants	292,701	295,087	282,593	12,494
Other outreach services	70,575	70,575	69,450	1,125
Health Department	4,100	4,100	4,100	-
Health Department	279,002	292,750	233,944	58,806
Total health and social services	1,103,120	1,137,793	1,050,769	87,024
Parks and recreation:				
Administration	348,351	359,657	356,888	2,769
Beach and court facilities	178,550	172,596	156,686	15,910
Maintenance and repair	349,286	358,619	352,674	5,945
Organized recreation activities	31,264	31,264	27,056	4,208
Grounds, fields, building	233,188	233,188	220,527	12,661
Total parks and recreation	1,140,639	1,155,324	1,113,831	41,493
Overhead and miscellaneous:				
Employee benefits	4,086,054	4,106,998	4,021,397	85,601
Risk management	687,785	687,785	633,970	53,815
Contingency	516,615	186,054	-	186,054
Refuse disposal	452,022	470,261	470,261	-
Total overhead and miscellaneous	5,742,476	5,451,098	5,125,628	325,470

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
 (NON-GAAP BUDGETARY BASIS), Continued
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Library	3,061,349	3,061,349	3,061,349	-
Board of Education - operations	68,700,458	69,050,458	68,792,731	257,727
Debt service:				
Schools	9,161,175	9,144,990	9,144,989	1
Town	269,674	163,180	163,179	1
Sewer	637,907	637,907	637,904	3
Total debt service	10,068,756	9,946,077	9,946,072	5
Total expenditures	104,203,950	104,581,876	103,634,469	947,407
Other financing sources:				
Transfers in:				
Animal Control	63,987	63,987	63,987	-
Retiree medical	115,000	115,000	115,000	-
Capital nonrecurring expenditures	2,459,485	2,843,005	2,843,005	-
Total other financing uses	2,638,472	3,021,992	3,021,992	-
Total	\$ 106,842,422	\$ 107,603,868	106,656,461	\$ 947,407

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	5,724,000
Encumbrances for purchases and commitments ordered but not yet received are reported in the year the order is placed for budgetary purposes, but in the year received for final reporting purposes.	(108,092)
The Board of Education does not budget for certain intergovernmental grants which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.	2,451,212
Payment to escrow agent is not budgeted.	12,307,964
Refunding bond issuance costs are not budgeted.	148,186

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds - Exhibit IV

\$ 127,179,731

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
SEWER OPERATING FUND (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Licenses and permits	\$ 14,000	\$ 14,000	\$ 9,600	\$ 4,400
Charges for services	3,250,177	2,820,232	2,423,463	396,769
Fines and forfeits	50,000	50,000	47,606	2,394
Investment income	80,000	200,000	21,675	178,325
Total revenues	3,394,177	3,084,232	2,502,344	581,888
Expenditures:				
Sewer operations:				
Administration	313,836	292,308	291,227	1,081
Collection and pumping	932,043	821,641	660,959	160,682
Treatment service	2,400,000	2,540,526	2,540,526	-
Overhead and miscellaneous	248,298	239,702	238,884	818
Total expenditures	3,894,177	3,894,177	3,731,596	162,581
Deficiency of revenues over expenditures	(500,000)	(809,945)	(1,229,252)	419,307
Other Financing Sources (Uses):				
Operating transfers out				-
Appropriation of Fund Balance	500,000	500,000	-	500,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ (309,945)	(1,229,252)	\$ 919,307
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.			\$ 25,930	
GAAP fund balance change, end of year			\$ (1,203,322)	

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN
June 30, 2010**

SCHEDULE OF FUNDING PROGRESS - OPEB

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police						
07/01/08	\$ -	\$ 4,530,545	\$ 4,530,545	0.0%	\$3,896,000	116.3%
07/01/07	\$ -	\$ 4,276,948	\$ 4,276,848	0.0%	\$3,598,772	118.8%
Non-Police						
07/01/07	\$ -	\$ 4,475,369	\$ 4,475,349	0.0%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB

Year Ended June 30,	Police		Non-Police	
	Actual Required Contribution	Percentage Contributed	Actual Required Contribution	Percentage Contributed
2010	\$ 604,678	295.6%	\$ 586,352	184.39%
2009	609,468	23.3%	595,699	32.46%

REQUIRED SUPPLEMENTARY INFORMATION
TOWN AND POLICE PENSION PLANS
SCHEDULE OF FUNDING PROGRESS
June 30, 2010

<i>Schedule of Funding Progress - Town</i>						
Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2009	\$ 33,150,591	\$ 38,943,751	\$ 5,793,160	85.12%	\$ 17,138,717	33.8%
2008	31,440,757	35,427,363	3,986,606	88.75%	16,210,000	24.6%
*2007	29,087,137	32,962,616	3,875,479	88.24%	15,196,000	25.5%

<i>Schedule of Funding Progress - Police</i>						
Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2009	\$ 25,437,366	\$ 31,211,236	\$ 5,773,870	81.50%	\$ 3,960,737	145.8%
2008	24,830,877	28,911,419	4,080,542	85.89%	3,896,000	104.7%
*2007	23,459,042	27,775,450	4,316,408	84.50%	3,579,000	120.0%

* The ARC is calculated using the aggregate actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan beginning with the valuation date 7/1/2007.

REQUIRED SUPPLEMENTARY INFORMATION
TOWN AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2010

Schedule of Employer Contributions - Town

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2010	\$ 1,330,023	\$ 1,330,023	100.0%
2009	1,231,739	1,231,739	100.0%
2008	1,197,070	1,141,561	95.4%
2007	1,037,442	1,133,022	109.2%
2006	1,127,980	1,127,980	100.0%
2005	953,347	898,319	94.2%

Schedule of Employer Contributions - Police

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2010	\$ 866,685	\$ 866,685	100.0%
2009	800,558	800,558	100.0%
2008	807,655	807,655	100.0%
2007	675,337	675,337	100.0%
2006	585,335	585,335	100.0%
2005	490,221	490,221	100.0%

**Combining and Individual
Fund Statements and Schedules**

General Fund

General Fund

The General Fund is the principal operating fund of the Town. It is used to account for activities traditionally associated with government which are not required to be accounted for in another fund.

**COMPARATIVE BALANCE SHEET - GENERAL FUND
JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 13,940,555	\$ 9,380,864
Investments	3,001,146	-
Receivables:		
Taxes	1,490,320	1,395,358
Intergovernmental	1,114,219	1,432,272
Other	954,343	553,324
Due from other funds	5,534,046	11,751,912
Prepaid expenses	14,335	25,831
Total assets	<u>\$ 26,048,964</u>	<u>\$ 24,539,561</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 2,142,716	\$ 1,481,914
Due to other funds	4,256,433	4,140,647
Deferred revenue	2,874,883	2,836,853
Total liabilities	<u>9,274,032</u>	<u>8,459,414</u>
Fund balance:		
Reserved for encumbrances	129,936	81,204
Unreserved:		
Designated for subsequent year budget	1,100,000	1,100,000
Undesignated	15,544,996	14,898,943
Total fund balance	<u>16,774,932</u>	<u>16,080,147</u>
Total liabilities and fund balance	<u>\$ 26,048,964</u>	<u>\$ 24,539,561</u>

TOWN OF DARIEN, CONNECTICUT

EXHIBIT A-2

REPORT OF PROPERTY TAX COLLECTION
For the Year Ended June 30, 2010

Grand List Year	Balance Uncollected June 30, 2009	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectable	Collections				Uncollected Taxes June 30, 2010
			Additions	Deletions			Taxes	Interest	Liens	Total	
1994	\$ 1,109	\$ -	\$ -	\$ -	\$ -	\$ 1,109	\$ -	\$ -	\$ -	\$ -	\$ 1,109
1995	1,172	-	-	-	-	1,172	-	112	-	112	1,172
1996	6,011	-	207	-	-	6,218	837	1,053	-	1,890	5,381
1997	6,354	-	50	50	-	6,354	-	203	-	203	6,354
1998	8,727	-	42	40	-	8,729	42	188	-	230	8,687
1999	10,939	-	-	616	-	10,323	-	284	-	284	10,323
2000	11,285	-	-	639	-	10,646	-	33	-	33	10,646
2001	21,168	-	-	10,370	-	10,798	-	279	-	279	10,798
2002	23,394	-	-	-	-	23,394	-	224	-	224	23,394
2003	76,851	-	-	15	-	76,836	370	228	-	598	76,466
2004	79,578	-	-	1,353	-	78,225	1,527	2,555	-	4,082	76,698
2005	155,035	-	-	1,100	-	153,935	19,491	9,708	96	29,295	134,444
2006	274,358	-	8,081	3,115	-	279,324	97,132	31,616	380	129,128	182,192
2007	805,270	-	11,231	27,768	-	788,733	494,577	81,878	1,656	578,111	294,156
Total prior years	1,481,251	-	19,611	45,066	-	1,455,796	613,976	128,361	2,132	744,469	841,820
2008	-	98,340,626	461,966	162,849	-	98,639,743	97,917,015	277,196	144	98,194,355	722,728
	<u>\$ 1,481,251</u>	<u>\$ 98,340,626</u>	<u>\$ 481,577</u>	<u>\$ 207,915</u>	<u>\$ -</u>	<u>\$ 100,095,539</u>	<u>\$ 98,530,991</u>	<u>\$ 405,557</u>	<u>\$ 2,276</u>	<u>\$ 98,938,824</u>	<u>\$ 1,564,548</u>

Nonmajor Governmental Funds

Fund	Funding Source	Function
Animal Control	License fees and General Fund operating transfers	Operations of the Animal Control Officer
Cafeteria	Sale of lunches and state grants	Operations of the school lunch program
Special Education Grants	Federal and state grants	Finance education programs
Land Purchase Option	General Fund transfer	Temporary funding for deposits on property contemplated for purchase
Solid Waste Management	Sewer service charges	Operating the Town's sanitary sewer system.
Special Education Reserve	General Fund transfer	Reserve for unanticipated special education expense
Waste Disposal	General Fund transfer	Unexpected waste disposal fee increases
Police Extra Duty	User fees	Police coverage for private purposes
False Police Alarm	Receipt of fines for false alarms	Improve police services
Fire Alarm	Receipts of fines for false alarms	Improve fire services
State and Federal Grants	State and federal grants	Various grant programs
Social Services Gift	Contributions	To assist persons in need
Sarah Wilson Trust	Contributions	Cemetery maintenance
Harold Dean Trust	Contributions	Purchase of a Hockey Trophy
George Nelson Trust	Contributions	Annual baseball award
Bruno Scholarship	Contributions	Scholarship to a high school student
Stadium Field	Contributions	Fundraising for an artificial playing surface
Firefighters Memorial	Contributions	Maintain fire memorial
Parking Operations	Parking fees	Provide and maintain parking facilities
Park Pals Play Area Trust	Contributions	Provide and maintain parks
Weed Beach Donations	Contributions	Provide amenities
Veterans Memorial	Contributions	Provide and maintain memorial
BOE Receipts	User fees	Janitorial services and use of facilities
Miscellaneous Trust	Contributions	Various trust activities
Police Retiree Medical Reserve	-	Contributed to OPEB Trust
Non-Police Retiree Benefit	-	Contributed to OPEB Trust

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TOWN OF DARIEN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	Special Revenue						
	Animal Control	Cafeteria	Special Education Grants	Land Purchase Option	Solid Waste Management	Special Education Reserve	Waste Disposal
ASSETS							
Cash and cash equivalents	\$ 31,919	\$ 138,324	\$ 76,410	\$ 69,917	\$ 76,270	\$ -	\$ 89,851
Receivables:							
Intergovernmental	-	9,625	-	-	-	-	-
Other	684	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	365,000	-
Inventory	-	22,148	-	-	-	-	-
Total assets	\$ 32,603	\$ 170,097	\$ 76,410	\$ 69,917	\$ 76,270	\$ 365,000	\$ 89,851
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts and other payables	\$ 13,463	\$ -	\$ 7,715	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,395	-	-	-	-	-	-
Deferred revenue	-	80,266	-	-	-	-	-
Total liabilities	14,858	80,266	7,715	-	-	-	-
Fund Balances							
Reserved for encumbrances	321	-	-	-	-	-	-
Reserved for inventory	-	22,148	-	-	-	-	-
Unreserved, reported in:							
Undesignated	17,424	67,683	68,695	69,917	76,270	365,000	89,851
Total fund balance	17,745	89,831	68,695	69,917	76,270	365,000	89,851
Total liabilities and fund balances	\$ 32,603	\$ 170,097	\$ 76,410	\$ 69,917	\$ 76,270	\$ 365,000	\$ 89,851

Special Revenue								
Police Extra Duty	False Police Alarm	Fire Alarm	State and Federal Grants	Social Services Gift	Sarah Wilson Trust	Harold Dean Trust	George Nelson Trust	Bruno Scholarship
\$ 347,068	\$ 38,357	\$ 18,905	\$ 146,724	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	299	-	-	-	-	-
102,136	9,746	-	-	-	-	-	-	-
-	-	-	5,035	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 449,204</u>	<u>\$ 48,103</u>	<u>\$ 18,905</u>	<u>\$ 152,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\$ 40,109	\$ 5,235	\$ 1,382	\$ 15,456	\$ -	\$ -	\$ -	\$ -	\$ -
63,607	210	-	-	-	-	-	-	-
-	12,599	-	69,795	-	-	-	-	-
<u>103,716</u>	<u>18,044</u>	<u>1,382</u>	<u>85,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
345,488	30,059	17,523	66,807	-	-	-	-	-
<u>345,488</u>	<u>30,059</u>	<u>17,523</u>	<u>66,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 449,204</u>	<u>\$ 48,103</u>	<u>\$ 18,905</u>	<u>\$ 152,058</u>	<u>\$ -</u>				

(Continued)

TOWN OF DARIEN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	Special Revenue					
	Stadium Field	Firefighters Memorial	Parking Operations	Park Pals Play Area Trust	Weed Beach Donations	Veterans Memorial
ASSETS						
Cash and cash equivalents	\$ 1,350	\$ -	\$1,065,953	\$ 35,679	\$ 4,289	\$ -
Receivables:						
Intergovernmental	-	-	-	-	-	-
Other	-	-	26,783	-	-	-
Due from other funds	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	\$ 1,350	\$ -	\$1,092,736	\$ 35,679	\$ 4,289	\$ -
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts and other payables	\$ -	\$ -	\$ 13,012	\$ -	\$ -	\$ -
Due to other funds	-	-	503,939	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	-	516,951	-	-	-
Fund Balances						
Reserved for encumbrances	-	-	31,309	-	-	-
Reserved for inventory	-	-	-	-	-	-
Unreserved, reported in:						
Undesignated	1,350	-	544,476	35,679	4,289	-
Total fund balance	1,350	-	575,785	35,679	4,289	-
Total liabilities and fund balances	\$ 1,350	\$ -	\$1,092,736	\$ 35,679	\$ 4,289	\$ -

EXHIBIT B-1

Special Revenue					Total Nonmajor Governmental Funds
Miscellaneous Trusts	BOE Receipts	Police Retiree Medical Reserve	Non-Police Retiree Benefit		
\$ 36,292	\$ -	\$ -	\$ -	\$ 2,177,308	
-	-	-	-	9,924	
-	-	-	-	139,349	
-	254	-	-	370,289	
-	-	-	-	22,148	
<u>\$ 36,292</u>	<u>\$ 254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,719,018</u>	
\$ -	\$ 254	\$ -	\$ -	\$ 96,626	
-	-	-	-	569,151	
-	-	-	-	162,660	
-	254	-	-	828,437	
-	-	-	-	31,630	
-	-	-	-	22,148	
36,292	-	-	-	1,836,803	
<u>36,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,890,581</u>	
<u>\$ 36,292</u>	<u>\$ 254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,719,018</u>	

TOWN OF DARIEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Special Revenue						
	Animal Control	Cafeteria	Special Education Grants	Land Purchase Option	Solid Waste Management	Special Education Reserve	Waste Disposal
REVENUES							
Intergovernmental	\$ -	\$ 68,259	\$ 1,272,784	\$ -	\$ -	\$ -	\$ -
Licenses and permits	4,261	-	-	-	-	-	-
Charges for services	-	2,002,164	-	-	-	-	-
Fines and forfeits	1,110	-	-	-	-	-	-
Investment income	-	1,924	-	4	-	-	-
Contributions	-	-	72,819	-	-	-	-
Miscellaneous	-	20,596	-	-	-	-	-
Total revenues	5,371	2,092,943	1,345,603	4	-	-	-
EXPENDITURES							
Current:							
General government	-	-	-	-	900	-	-
Public safety	70,722	-	-	-	-	-	-
Public health and social services	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Board of Education	-	2,135,967	1,313,988	-	-	-	-
Solid Waste	-	-	-	-	-	-	-
Total expenditures	70,722	2,135,967	1,313,988	-	900	-	-
Excess (deficiency) of revenues over expenditures	(65,351)	(43,024)	31,615	4	(900)	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	63,987	-	-	-	-	115,000	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	63,987	-	-	-	-	115,000	-
Net change in fund balance	(1,364)	(43,024)	31,615	4	(900)	115,000	-
FUND BALANCE, beginning of year	19,109	132,855	37,080	69,913	77,170	250,000	89,851
FUND BALANCE, end of year	\$ 17,745	\$ 89,831	\$ 68,695	\$ 69,917	\$ 76,270	\$ 365,000	\$ 89,851

Special Revenue								
Police Extra Duty	False Police Alarm	Fire Alarm	State and Federal Grants	Social Services Gift	Sarah Wilson Trust	Harold Dean Trust	George Nelson Trust	Bruno Scholarship
\$ -	\$ -	\$ -	\$ 202,758	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
726,733	-	-	-	-	-	-	-	-
-	89,123	15,961	-	-	-	-	-	-
-	-	825	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
726,733	89,123	16,786	202,758	-	-	-	-	-
-	-	-	128,343	1,673	-	-	-	-
623,537	83,363	16,750	-	-	-	-	-	-
-	-	-	37,270	-	-	-	-	-
-	-	-	16,710	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
623,537	83,363	16,750	182,323	1,673	-	-	-	-
103,196	5,760	36	20,435	(1,673)	-	-	-	-
-	-	-	-	-	-	-	-	-
(51,818)	-	-	-	(4,650)	(8,934)	(1,506)	(6,644)	(5,606)
(51,818)	-	-	-	(4,650)	(8,934)	(1,506)	(6,644)	(5,606)
51,378	5,760	36	20,435	(6,323)	(8,934)	(1,506)	(6,644)	(5,606)
294,110	24,299	17,487	46,372	6,323	8,934	1,506	6,644	5,606
\$ 345,488	\$ 30,059	\$ 17,523	\$ 66,807	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

TOWN OF DARIEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Special Revenue				
	Stadium Field	Firefighters Memorial	Parking Operations	Park Pals Play Area Trust	Weed Beach Donations
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	565,502	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	60,762	-	-
Investment income	-	-	3,803	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	19,620	-	-
Total revenues	-	-	649,687	-	-
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public health and social services	-	-	-	-	-
Parks and recreation	-	-	-	-	2,175
Public works	-	-	427,118	-	-
Board of Education	-	-	-	-	-
Solid Waste	-	-	-	-	-
Total expenditures	-	-	427,118	-	2,175
Excess (deficiency) of revenues over expenditures	-	-	222,569	-	(2,175)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(450)	(137,377)	-	-
Total other financing sources (uses)	-	(450)	(137,377)	-	-
Net change in fund balance	-	(450)	85,192	-	(2,175)
FUND BALANCE, beginning of year	1,350	450	490,593	35,679	6,464
FUND BALANCE, end of year	\$ 1,350	\$ -	\$ 575,785	\$ 35,679	\$ 4,289

Special Revenue						Total Nonmajor Governmental Funds
Veterans Memorial	Miscellaneous Trusts	BOE Receipts	Police Retiree Medical Reserve	Non-Police Retiree Benefit		
\$ -	\$ 12,100	\$ -	\$ -	\$ -	\$ -	\$ 1,555,901
-	-	-	-	-	-	569,763
-	-	128,974	-	-	-	2,857,871
-	-	-	-	-	-	166,956
-	55	-	-	-	-	6,611
-	-	-	-	-	-	72,819
-	-	-	-	-	-	40,216
-	12,155	128,974	-	-	-	5,270,137
-	1,931	-	-	1,081,222	-	1,214,069
-	-	-	1,317,602	-	-	2,111,974
-	2,710	-	-	-	-	39,980
-	-	-	-	-	-	18,885
-	-	-	-	-	-	427,118
-	-	128,974	-	-	-	3,578,929
-	500	-	-	-	-	500
-	5,141	128,974	1,317,602	1,081,222	-	7,391,455
-	7,014	-	(1,317,602)	(1,081,222)	-	(2,121,318)
-	29,278	-	-	-	-	208,265
(1,483)	-	-	-	-	-	(218,468)
(1,483)	29,278	-	-	-	-	(10,203)
(1,483)	36,292	-	(1,317,602)	(1,081,222)	-	(2,131,521)
1,483	-	-	1,317,602	1,081,222	-	4,022,102
\$ -	\$ 36,292	\$ -	\$ -	\$ -	\$ -	\$ 1,890,581

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ANIMAL CONTROL FUND -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2010**

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Licenses and permits	\$ 4,500	\$ 4,500	\$ 4,261	\$ (239)
Fines and forfeits	2,400	2,400	1,110	(1,290)
Investment income	100	100	-	(100)
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>5,371</u>	<u>(1,629)</u>
EXPENDITURES				
Public safety	<u>70,987</u>	<u>70,987</u>	<u>70,193</u>	<u>(794)</u>
Deficiency of revenues over expenditures	(63,987)	(63,987)	(64,822)	(835)
OTHER FINANCING SOURCES				
Transfers in	<u>63,987</u>	<u>63,987</u>	<u>63,987</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	(835)	<u>\$ (835)</u>
FUND BALANCE , beginning of year			<u>18,259</u>	
FUND BALANCE , end of year			17,424	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.			<u>\$ 321</u>	
GAAP FUND BALANCE , end of year			<u>\$ 17,745</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - PARKING OPERATIONS FUND -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2010**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Licenses and permits	\$ 579,841	\$ 579,841	\$ 565,502	\$ (14,339)
Fines and forfeits	70,000	70,000	60,762	(9,238)
Investment income	4,000	4,000	3,803	(197)
Miscellaneous income	15,000	15,000	19,620	4,620
Total revenues	<u>668,841</u>	<u>668,841</u>	<u>649,687</u>	<u>(19,154)</u>
Expenditures:				
Parking operations	<u>668,841</u>	<u>668,841</u>	595,219	(73,622)
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	54,468	<u>\$ 54,468</u>
FUND BALANCE , beginning of year			<u>490,008</u>	
FUND BALANCE , end of year			544,476	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.			<u>31,309</u>	
GAAP FUND BALANCE , end of year			<u>\$ 575,785</u>	

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Fiduciary Funds

FIDUCIARY FUNDS

Agency Fund

Student Activities Fund – established to account for various student activities and clubs in the Town's schools.

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - STUDENT ACTIVITIES FUND -
AGENCY FUND

For the Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
ASSETS				
Cash and cash equivalents	\$ 378,325	\$ 1,346,397	\$ 1,357,100	\$ 367,622
LIABILITIES				
Accounts and other payables	\$ 378,325	\$ 1,346,397	\$ 1,357,100	\$ 367,622

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Statistical Section

STATISTICAL SECTION INFORMATION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

NET ASSETS BY COMPONENT
Last Eight Fiscal Years
(In Thousands)

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:								
Invested in capital assets, net of related debt	\$ 86,656	\$ 93,214	\$ 84,591	\$ 80,136	\$ 67,136	\$ 66,144	\$ 59,624	\$ 52,386
Unrestricted	30,480	24,183	32,028	36,389	30,178	22,645	20,805	21,380
Total governmental activities net assets	\$ 117,136	\$ 117,397	\$ 116,619	\$ 116,525	\$ 97,314	\$ 88,789	\$ 80,429	\$ 73,766

Notes:

(1) Schedule prepared on the accrual basis of accounting.

(2) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

TOWN OF DARIEN, CONNECTICUT

CHANGES IN NET ASSETS

Last Eight Fiscal Years

(In Thousands)

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses								
Governmental activities:								
General government	\$ 3,715	\$ 3,989	\$ 3,977	\$ 3,478	\$ 3,546	\$ 3,127	\$ 3,442	\$ 3,058
Community environment	910	939	902	863	643	655	563	641
Public safety	11,339	11,410	11,433	9,682	9,344	9,145	7,725	8,486
Health and social services	1,395	1,341	1,354	1,416	1,252	1,079	1,062	943
Library	3,061	2,944	2,516	2,388	2,300	2,186	1,983	1,905
Parks and recreation	1,522	1,811	1,776	1,571	1,500	1,296	1,483	1,269
Public works	6,904	5,290	5,489	7,494	3,526	3,297	4,106	3,468
Board of Education	85,558	84,964	96,894	71,884	70,118	60,356	55,938	52,025
Sewer operations	3,656	3,044	4,315	2,061	2,114	2,140	1,905	2,046
Solid waste	1,223	1,293	1,198	1,318	1,580	1,418	1,464	1,313
Interest on long-term debt	4,193	1,731	4,329	3,523	2,947	3,421	2,870	2,542
Total governmental activities expenses	123,476	118,756	134,183	105,678	98,870	88,120	82,541	77,696
Program Revenues:								
Governmental activities:								
Charges for services:								
General government	1,361	782	1,779	1,906	2,051	2,119	2,544	1,715
Community environment	57	56	80	70	75	36	25	25
Public safety	837	2,755	3,695	2,952	-	1,580	1,370	1,173
Health and social services	207	94	118	103	93	72	68	169
Parks and recreation	388	320	321	326	320	286	256	189
Public works	2,108	254	504	209	925	901	68	73
Board of Education	2,131	1,940	1,835	1,873	1,785	1,702	1,578	1,599
Sewer operations	2,485	2,824	3,436	3,596	3,201	2,936	2,298	2,192
Solid waste	999	940	972	1,187	1,405	1,195	1,289	999
Operating grants and contributions:								
General government	-	22	25	29	17	54	35	-
Community environment	-	-	-	-	-	2	-	-
Public safety	27	69	62	47	2,102	29	68	219
Health and social services	203	384	229	323	201	182	166	38
Parks and recreation	-	-	6	-	45	-	-	-
Public works	-	-	-	-	23	70	-	35
Board of Education	10,964	10,992	29,883	8,096	3,703	4,895	3,949	3,902
Sewer operations	-	-	-	-	-	1	-	-
Interest on long-term debt	-	77	77	86	92	173	157	150
Capital grants and contributions:								
General government	-	-	-	-	-	109	109	-
Public safety	345	5	93	-	76	-	-	-
Health and social services	10	35	35	32	32	31	29	-
Parks and recreation	67	165	-	-	-	41	1,120	-
Public works	604	297	2,098	1,580	3,007	111	70	199
Board of Education	191	26	2,270	2,999	2,010	3,828	4,519	2,057
Sewer operations	-	-	-	-	1,433	-	-	-
Total governmental activities program revenues	22,984	22,037	47,518	25,414	22,596	20,353	19,718	14,734
Net (expense)/revenue								
Governmental activities	(100,492)	(96,719)	(86,665)	(80,264)	(76,274)	(67,767)	(62,823)	(62,962)
Total primary government net expense	(100,492)	(96,719)	(86,665)	(80,264)	(76,274)	(67,767)	(62,823)	(62,962)

CHANGES IN NET ASSETS, Continued
Last Eight Fiscal Years
(In Thousands)

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
General revenues and other changes in net expenses								
Governmental activities:								
Property taxes	99,221	96,462	90,508	85,996	82,426	74,497	68,060	63,002
Grants and contributions not restricted to specific purposes	214	162	227	255	276	293	272	511
Unrestricted investment earnings	218	585	1,924	2,855	1,709	867	601	715
Other general revenues	578	288	252	610	387	469	385	14
Total governmental activities	100,231	97,497	92,911	89,716	84,798	76,126	69,318	64,242
Special items	-	-	(6,207)	-	-	-	-	-
Changes in net assets								
Governmental activities	\$ (261)	\$ 778	\$ 39	\$ 9,452	\$ 8,524	\$ 8,359	\$ 6,495	\$ 1,280

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.
- (3) On-behalf payments from the State of Connecticut for Darien teachers decreased by \$19.2 million in 2009. These amounts are reflected in Board of Education expenses and Operating Grants and Contributions.

FUND BALANCES, GOVERNMENTAL FUNDS

Last Eight Fiscal Years

(In Thousands)

	2010	2009	2008	2007	2006	2005	2004	2003
General fund								
Reserved	\$ 130	\$ 81	\$ 178	\$ 267	\$ 229	\$ 393	\$ 270	\$ 122
Unreserved	16,645	15,999	17,410	16,780	13,636	10,284	7,198	7,336
Total general fund	\$ 16,775	\$ 16,080	\$ 17,588	\$ 17,047	\$ 13,865	\$ 10,677	\$ 7,468	\$ 7,458
All other governmental funds								
Reserved	1,848	2,895	7,636	4,030	2,308	3,892	23,485	24,749
Unreserved, reported in:								
Special revenue funds	5,974	7,416	8,482	7,687	7,445	7,318	6,622	6,379
Capital project funds	(2,561)	(6,535)	(8,365)	(11,583)	(323)	(3,886)	(22,034)	1,677
Total all other governmental funds	\$ 5,261	\$ 3,776	\$ 7,753	\$ 134	\$ 9,430	\$ 7,324	\$ 8,073	\$ 32,805

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) Data has not been presented for years prior to the implementation of GASB Statement No. 34 in 2003.

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Eight Fiscal Years
(In Thousands)

	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:								
Property taxes	\$ 98,968	\$ 96,223	\$ 90,533	\$ 85,837	\$ 82,435	\$ 74,866	\$ 68,132	\$ 63,355
Intergovernmental revenues	12,852	11,893	32,803	11,135	9,351	9,954	9,375	6,962
Charges for services	10,966	8,530	9,072	8,690	12,289	10,918	9,423	8,434
Income on investments	218	585	1,924	2,855	1,709	881	601	715
Miscellaneous	578	2,543	4,245	5,257	1,114	496	1,905	193
Total revenues	123,582	119,774	138,577	113,774	106,898	97,115	89,436	79,659
Expenditures:								
General government	3,924	2,796	2,887	2,614	2,554	2,314	2,444	2,248
Community environment	658	650	637	560	457	453	429	425
Public safety	9,332	8,139	8,293	7,119	6,686	6,887	6,295	6,199
Health and social services	1,088	1,086	1,086	1,056	954	894	848	761
Library	3,061	2,944	2,516	2,388	2,300	2,186	1,983	1,905
Parks and recreation	1,100	1,091	1,011	940	936	941	929	883
Public works	3,084	3,340	3,085	2,684	2,494	2,587	2,301	2,057
Schools	80,551	77,693	92,358	67,071	64,797	57,102	53,497	49,835
Sewer operations	3,656	3,044	4,315	2,061	2,114	2,141	1,905	2,046
Solid waste	5,126	1,293	1,198	1,318	1,580	1,418	1,464	1,313
General overhead	1,222	4,417	4,426	4,170	3,947	3,018	2,762	2,572
Capital outlay	2,572	8,212	18,299	18,973	13,961	24,929	33,001	13,701
Debt service:								
Principal	6,838	7,112	6,112	5,501	5,851	4,180	3,529	3,618
Interest	3,337	3,552	3,869	3,433	3,293	3,005	2,928	2,067
Total expenditures	125,549	125,369	150,092	119,888	111,924	112,055	114,315	89,630
Excess of revenues over (under) expenditures	(1,967)	(5,595)	(11,515)	(6,114)	(5,026)	(14,940)	(24,879)	(9,971)
Other Financing Sources (Uses):								
Transfers in	4,405	6,977	8,240	5,446	3,501	3,605	4,359	3,184
Transfers out	(4,405)	(6,977)	(8,240)	(5,446)	(3,501)	(3,605)	(4,359)	(3,184)
Issuance of bonds	11,305	30,344	19,500	-	40,215	17,400	9,310	30,000
Payment to escrow agent	(12,308)	(30,234)	-	-	(29,894)	-	(9,154)	-
Bond premium	1,151	-	175	-	-	-	-	-
Issuance of BAN	4,000	-	-	-	-	-	-	-
Total other financing sources (uses)	4,148	110	19,675	-	10,321	17,400	156	30,000
Net change in fund balances	\$ 2,181	\$ (5,485)	\$ 8,160	\$ (6,114)	\$ 5,295	\$ 2,460	\$ (24,723)	\$ 20,029

Debt Service as a Percentage of Noncapital Expenditures	8.26%	8.10%	7.55%	8.80%	9.04%	8.09%	7.75%	7.34%
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Notes:

- (1) Schedule prepared on the modified accrual basis of accounting.
- (2) Data has not been presented for years prior to the implementation of GASB Statement No. 34 in 2003.

ASSESSSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY

Last Ten Fiscal Years

(In Thousands)

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
	Residential	Commercial	Other							
2010	7,553,526	711,520	150,714	122,305	204,330	1,493	8,740,902	11.37%	12,487,003	70.00%
2009	5,738,476	414,230	153,584	78,793	218,603	1,448	6,602,238	14.55%	9,431,769	70.00%
2008	5,668,729	402,720	148,978	75,743	209,534	1,540	6,504,164	13.87%	9,291,663	70.00%
2007	5,573,420	405,913	146,438	71,788	209,838	1,823	6,405,574	13.40%	9,150,820	70.00%
2006	5,513,834	398,601	141,646	63,740	209,890	1,720	6,325,991	13.02%	9,037,130	70.00%
2005	5,426,736	399,496	139,631	63,259	195,169	1,841	6,222,450	11.95%	8,891,845	69.98%
2004	3,567,507	336,477	83,203	71,176	196,385	2,067	4,252,681	16.00%	6,078,153	69.97%
2003	3,543,949	336,381	81,606	63,178	190,198	1,715	4,213,597	14.98%	6,093,785	69.15%
2002	3,528,533	335,074	93,742	69,208	184,032	1,710	4,208,879	14.02%	6,059,526	69.46%
2001	3,530,480	335,373	94,875	66,267	176,358	2,058	4,201,295	13.06%	6,004,788	69.97%

Note 1: Schedule is prepared on the modified accrual basis of accounting.

Note 2: Data has not been presented for years prior to the implementation of GASB #34 in 2003.

TOWN OF DARIEN, CONNECTICUT

TABLE 6

PRINCIPAL PROPERTY TAXPAYERS

(In Thousands)

October 1, 2008 and October 1, 1999

Taxpayer	October 1, 2008 ⁽¹⁾			October 1, 1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Connecticut Light & Power Company	\$ 57,430,880	1	0.61%	\$ -	-	-
Wee Burn Country Club	48,402,600	2	0.51%	22,636,230	1	0.54%
Country Club of Darien	46,730,840	3	0.50%	16,489,850	4	0.39%
Avalonbay Communities	36,191,260	4	0.38%	-	-	-
Woodway Country Club	25,616,900	5	0.27%	11,943,730	6	0.28%
Rivoire, Helen M. et al (Estate)	22,249,220	6	0.24%	17,827,880	3	0.42%
Zotos International	21,202,980	7	0.22%	10,143,020	8	0.24%
U.B. Darien Inc.	19,209,740	8	0.20%	-	-	-
9 Old Kings Highway, LLC	17,352,860	9	0.18%	-	-	-
Parkland Limited Partnership	15,457,820	10	0.16%	9,913,570	9	0.24%
William Ziegler II TR et al	-	-	-	22,441,650	2	0.53%
Goodwives Center	-	-	-	11,301,920	7	0.27%
Darien Green Associates	-	-	-	8,430,490	10	0.20%
The Nielsen Company	-	-	-	14,306,250	5	0.34%
Total Taxable Grand List	\$309,845,100		3.27%	\$145,434,590		3.45%

Source: Town of Darien, Office of Tax Assessor

⁽¹⁾ Fiscal year is July 1, 2009-June 30, 2010

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(In Thousands)

Fiscal Year Ended June 30,	Tax Rate In Mills	Taxes Levied for the Fiscal Year	Collected Within The Fiscal Year of Levy		Tax Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2010	11.37	\$ 98,640	\$ 97,917	99.27%	N/A	\$ 97,917	99.27%
2009	14.55	96,006	95,204	99.16%	495	95,699	99.68%
2008	13.87	90,030	89,494	99.40%	352	89,846	99.80%
2007	13.04	85,538	85,015	99.39%	386	85,401	99.84%
2006	13.02	82,211	81,786	99.48%	393	82,179	99.96%
2005	11.95	74,228	73,870	99.52%	304	74,174	99.93%
2004	16.00	67,768	67,414	99.48%	279	67,693	99.89%
2003	14.98	62,949	62,546	99.36%	382	62,928	99.97%
2002	14.02	58,772	58,387	99.34%	374	58,761	99.98%
2001	13.06	54,631	54,208	99.23%	413	54,621	99.98%

Source: Tax Collector's Report: Comprehensive annual financial report.

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year	Governmental Activities	Ratio of Debt to Taxable Assessed Value	Debt Per Capita
	General Obligation Bonds and Notes		
2010	\$ 86,414	1.00%	\$ 4.30
2009	89,722	0.95%	4.43
2008	97,940	1.51%	4.84
2007	84,551	1.32%	4.14
2006	90,052	1.44%	4.43
2005	84,097	1.34%	4.24
2004	70,187	1.13%	3.56
2003	73,389	1.17%	3.70
2002	47,006	0.76%	2.44
2001	44,510	0.72%	2.32

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2010

(In Thousands)

Total tax collections (including interest and lien fees):

For the year ended June 30, 2010:

Town of Darien	\$ 98,938
Taxing districts	556

Reimbursement for revenue loss:

Tax relief for elderly freeze	<u>2</u>
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Base for establishing debt limit	<u><u>\$ 99,492</u></u>
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	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
Debt Limitation						
2 1/4 times base	\$ 223,857	\$ -	\$ -	\$ -	\$ -	\$ 223,857
4 1/2 times base	-	447,714	-	-	-	447,714
3 3/4 times base	-	-	373,095	-	-	373,095
3 1/4 times base	-	-	-	323,349	-	323,349
3 times base	-	-	-	-	298,476	298,476
Total debt limitation	<u>223,857</u>	<u>447,714</u>	<u>373,095</u>	<u>323,349</u>	<u>298,476</u>	<u>1,666,491</u>
Debt, as defined by Statute:						
Bonds payable ⁽¹⁾	1,453	79,684	5,277	-	-	86,414
Bonds authorized but unissued	19,695	18,210	2,970	-	-	40,875
Less: School building grants receivable	-	(1,449)	-	-	-	(1,449)
Total indebtedness	<u>21,148</u>	<u>99,343</u>	<u>8,247</u>	<u>-</u>	<u>-</u>	<u>128,738</u>
Debt limitation in excess of indebtedness	<u><u>\$ 202,709</u></u>	<u><u>\$ 348,371</u></u>	<u><u>\$ 364,848</u></u>	<u><u>\$ 323,349</u></u>	<u><u>\$ 298,476</u></u>	<u><u>\$ 1,537,753</u></u>

Note 1: Total net indebtedness above amounts of \$128,738 but in no event shall total indebtedness exceed \$696,444 (seven times the base for debt limitation).

Note 2: There is no overlapping debt.

Note 3: School building grants receivable include \$1,108 of bond principal grants from the State of Connecticut. Additionally, progress payments of \$341 (or approximately 20.7%) of eligible project costs on the High School are included.

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt limitation	\$ 696,444	\$ 675,052	\$ 632,758	\$ 603,463	\$ 579,026	\$ 525,686	\$ 478,849	\$ 444,332	\$ 415,261	\$ 387,338
Total net debt applicable to limit	128,739	138,234	149,470	137,833	127,066	104,528	103,670	100,749	104,094	49,909
Legal Debt Margin	<u>\$ 567,705</u>	<u>\$ 536,818</u>	<u>\$ 483,288</u>	<u>\$ 465,630</u>	<u>\$ 451,960</u>	<u>\$ 421,158</u>	<u>\$ 375,179</u>	<u>\$ 343,583</u>	<u>\$ 311,167</u>	<u>\$ 337,429</u>
Total net debt applicable to the limit as percentage of debt limit	18.49%	20.48%	23.62%	22.84%	21.94%	19.88%	21.65%	22.67%	25.07%	12.89%

Source: Comprehensive annual financial report - Computation of Legal Debt Margin.

Note: See Table 9 for calculation of current year debt limitation.

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Calendar Year	Population ⁽¹⁾	Personal Income (In Thousands)	Per Capita Income ⁽²⁾	Median Age ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2010	20,292	\$ 1,969,278	\$ 97,047	38.0	4,778	5.9%
2009	20,246	1,964,814	97,047	38.0	4,727	6.2%
2008	20,246	1,569,450	77,519	38.0	4,653	4.0%
2007	20,431	1,583,791	77,519	38.0	4,587	3.2%
2006	20,547	1,592,783	77,519	38.0	4,468	3.0%
2005	20,049	1,554,178	77,519	38.0	4,378	3.6%
2004	20,049	1,554,178	77,519	38.0	3,927	2.0%
2003	20,049	1,554,178	77,519	38.0	4,116	2.8%
2002	19,695	1,526,737	77,519	38.0	3,927	2.0%
2001	19,607	1,519,915	77,519	38.0	3,874	1.9%

⁽¹⁾ U.S. Department of Commerce, Bureau of Census, State of CT Health Department.

⁽²⁾ U.S. Department of Commerce, Bureau of Census.

⁽³⁾ Darien Board of Education.

⁽⁴⁾ State of CT Department of Labor.

**PRINCIPAL EMPLOYERS
2010 and 2001**

Employer	Nature of Business	2010			2001		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Darien	Municipality	932	1	9.87%	598	1	6.59%
Colangelo Synergy Marketing	Marketing	140	2	1.98%	-		-
Ring's End, Inc.	Building Supplies	125	3	1.56%	132	3	1.45%
Zoto's International	Hair Care Products	120	4	1.34%	100	4	1.10%
BMW of Darien	Automotive Sales	85	5	0.95%	-		-
CRA Rogers Casey	Investment Consulting	80	6	0.89%	80	6	0.88%
Miller Automotive	Automotive Sales	70	7	0.78%	-		-
Sterling Glen	Assisted Living Center	70	8	0.78%	-		-
Jet Blue	Commercial Airline	54	9	0.87%	-		-
U.S. Postal Service	Mail Delivery	48	10	0.53%	-		-
Life Study Fellowship Foundation	Publishing	-		-	65	7	0.72%
Air Express International	Air Freight Traffic	-		-	200	2	2.20%
Real Decisions Corporation	Computer Software	-		-	65	8	0.72%
Brinks Incorporated	Security	-		-	100	5	1.10%
Parfums DeCoeur, Inc.	Perfume Manufacturer	-		-	35	9	0.39%
Brier Neidle Patrone Assoc.	Designers-Airport Installation	-		-	35	10	0.39%
		<u>1,724</u>		<u>19.6%</u>	<u>1,410</u>		<u>15.54%</u>

Source: Town of Darien survey.

U.S. Department of Commerce, Bureau of Census, 2000.

**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government	44	44	41	41	41	43	43	43	43	43
Police	57	57	57	57	57	55	55	55	55	55
Public Works	28	28	26	25	26	26	27	27	27	27
Sewer Authority	4	4	4	4	4	4	4	4	4	4
Parks and Recreation	9	9	8	8	8	8	8	8	8	8
Education	791	790	751	717	697	698	669	595	551	605
Total	933	932	887	852	833	834	806	732	688	742

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government:										
Building permits issued	619	555	820	876	901	885	826	820	871	816
Building inspections conducted	2,692	2,903	3,871	3,702	4,266	-	-	-	-	-
Police:										
Calls Answered	20,261	16,309	21,076	21,591	21,069	20,839	25,842	22,573	25,842	22,349
Criminal Arrests	295	287	375	246	206	206	206	204	320	231
Motor Vehicle Arrests	3,903	3,168	3,463	3,451	2,062	1,993	2,062	3,014	2,995	2,750
DWI Arrests	76	84	101	71	-	-	-	-	-	-
Morning Vehicle Warnings	755	265	910	834	1,139	929	1,139	1,341	2,689	1,667
Accidents	558	585	606	652	683	685	683	640	812	762
Fire:										
Emergency responses	1,248	1,245	1,189	1,495	1,375	1,269	1,357	1,213	1,005	1,269
Fires extinguished	35	63	67	57	75	69	72	93	71	87
Inspections	367	386	677	397	410	293	207	252	153	259
Other Public Works:										
Street resurfacing (miles)	1.90	2.89	3.30	3.00	2.20	2.94	4.15	4.10	4.82	1.99
Parks and Recreation:										
Facility permits issued	697	784	770	666	722	-	-	-	-	-
Beach permits issued	6,769	6,605	6,660	6,646	6,671	6,806	-	-	-	-
Boat permits issued	183	191	188	202	-	-	-	-	-	-
Program registrations	3,787	2,730	2,895	3,125	2,619	2,511	-	-	-	-
Parks and Recreation:										
Summer camp registrations	400	430	489	645	-	-	-	-	-	-
Teen program registrations	1,226	1,231	1,343	1,354	-	-	-	-	-	-

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	3
Other public works:										
Streets (miles)	81	81	81	81	81	81	81	81	81	81
Streetlights	828	828	827	827	827	827	-	-	-	-
Traffic signals	12	11	11	10	10	10	-	-	-	-
Parks and recreation:										
Acreage	207	207	207	207	207	207	207	207	207	207
Parks	13	13	13	13	13	13	13	13	13	13
Tennis courts	10	10	10	10	10	10	11	11	11	11
Paddle tennis courts	5	5	5	5	-	-	-	-	-	-
Water:										
Fire hydrants	512	512	512	512	534	522	522	522	522	522
Wastewater:										
Sanitary sewers (miles)	79.2	79.2	79.2	79.2	79.0	77.0	75.0	75.0	75.0	75.0
Pump stations	14	14	14	14	14	13	13	13	13	13