

TOWN OF DARIEN, CONNECTICUT



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2013

Comprehensive Annual Financial Report

of the

**Town of Darien,
Connecticut**

Fiscal Year Ended June 30, 2013

**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 RENSRAW ROAD
DARIEN, CONNECTICUT 06820-5397
TELEPHONE (203) 656-7334
FAX (203) 656-7398



KATHLEEN CLARKE BUCH, CPFO
FINANCE DIRECTOR

February 20, 2014

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, 2013. 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 LLP as the Town's independent auditor for the year 2012-2013. In addition to meeting the requirements set forth in State Statutes, the audit is 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, by charter, has the right to transfer unexpended balances and to establish a transfer approval process. 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 6.4 percent compared to 8.1 and 7.6 for the state and nation. This is unchanged from a year ago and still trending lower than the state and nation.

Inflation in Darien was on par with 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. The value of local construction increased to \$129,300,000, up 2.6% over the previous year. A total of 806 building permits were issued. This is an increase from the prior year. The increase was from a mix of commercial and residential construction. Growth in Darien will continue to be stable or gradual, due to the limited amount of land available for development.

Property taxes comprise 92.8% of Town General Fund revenues and the current property tax collection rate remains strong at 99.5%. Delinquent collections also remain strong.

Intergovernmental revenues represent a small portion of Town revenues, reflecting only 2.3% 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 more than 4% for the period. School enrollment is expected increase over the next five years. The property tax mill rate enacted for 2013-2014, 13.17, represented an increase of 3.86% which was 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 above an appropriate level, 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 2012-2013 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 2012-2013, over \$400,000 was expended in these programs.

Sidewalks throughout the Town are replaced on an ongoing basis. In FY 2012-2013, over \$125,000 was spent on such projects.

School projects continued including replacement of grounds maintenance equipment, replacement of the Middlesex Middle School roof, resurfacing of tennis courts as well as some smaller projects. The combined cost of these projects is over \$290,000.

The Weed Beach and Police Station projects were completed during FY 2012-2013. Renovations of the Town owned building at 35 Leroy for Board of Education Central Offices were also completed in FY 2012-2013. Renovations of the space formerly occupied by the Board of Education at Town Hall to serve as a Community Center, with the Senior Center being the primary activity began in FY 2012-2013 and are

expected to be complete by the end of FY 2013-2014. The existing Senior Center is expected to be demolished when this project is complete. In May, 2013, the Representative Town Meeting approved funding to renovate tennis courts damaged by Storm Sandy. The RTM also approved funding for drainage projects.

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 twenty-one 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



Government Finance Officers Association

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, 2012

Executive Director/CEO

TOWN OF DARIEN
PRINCIPAL OFFICIALS
AS OF JUNE 30, 2013

BOARD OF SELECTMEN:

Jayne Stevenson, First Selectman
David F. Bayne
David M. Campbell
John Lundeen
Gerald A. Nielsen, Jr

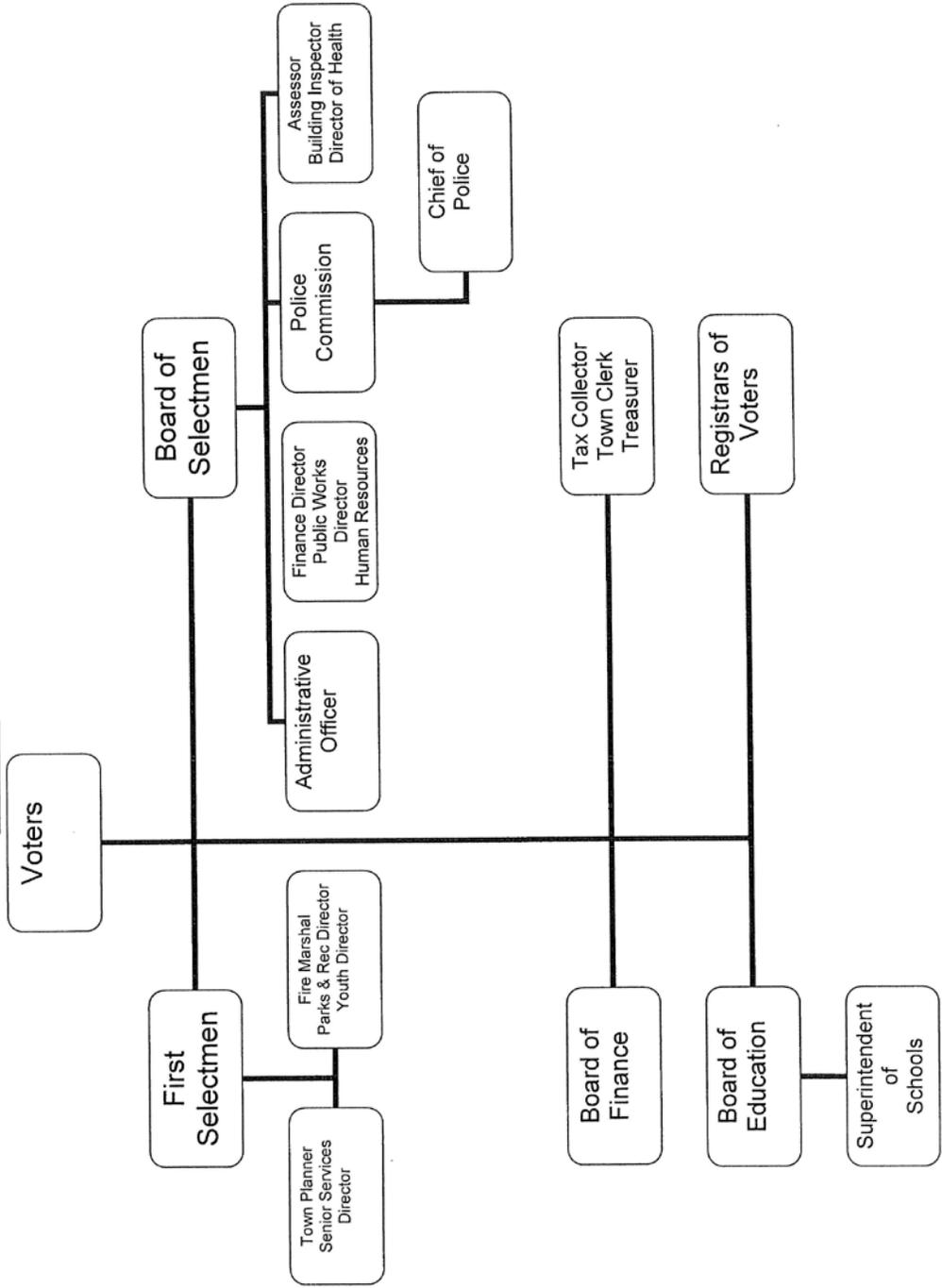
BOARD OF FINANCE:

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

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

Karl Kilduff
Kathleen Clarke Buch
Joan Hendrickson
Stephen Falcone
Robert Locke
Anthony Homicki
Donna E. Rajczewski

Town of Darien Organization Chart



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Financial Section



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 fiscal year ended June 30, 2013, and the related notes thereto which collectively comprise the Town's basic financial statements as listed in the table of content.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Darien, Connecticut as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 3–8, the schedules of funding progress and employer contributions on pages 59-61 and budgetary comparison information on pages 51-58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual fund financial statements and other schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2014 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive that reads "McGladrey LLP".

New Haven, Connecticut
February 20, 2014

Town of Darien, Connecticut
Management's Discussion and Analysis - unaudited
June 30, 2013
(In Thousands)

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, 2013. 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 position of our governmental activities increased by \$6,312 or 5%.
- During the year, the Town had expenses that were \$6,312 less than the \$141,604 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$135,292 with no new programs added this year.
- The General Fund reported a fund balance this year of \$19,473.
- The resources available for appropriation were \$179 less than budgeted for the General Fund. Expenditures were \$472 less than budgeted.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net position 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.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position 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 position and changes in net position. The Town's net position, 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 position 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 V and VI)* - 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 position increased from a year ago increasing from \$119,007 to \$125,351. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

Net Position (In Thousands)	2013	2012
Current assets	\$ 46,689	\$ 41,172
Capital assets, net of accumulated depreciation	184,708	184,458
Total assets	231,397	225,630
Long-term liabilities outstanding	94,025	102,202
Other liabilities	12,053	4,421
Total liabilities	106,078	106,623
Net Position:		
Net investment in capital assets	97,749	89,174
Restricted	1,469	5,594
Unrestricted	26,101	24,239
Total net position	\$ 125,319	\$ 119,007

Net position of the Town's governmental activities increased by 5%. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - changed from \$24,239 at June 30, 2012 to \$26,101 at the end of this year.

This change in unrestricted governmental net position resulted primarily because of continuing investments in capital assets. The Town's investment in capital assets is \$97,749. 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.

	<u>2013</u>	<u>2012</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 14,717	\$ 11,396
Operating Grants and Contributions	13,624	13,370
Capital Grants and Contributions	407	317
General Revenues:		
Property Taxes	111,719	106,666
Grants and Contributions not Restricted to Specific Purposes	241	332
Unrestricted Investment Earnings	211	848
Other General Revenues	685	420
Total revenues	<u>141,604</u>	<u>133,349</u>
Program Expenses:		
General Government	4,329	4,116
Community Environment	846	838
Public Safety, Health and Social Services	15,068	13,679
Library	3,264	3,186
Parks and Recreation	1,715	2,901
Public Works	6,444	7,143
Board of Education	97,796	94,266
Sewer Operations	3,065	2,739
Interest on Long-Term Debt	2,765	4,118
Total program expenses	<u>135,292</u>	<u>132,986</u>
Increase in net position	6,312	363
Net position – beginning	<u>119,007</u>	118,644
Net position - ending	<u>\$ 125,319</u>	<u>\$ 119,007</u>

The Town's total revenues (excluding special items) were \$141,604. The total cost of all programs and services was \$135,292. Our analysis below considers the operations of governmental activities.

Governmental Activities

Property taxes were 78.9% of revenues and charges for services accounted for 10.1%. Capital grants of \$407 were primarily grants from the State of Connecticut for school construction projects and infrastructure. Operating grants and contributions increased by 1.9%. The 2012-13 property tax collection rate was 99.5%. Charges for Services increased by \$3,321 or 29% due to increased tipping fees and beach permit fees. Intergovernmental revenue increased primarily due to increased operating 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 decreases in interest rates.

On the expense side, public works increase, primarily due to more storm related expenses compared to FY 2012. Education expenses continue to be the most significant component accounting for 72%. Board of Education increased because of increased enrollment, negotiated wage increases, increased medical expenses and increased Special Education expenses. Debt service increased slightly as a result of payment schedules from prior year debt issuances.

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	
	2013	2012	2013	2012
General government	\$ 4,329	\$ 4,116	\$ 2,193	\$ 2,614
Public safety	12,695	12,026	10,178	10,157
Public works	6,444	7,143	4,725	4,957
Education	97,796	94,266	82,146	78,830
Library	3,264	3,186	3,264	3,186

TOWN FUNDS FINANCIAL ANALYSIS

As the Town completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$28,949, which is a decrease from last year's total of \$31,345. The increases were even across most funds, with the largest component of the change in fund balance coming from the Capital Projects Fund. The Capital Projects Fund fund balance decreased by \$3,875.

In the Sewer Operations Fund, revenue from Sewer Service Charges was higher than anticipated in the budget. This is a result of two factors, rate increases and an increase in water usage, upon which the sewer fees are based. Operating expenditures were higher than budgeted due to an increase in legal fees. Revenues were as expected in the Sewer Assessment Fund, with advance payments of assessments returning to normal levels.

General Fund Budgetary Highlights

There were additional appropriations for the fiscal year ended June 30, 2013 in the amount of \$1,245. These were primarily for Education related capital expenses, including upgraded security systems. The additional appropriations also covered the Town's share of expenses related to damage caused by Super Storm Sandy. A contingency of \$564 was included in the original budget. This contingency covered items such as non-union wage increases and other unexpected expenses. The contingency was reduced from the prior year as there were no unsettled labor contracts.

Actual revenues were lower than budgetary estimates by approximately \$48. The budget assumed that \$1,100 of fund balance would be used to offset expenses, however that was not needed. Town Clerk fees were \$676 higher than budget, an indication of increased conveyance tax collections. Building Permit revenue was \$301 higher than budget due to increased construction in the area. Investment income was \$26 higher than budget, though reduced from the prior year. Other revenue accounts exceeded the budget estimates, such as Property Tax collections and Intergovernmental Revenue. Actual expenditures were less than budgetary estimates by \$471. The largest single contributor to this was the Board of Education budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the Town had \$184,708 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 increase (including additions and deductions) of \$250, or 1%, over last year.

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

	Governmental Activities	
	2013	2012
Land	\$ 11,277	\$ 11,277
Buildings	151,757	135,446
Land improvement	2,154	2,302
Machinery and equipment	5,978	5,825
Infrastructure	12,387	12,630
Construction in progress	1,155	16,978
Totals	\$ 184,708	\$ 184,458

The Town's fiscal-year 2013-14 capital budget calls for it to spend another \$2,344 for capital and/or non-recurring projects, principally for capital equipment and replacement. The Police Station Renovation and the Weed Beach Renovation projects have been completed and are the cause of the increase to building. More detailed information about the Town's capital assets is presented in Notes 1 and 4 to the financial statements.

Long-Term Debt

At June 30, 2013, the Town had \$91,499 in bonds and notes outstanding versus \$99,877 last year.

Debt decreased due to a refunding of over \$36 million in bonds and annual principal payments. Current year debt principal paid amounted to \$7,946.

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 \$749,266 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 7 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 2013 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 6.4% versus 6.0% a year ago. This compares with the State's unemployment rate of 8.4% and the national rate of 8.2%.

The increase in inflation in the Darien area was slightly less than the national Consumer Price Index (CPI). The Town's CPI increase was 1.6% for fiscal year 2012 while the average U.S. rate increase was 1.7%.

These indicators were taken into account when adopting the General Fund budget for 2012-13. Amounts available for appropriation in the General Fund budget are \$120,235, an increase of 4.5% over the final 2012 budget of \$115,112. Property taxes (benefiting from the 2012 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, 2014.

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.

Basic Financial Statements

STATEMENT OF NET POSITION
June 30, 2013

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 26,816,798
Investments	8,251,675
Receivables, net	7,445,314
Prepaid expenses	668,507
Restricted cash and cash equivalents	3,140,243
Net OPEB asset	365,896
Capital assets not being depreciated	12,432,004
Capital assets being depreciated, net of accumulated depreciation	<u>172,276,169</u>
Total assets	<u><u>231,396,606</u></u>
Liabilities	
Accounts and other payables	10,684,319
Accrued interest payable	1,257,394
Unearned revenue	111,546
Long-term liabilities:	
Due within one year	9,780,193
Due in more than one year	<u>84,244,631</u>
Total liabilities	<u><u>106,078,083</u></u>
Net Position	
Net Investment in capital assets	97,748,548
Restricted for:	
Social services	265,843
Public works	987,816
Education	180,499
Recreation	34,906
Unrestricted	<u>26,100,911</u>
Total Net Position	<u><u>\$ 125,318,523</u></u>

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

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ (4,329,147)	\$ 1,779,436	\$ 32,042	\$ 324,210	\$ (2,193,459)
Community environment	(846,170)	97,563	-	-	(748,607)
Public safety	(12,695,450)	2,517,330	-	-	(10,178,120)
Health and social services	(2,373,002)	664,719	149,057	-	(1,559,226)
Library	(3,263,537)	-	-	-	(3,263,537)
Parks and recreation	(1,714,722)	479,553	-	-	(1,235,169)
Public works	(6,443,731)	1,636,280	-	82,833	(4,724,618)
Board of Education	(97,796,212)	2,207,602	13,442,863	-	(82,145,747)
Sewer operations	(3,065,379)	5,334,916	-	-	2,269,537
Interest on long-term debt	(2,764,599)	-	-	-	(2,764,599)
Total primary government	\$ (135,291,949)	\$ 14,717,399	\$ 13,623,962	\$ 407,043	(106,543,545)
General revenues:					
Property taxes					111,718,502
Grants and contributions not restricted to specific programs					241,144
Unrestricted investment earnings					211,091
Miscellaneous					684,621
Total general revenues					112,855,358
Change in net position					6,311,813
Net position - beginning					119,006,710
Net position - ending					\$ 125,318,523

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

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

	General	Sewer Operating	Sewer Assessment	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 22,234,552	\$ 1,872,616	\$ 1,691,906	\$ -	\$ 4,157,967	\$ 29,957,041
Investments	5,334,370	2,555,085	-	-	362,220	8,251,675
Receivables, net	2,781,793	322,834	4,173,150	-	167,537	7,445,314
Due from other funds	2,811,199	2,338	-	9,527,545	16,214	12,357,296
Prepays	658,537	-	-	9,970	-	668,507
Total assets	\$ 33,820,451	\$ 4,752,873	\$ 5,865,056	\$ 9,537,515	\$ 4,703,938	\$ 58,679,833
Liabilities						
Accounts and other payables	\$ 3,761,393	\$ 52,709	\$ 42,844	\$ 6,218,231	\$ 365,952	\$ 10,441,129
Due to other funds	8,457,375	403,515	1,100,000	622,180	1,970,940	12,554,010
Deferred/unearned revenue	2,128,746	322,131	4,173,150	-	111,546	6,735,573
Total liabilities	14,347,514	778,355	5,315,994	6,840,411	2,448,438	29,730,712
Fund balances						
Nonspendable	658,537	-	-	9,970	-	668,507
Restricted	-	-	-	3,140,243	1,469,064	4,609,307
Committed	-	3,974,518	549,062	-	1,042,146	5,565,726
Assigned	1,410,002	-	-	-	-	1,410,002
Unassigned	17,404,398	-	-	(453,109)	(255,710)	16,695,579
Total fund balances	19,472,937	3,974,518	549,062	2,697,104	2,255,500	28,949,121
Total liabilities and fund balances	\$ 33,820,451	\$ 4,752,873	\$ 5,865,056	\$ 9,537,515	\$ 4,703,938	

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

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the Town as a whole.	184,708,173
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	6,624,027
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(89,591,261)
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 position.	(46,476)
Certain other liabilities reported in governmental activities are not due or payable in the current period, and therefore not reported in the funds:	
Net OPEB asset	352,135
Net pension asset	13,761
Bond premiums	(4,433,563)
Accrued interest payable.	(1,257,394)

Net position of governmental activities

\$ 125,318,523

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

(Continued)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2013

	General	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 112,058,320	\$ -	\$ -	\$ -	\$ -	\$ 112,058,320
Intergovernmental	13,371,459	-	-	4,017	1,483,460	14,858,936
Charges for services	5,253,930	3,514,594	681,138	-	3,766,318	13,215,980
Income on investments	176,012	27,255	5,936	517	1,371	211,091
Miscellaneous	499,757	-	-	99,973	84,892	684,622
Total revenues	131,359,478	3,541,849	687,074	104,507	5,336,041	141,028,949
EXPENDITURES						
Current:						
General government	2,948,259	-	-	-	2,513	2,950,772
Community environment	597,535	-	-	-	-	597,535
Public safety	8,100,967	-	-	-	852,276	8,953,243
Health and social services	1,181,351	-	-	-	35,183	1,216,534
Library	3,263,537	-	-	-	-	3,263,537
Parks and recreation	1,110,258	-	-	-	226,695	1,336,953
Public works	4,475,334	-	-	-	611,686	5,087,020
Board of Education	90,216,733	-	-	-	3,152,224	93,368,957
Sewer operations	-	3,065,379	-	-	-	3,065,379
General overhead	5,897,323	-	-	-	-	5,897,323
Capital outlay	-	-	-	6,984,389	-	6,984,389
Debt service	10,288,202	-	-	-	591,464	10,879,666
Total expenditures	128,079,499	3,065,379	-	6,984,389	5,472,041	143,601,308
Revenues over (under) expenditures	3,279,979	476,470	687,074	(6,879,882)	(136,000)	(2,572,359)
OTHER FINANCING SOURCES (USES)						
Transfers in	649,934	1,739	-	3,005,128	250,000	3,906,801
Transfers (out)	(2,993,270)	(53,807)	(550,000)	-	(309,724)	(3,906,801)
Issuance of refunding bonds	-	-	-	-	33,610,000	33,610,000
Payment to escrow agent	-	-	-	-	(36,511,842)	(36,511,842)
Bond premium	-	-	-	-	3,077,870	3,077,870
Total other financing sources (uses)	(2,343,336)	(52,068)	(550,000)	3,005,128	116,304	176,028
Change in fund balances	936,643	424,402	137,074	(3,874,754)	(19,696)	(2,396,331)
FUND BALANCES,						
beginning	18,536,294	3,550,116	411,988	6,571,858	2,275,196	31,345,452
FUND BALANCES, ending	\$ 19,472,937	\$ 3,974,518	\$ 549,062	\$ 2,697,104	\$ 2,255,500	\$ 28,949,121

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

TOWN OF DARIEN, CONNECTICUT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – GOVERNMENTAL FUNDS, CONTINUED**
 For the Year Ended June 30, 2013

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) \$ (2,396,331)

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	6,144,062
Loss on disposals	66,950
Depreciation expense	(5,960,364)

Change in net OPEB asset	(106,882)
Change in net pension asset	13,761

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

School building grant receipts	(224,553)
Property tax receivable - accrual basis change	(318,567)
Property tax interest and lien revenue - accrual basis change	(21,251)
Sewer use - accrual basis change	(98,420)
Sewer assessment receivable - accrual basis change	1,237,604

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 position. 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	(33,610,000)
Bond and note principal payments	43,180,820
Amortization of deferred charge on refunding	1,363,986
Amortization of premiums	(2,824,689)

The change in net position of certain activities of internal service fund is reported with governmental activities	(29,887)
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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
 funds:

Compensated absences	(113,351)
Claims and judgements	(313,641)
Retainage payable	493,643
Accrued interest	(171,077)

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 6,311,813</u>
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The notes to the financial statements are an integral part of this statement.

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2013

	Governmental Activities
	Internal Service Funds
	<u> </u>
ASSETS	
Receivables:	
Due from other funds	\$ 196,714
	<u> </u>
Total assets	196,714
	<u> </u>
LIABILITIES	
Current liabilities:	
Accounts payable	219,355
Claims incurred but not reported	23,835
	<u> </u>
Total liabilities	243,190
	<u> </u>
NET POSITION (DEFICIT)	
Unrestricted (deficit)	(46,476)
	<u> </u>
Total net position (deficit)	\$ (46,476)
	<u> </u>

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (DEFICIT) -
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2013**

	Governmental Activities
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 131,059
Total operating revenues	<u>131,059</u>
OPERATING EXPENSES	
Salaries, benefits and claims	160,946
Total operating expenses	<u>160,946</u>
Operating loss	(29,887)
NET POSITION (DEFICIT), beginning	<u>(16,589)</u>
NET POSITION (DEFICIT), ending	<u>\$ (46,476)</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, 2013

	Governmental Activities
	Internal Service Funds
	<u> </u>
Cash Flows From Operating Activities	
Cash received from charges for services	\$ 131,059
Cash paid to vendors and beneficiaries	(131,059)
Net cash provided by operating activities	<u> </u>
	-
Net increase in cash and cash equivalents	-
 Cash and Cash Equivalents	
Beginning	<u> </u>
	-
Ending	<u><u>\$ -</u></u>
 Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	\$ (29,887)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in due from other funds	(99,377)
Increase in accounts payable	219,355
Increase in claims incurred but not reported	13,435
Decrease in due to other funds	(103,526)
Net cash provided by operating activities	<u><u>\$ -</u></u>

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

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
June 30, 2013

	Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 395,146	\$ 400,258
Investments:		
Equity securities	54,504,109	-
Fixed income funds	40,725,525	-
Receivables:		
Interest and dividends	15,527	-
Total assets	<u>95,640,307</u>	<u>400,258</u>
LIABILITIES		
Accounts and other payables	<u>93,817</u>	<u>400,258</u>
NET POSITION		
Held in trust for pension benefits and other postemployment benefits	<u>\$ 95,546,490</u>	<u>\$ -</u>

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

COMBINED STATEMENT OF CHANGES IN PLAN NET POSITION
For the Year Ended June 30, 2013

	Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 3,418,020
Plan members	1,228,506
Total contributions	<u>4,646,526</u>
Investment Income	
Net appreciation in fair value of investments	12,115,257
Interest and dividends	1,802,964
Other	9,776
Net investment income	<u>13,927,997</u>
Total additions	<u>18,574,523</u>
DEDUCTIONS	
Benefits	4,395,315
Administration	411,528
Other	3,226
	<u>4,810,069</u>
Change in net position	13,764,454
NET POSITION	
Beginning of year	<u>81,782,036</u>
End of year	<u>\$ 95,546,490</u>

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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.

The Town adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, in the current year. The adoption of this Statement changed the presentation of the basic financial statements to a statement of net position format.

The Town also adopted GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that are included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. GASB 62 does not have any impact on the Town's financial statements

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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.

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 and report the proceeds of specific revenue sources that are restricted or committed for expenditure for specific activities other than debt service or capital projects.

Capital Project Funds account for and report all financial resources that are restricted, committed or assigned to expenditure for capital outlay.

The *Debt Service Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

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.

Proprietary Fund

Additionally, the Town reports the following proprietary 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 proprietary fund and fiduciary fund financial statements (except for agency funds which have no measurement focus). Revenues are recorded when

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

earned and expenses are recorded 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 is a special revenue fund. It accounts for the revenues collected by the Town and expenditures related to the Town's Sanitary Sewer System.

The Sewer Assessment Fund is a special revenue fund. It 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 Proprietary and Fiduciary funds:

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 *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.

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.

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.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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.

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 2.

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

Interfunds

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."

Property Taxes

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 \$113,000 has been established as an allowance for uncollectible taxes. At June 30, 2013, this represents approximately 6% of all property taxes receivable. All trade and property tax receivables are reported net of an allowance for uncollectibles.

Restricted Assets

The restricted assets for the Town are restricted for capital project purposes.

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.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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

Capital outlay (assets) are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

Allowance for Doubtful Accounts

Accounts receivable including property taxes receivable for the primary government are reported net of an allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the creditor's ability to pay.

Compensated Absences

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

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 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.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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 the lower of 1.25 times the number of years employed times the employee's daily pay or the employee's accumulated sick leave balance. The Town accrued the amount that is probable for payment.

Compensated absences are accrued when incurred in the government-wide financial statements. No expenditure is reported in the governmental funds for these amounts until the payment is made.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service funds are charges to other funds for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 position. 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. Principal payments 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 and Governmental Activities:

In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. 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. The pension obligation (asset) is recorded as a noncurrent liability (asset) in the government-wide financial statements.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Funding Policy:

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

Other Post-Employment Benefit Obligations (OPEB) accounting

OPEB Trust:

Employer contributions are recognized in the period in which the contributions are due, and the Town has made a formal commitment to provide the contributions. Employees began contributing on July 1, 2008.

Governmental Funds and Governmental Activities:

In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the Town's contributions to the plan since July 1, 2008, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation (OPEB) is recorded as a noncurrent liability in the government-wide financial statements.

Funding Policy:

The Town makes annual contributions based on management's decisions, taking into account the latest actuarial valuation.

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.

Net position

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

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. 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 Position – These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Unrestricted Net Position – This category represents the net position 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, 2013

Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). In the governmental fund financial statements, the Town reported the following governmental fund balances:

- Nonspendable Fund Balance – These amounts cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.
- Restricted Fund Balance – These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Darien Representative Town Meeting). The Town of Darien Representative Town Meeting is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.
- Assigned Fund Balance – Amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Town of Darien Representative Town Meeting has by resolution authorized the finance director to assign fund balance. The Board of Finance may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or review a commitment.
- Unassigned Fund Balance – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

Note 2. 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."

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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 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*, \$25,160,830 of the Town's bank balance of \$25,622,184 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 20,865,354
Collateralized, held by banks	<u>4,295,476</u>
Total amount subject to custodial credit risk	<u><u>\$ 25,160,830</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, 2013

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, 2013 the Town's cash equivalents amounted to \$461,353. 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, 2013 in all funds are as follows:

	<u>Fair Value</u>
Common stock - trust funds	\$ 54,504,109
Fixed income funds fund account:	
Trust funds	40,725,525
Governmental funds - certificates of deposit	<u>8,251,675</u>
Total	<u><u>\$ 103,481,309</u></u>

Interest Rate Risk – The Town's and trust funds' 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 and Trust Funds have an investment policy that allows the same type of investments as the State Statutes.

Concentration of Credit Risk – The Town's and Trust Fund'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.

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.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

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

Type of Investment	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Fixed income funds	\$ 40,725,525	\$ 2,436,198	\$ 16,909,519	\$ 6,928,201	\$ 14,451,607
Certificate of deposits	8,251,675	7,741,260	510,415	-	-
Pooled fixed income	461,353	461,353	-	-	-

Average Rating	Fixed Income Funds	Pooled Fixed Income	Certificate of Deposits	Common Stock
AAA	\$ 27,482,392	\$ 461,353	\$ -	\$ -
AA	1,357,683	-	-	-
A	4,351,960	-	-	-
BBB	4,432,539	-	-	-
Unrated	3,100,951	-	8,251,675	54,504,109
	<u>\$ 40,725,525</u>	<u>\$ 461,353</u>	<u>\$ 8,251,675</u>	<u>\$ 54,504,109</u>

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, 2013, the Town had \$54,504,109 worth of uninsured common stock that was held by the Wells Fargo or by its trust department or agent that was in the Trust's name.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 3. 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	\$ 708,336	\$ -	\$ -	\$ -	\$ -	\$ 708,336
Taxes	1,325,137	291,939	-	-	-	1,617,076
Accounts	300,121	-	-	-	167,238	467,359
Special assessments	-	-	4,173,150	-	-	4,173,150
Intergovernmental	551,849	-	-	-	299	552,148
Interest receivable	-	30,192	-	-	-	30,192
Investment income	9,024	703	-	-	-	9,727
Gross receivables	2,894,467	322,834	4,173,150	-	167,537	7,557,988
Less allowance for property tax uncollectibles	(112,674)	-	-	-	-	(112,674)
Net Receivables	\$ 2,781,793	\$ 322,834	\$ 4,173,150	\$ -	\$ 167,537	\$ 7,445,314

Note 4. Deferred Revenue/Unearned Revenue

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:

	Unavailable	Unearned
Delinquent property taxes	\$ 1,013,423	\$ -
Interest and delinquent property tax	687,818	-
Special assessments not yet due	4,173,150	-
Grant drawdowns prior to meeting all eligibility requirements	-	-
School building grants	427,505	-
Sewer use receivables	291,939	-
Interest on sewer use	30,192	-
Fees collected in advance	-	111,546
Total deferred/unearned revenue for governmental funds	\$ 6,624,027	\$ 111,546

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Total
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 11,276,777	\$ -	\$ -	\$ -	\$ 11,276,777
Construction in progress	16,977,967	612,915	-	(16,435,655)	1,155,227
Total capital assets not being depreciated	28,254,744	612,915	-	(16,435,655)	12,432,004
Capital assets being depreciated:					
Buildings	190,429,911	4,677,361	-	16,185,869	211,293,141
Land improvements	4,089,674	-	-	-	4,089,674
Machinery and equipment	12,978,493	845,017	441,180	11,728	14,276,418
Infrastructure	37,961,063	8,769	-	238,058	38,207,890
Total capital assets being depreciated	245,459,141	5,531,147	441,180	16,435,655	267,867,123
Less accumulated depreciation for:					
Buildings	54,983,587	4,552,531	-	-	59,536,118
Land improvements	1,787,883	148,208	-	-	1,936,091
Machinery and equipment	7,153,626	770,399	374,230	-	8,298,255
Infrastructure	25,331,264	489,226	-	-	25,820,490
Total accumulated depreciation	89,256,360	5,960,364	374,230	-	95,590,954
Total capital assets being depreciated, net	156,202,781	(429,217)	66,950	16,435,655	172,276,169
Governmental Activities Capital Assets, Net	\$ 184,457,525	\$ 183,698	\$ 66,950	\$ -	\$ 184,708,173

Depreciation expense was charged to functions/programs as follows:

General government	\$ 222,342
Community environment	23,287
Public safety	415,750
Health and social services	765,104
Parks and recreation	159
Public works	135,204
Education	4,398,518
Total depreciation expense - governmental activities	<u>\$ 5,960,364</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Construction Commitments

The Town has active construction projects as of June 30, 2013. A summary of capital projects is as follows:

Project	PROJECT EXPENDITURES							
	Additions Deletions	Total Project Authorization	2012-2013	Prior Year Cumulative	Current Year Cumulative	Encumbrances	Balance	
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	898	6,892,772	6,893,670	-	2,621,330
Sewer Capital	154,889	-	154,889	25,799	59,799	85,598	-	69,291
High School Building	75,799,440	-	75,799,440	-	74,994,974	74,994,974	-	804,466
Capital Non-Recurring Expenditures	15,685,528	-	15,685,528	1,584,092	8,696,062	10,280,154	727,442	4,677,932
Parking Capital	1,096,193	-	1,096,193	30,987	431,861	462,848	145,780	487,565
35 Leroy	4,125,000	-	4,125,000	-	3,909,979	3,909,979	-	215,021
Weed Beach	3,600,000	-	3,600,000	112,818	3,017,823	3,130,641	5,727	463,632
Police Station Addition	17,680,000	-	17,680,000	1,320,464	14,592,951	15,913,415	-	1,766,585
Tokeneke School Building	23,170,000	-	23,170,000	-	22,717,899	22,717,899	-	452,101
35 Leroy/Mather Center Weed Beach	6,979,000	-	6,979,000	3,196,103	384,778	3,580,881	271,983	3,126,136
Tennis Courts	-	460,000	460,000	-	-	-	459,542	458
Intervale Rd Drainage	-	1,500,000	1,500,000	-	-	-	-	1,500,000

Note 6. Interfund Receivables, Payables and Transfers

Individual fund interfund receivable and payable balances at June 30, 2013 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 2,811,199	\$ 8,457,375
Sewer Operating	2,338	403,515
Sewer Assessment	-	1,100,000
Capital Projects	9,527,545	622,180
Non-Major Governmental Funds	16,214	1,970,940
Internal Service Fund	196,714	-
Total	\$ 12,554,010	\$ 12,554,010

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, 2013

Interfund transfers during the year ended June 30, 2013 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 649,934	\$ 2,993,270
Sewer Operating Fund	1,739	53,807
Sewer Assessment Fund	-	550,000
Capital Projects	3,005,128	-
Non-Major Governmental Funds	250,000	309,724
Total	\$ 3,906,801	\$ 3,906,801

Transfers are used to account for unrestricted revenues collected mainly in the General Fund to finance various programs and operations 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 was \$376,363 for the year ended June 30, 2013. These leases are cancelable at any time before the expiration date of the year 2018. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2014	\$ 374,527
2015	374,527
2016	331,844
2017	319,841
2018	9,204
Total	<u>\$ 1,409,943</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 8. Long-Term Debt

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 98,585,000	\$ 33,610,000	\$ (43,135,000)	\$ 89,060,000	\$ 7,975,000
Clean water notes	420,273	-	(45,820)	374,453	46,745
Less deferred amounts on refunding bonds	(989,279)	(1,625,000)	261,014	(2,353,265)	-
Premium	1,608,874	3,077,870	(253,181)	4,433,563	-
Total bonds and notes payable	99,624,868	35,062,870	(43,172,987)	91,514,751	8,021,745
Compensated absences	1,969,576	1,531,517	(1,418,166)	2,082,927	1,331,302
Claims and judgements	-	313,641	-	313,641	313,641
Retainage payable	607,148	113,505	(607,148)	113,505	113,505
Total Governmental Activities Long-Term Liabilities	\$ 102,201,592	\$ 37,021,533	\$ (45,198,301)	\$ 94,024,824	\$ 9,780,193

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Bonds and notes outstanding by issue at June 30, 2013 were:

Description	Year of Maturity	Interest Rate (%)	Balance Outstanding June 30, 2013
General Obligation Bonds:			
DHS & Tokeneke	2028	3.25-5.00	\$ 1,862,500
Library	2028	3.25-5.00	87,500
Refunding 2009	2018	2.00-5.00	12,745,000
DHS 2010	2028	2.39	3,422,000
Police Station 2010	2020	2.39	228,000
Refunding 2010	2020	2.55	9,046,000
PD/35 Leroy 2011	2024	2.75	10,885,000
PD/35 Leroy 2012	2027	2.52	13,230,000
Refunding 2012	2027	1.7-5.0	32,046,000
Total general obligation bonds			<u>83,552,000</u>
Special Assessment Debt with Town Commitment:			
Refunding 2009	2018	2.00-5.00	815,000
Refunding 2010	2020	2.55	1,939,000
Goodwives River Road 2011	2024	2.75	1,115,000
Goodwives River Road 2012	2027	2.52	770,000
Refunding 2012	2027	1.7-5.0	869,000
Total special assessment debt with town commitment			<u>5,508,000</u>
Total bonds			<u>89,060,000</u>
State Loans:			
Clean Water	2022	2.00	374,454
Total state loans			<u>374,454</u>
Total bonds and notes outstanding			<u>\$ 89,434,454</u>

During fiscal year 2013, principal and interest payments were funded principally by the General Fund. The Sewer Operating Fund and Sewer Assessment Fund reimbursed the General Fund \$53,807 and \$550,000, 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, 2013

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 \$427,505 and interest subsidies of \$29,558 will be received over the life of the outstanding debt.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 8,021,745	\$ 2,968,637
2015	8,272,688	2,717,856
2016	8,603,651	2,387,881
2017	8,959,633	2,032,880
2018	8,725,634	1,706,129
2019-2023	35,701,103	4,280,464
2024-2028	11,150,000	723,781
Total	<u>\$ 89,434,454</u>	<u>\$ 16,817,628</u>

Authorized Unissued Bonds

At June 30, 2013, the Town had \$2,200,000 of authorized, unissued bonds for sewer line extension projects, \$12,686 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, \$1,875,000 for the Police Station Project, \$1,000,000 for the Weed Beach Project, \$3,479,000 for the 35L/MCC project, \$460,000 for the Weed Beach Tennis Court project, and \$1,600,000 for the Intervale Drainage project. The Darien High School and Tokeneke Elementary School Projects are partially offset by State of Connecticut grants.

Debt Limit

The Town's total indebtedness does not exceed the limit of \$ 784,105,000 allowed by State Statute.

2012 General Obligation Bond – In-Substance Defeasance

On August 7, 2012, the Town issued \$33,610,000 of general obligation refunding bonds with interest rates ranging from 1.22% to 5.00% of which the proceeds were used to advance refund portions of the outstanding principal amounts of the general obligation bond of the Town dated July 6, 2005 and January 15, 2008 (the "Refunding Bonds"). Total proceeds of \$36,511,842 include \$3,078,000 net original issue premium and payment of \$176,000 in underwriters fees and other costs to arrive at net proceeds of \$33,511,000, which was placed in an irrevocable trust fund under an Escrow Agreement dated August 2012 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$ 4,129,878, and a cash savings of \$ 4,574,204 between the old debt payments and the new debt payments.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

The balance in the escrow was approximately \$9,393,000 at June 30, 2013. The balance of the defeased bonds was approximately \$8,775,000 at June 30, 2013. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

Prior Year Refundings

In prior 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, 2013, \$3,900,000 of the defeased debt is outstanding.

Compensated Absences

The liability for compensated absences increased by \$113,351 this year. These liabilities will be paid by the General Fund, Sewer Operating Fund, and Parking Operations 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, 2013, 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 CIRMA 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 2012/13 was \$1,142,716. The premium is subject to payroll audit at the close of the coverage period. CIRMA'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 \$37,569 reported at June 30, 2013 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 claims liability of \$26,269 and \$11,300 are reported in the General Fund and Internal Service Fund, respectively. 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, 2013

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,
2011-2012	\$ 43,721	\$ 2,830,422	\$ 2,831,129	\$ 43,014
2012-2013	43,014	2,152,232	2,157,677	37,569

Note 10. 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 these Plans.

Membership in the Plans consisted of the following at June 30, 2012, the date of the latest actuarial valuation:

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program
Plan memberships:		
Retirees and surviving spouses	19	58
Active plan members	46	553
Total participants	<u>65</u>	<u>611</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, 2013

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 asset 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)	\$ 424,706	\$ 361,200
Interest on net OPEB obligation	(34,426)	-
Adjustment to annual required contribution	46,398	-
Annual OPEB cost	436,678	361,200
Contributions made	329,796	361,200
Decrease in net OPEB asset	106,882	-
Net OPEB (asset), beginning of year	(459,017)	-
Net OPEB (asset), end of year	<u>\$ (352,135)</u>	<u>\$ -</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, 2013, 2012 and 2011 are presented below.

Police

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/13	\$ 436,678	\$ 329,796	75.52%	\$ (352,135)
6/30/12	543,919	429,569	78.98%	(459,017)
6/30/11	523,430	405,871	77.54%	(573,367)

Non-Police

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/13	\$ 361,200	\$ 361,200	100.00%	\$ -
6/30/12	452,050	452,050	100.00%	-
6/30/11	400,011	303,578	75.89%	-

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

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						
06/30/11	\$ 2,133,971	\$ 4,780,656	\$ 2,646,685	44.6%	\$ 3,818,581	69.31%
Non-Police						
06/30/11	\$ 1,136,257	\$ 3,606,158	\$ 2,469,901	31.5%	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	June 30, 2011	June 30, 2011
Actuarial cost method	Aggregate	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%
Inflation rate	5%	5%
<u>Health Care Trend</u>	<u>Increase</u>	<u>Increase</u>
2012-2013	10.0%	10.0%
2013-2014	9.0%	9.0%
2014-2015	8.0%	8.0%
2015-2016	7.0%	7.0%
2016-2017	6.0%	6.0%
2017-2018 and later	5.0%	5.0%

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

The Aggregate Actuarial Cost Method is used to determine the annual required contributions (ARC) of the Town for the Police Plan. Because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status is prepared using the Projected Unit Credit Cost Method.

Note 11. 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 June 30, 2011 (date of the last valuation), membership in the Town Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	150
Terminated members entitled to benefits but not yet receiving them	11
Current active members	<u>349</u>
Total	<u><u>510</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 June 30, 2011, membership in the Police Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	54
Current active members	<u>51</u>
Total	<u><u>105</u></u>

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.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

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.

Schedule of Funding Progress

Town						
Actuarial Valuation Date June 30,	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)
2011	\$ 38,173,965	\$ 44,995,779	\$ 6,821,814	84.84%	\$ 16,875,651	40.4%

Police						
Actuarial Valuation Date June 30,	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)
2011	\$ 27,839,876	\$ 34,662,756	\$ 6,822,880	80.32%	\$ 4,135,601	165.0%

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.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Schedule of Employer Contributions

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	June 30, 2011
Actuarial cost method	Aggregate (Entry Age method used for Schedule of Funding Progress)
Asset valuation method	5 Years smoothed market
Actuarial assumptions:	
Rate of return	7.5%
Projected salary increases	4.5%
Inflation rate	None
COLA	None

The Aggregate Actuarial Cost Method is used to determine the annual required contributions (ARC) of the Town for the pension plans. Because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status is prepared using the Entry Age Method.

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)	\$ 1,593,296	\$ 1,119,967
Adjustment to annual required contribution	-	-
Annual pension cost	1,593,296	1,119,967
Contributions made	1,601,430	1,125,594
Decrease in net pension asset	(8,134)	(5,627)
Net pension obligation (asset), beginning of year	-	-
Net pension asset, end of year	<u>\$ (8,134)</u>	<u>\$ (5,627)</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Trend Information

Town			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2013	\$ 1,593,296	100.5%	\$ (8,134)
2012	1,671,289	100.0%	-
2011	1,515,023	100.0%	-

Police			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2013	\$ 1,119,967	100.5%	\$ (5,627)
2012	1,133,728	100.0%	-
2011	1,027,782	100.0%	-

Separate Plan Financial Information

Schedule of Plan Net Position - Trust Funds
 For the Year Ended June 30, 2013

	Police	Town	Police Retiree Medical Reserve	Non-Police Retiree Benefit	Total Trust Funds
Assets:					
Cash and cash equivalents	\$ -	\$ 168,888	\$ 93,225	\$ 133,033	\$ 395,146
Investments, at fair value:					
Equity securities	22,691,434	31,812,675	-	-	54,504,109
Fixed income funds	15,202,340	21,306,477	2,514,891	1,701,817	40,725,525
Receivables:					
Investment income	7,147	8,376	1	3	15,527
Total assets	37,900,921	53,296,416	2,608,117	1,834,853	95,640,307
Liabilities:					
Accounts payable	65,676	28,141	-	-	93,817
Total liabilities	65,676	28,141	-	-	93,817
Net Position:					
Net position held in trust	\$ 37,835,245	\$ 53,268,275	\$ 2,608,117	\$ 1,834,853	\$ 95,546,490

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Schedule of Changes in Plan Net Position - Trust Funds
For the Year Ended June 30, 2013

	Police	Town	Police Retiree Medical Benefit	Non-Police Retiree Benefit	Total Trust Funds
Additions:					
Contributions:					
Employer	\$ 1,125,594	\$ 1,601,430	\$ 329,796	\$ 361,200	\$ 3,418,020
Plan members	284,080	944,426	-	-	1,228,506
Total contributions	1,409,674	2,545,856	329,796	361,200	4,646,526
Investment income:					
Net appreciation in fair value investments	4,908,736	6,834,588	170,926	201,007	12,115,257
Interest and dividends	726,858	1,015,883	31,808	28,415	1,802,964
Other Income		9,776	-	-	9,776
Total investment income	5,635,594	7,860,247	202,734	229,422	13,927,997
Total additions	7,045,268	10,406,103	532,530	590,622	18,574,523
Deductions:					
Benefits	1,673,791	2,176,432	286,428	258,664	4,395,315
Administration	170,629	231,751	3,790	5,358	411,528
Other	3,226	-	-	-	3,226
Total deductions	1,847,646	2,408,183	290,218	264,022	4,810,069
Net increase	5,197,622	7,997,920	242,312	326,600	13,764,454
Net position, beginning of year	32,637,623	45,270,355	2,365,805	1,508,253	81,782,036
Net position, end of year	\$ 37,835,245	\$ 53,268,275	\$ 2,608,117	\$ 1,834,853	\$ 95,546,490

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 \$8,520,000.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

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, 2013, the Town has recorded in the General Fund intergovernmental revenue schools and Board of Education expenditures in the amount of \$8,520,000 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 12. 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.

Various litigation, principally involving claims for personal injury and contested tax assessment, is pending against the Town. For certain cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the government-wide statement of approximately \$313,641. Based upon the advice of the Town Counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the Town.

Note 13. Fund Deficits

The following fund had fund deficits as of June 30, 2013:

Cafeteria	\$	4,283
Storm Recovery Fund		251,427
Internal Service Funds		46,476

The internal Service Funds will be funded in future years from increased premiums in accordance with the Town's plan to reduce such deficit.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 14. Fund Balances

Below is a table of fund balance categories and classifications as defined by GASB No. 54 for the Town's governmental funds as of June 30, 2013:

	General Fund	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor Governmental Funds
Fund balances:					
Non-spendable:					
Prepays	\$ 658,537	\$ -	\$ -	\$ 9,970	\$ -
Total non-spendable	658,537	-	-	9,970	-
Restricted:					
Social services	-	-	-	-	265,843
Public works	-	-	-	-	987,816
Education	-	-	-	-	180,499
Recreation	-	-	-	-	34,906
Capital outlay	-	-	-	3,140,243	-
Total restricted	-	-	-	3,140,243	1,469,064
Committed:					
Public safety	-	-	-	-	486,045
Public works	-	3,974,518	549,062	-	-
Public health and social services	-	-	-	-	362,234
Capital outlay	-	-	-	-	1,350
Debt service	-	-	-	-	192,517
Total committed	-	3,974,518	549,062	-	1,042,146
Assigned:					
General government	1,045,531	-	-	-	-
Public safety	28,431	-	-	-	-
Public works	166,121	-	-	-	-
Education	100,000	-	-	-	-
Capital outlay	69,919	-	-	-	-
Total assigned	1,410,002	-	-	-	-
Unassigned:					
General government	17,404,398	-	-	-	-
Capital outlay	-	-	-	(453,109)	(255,710)
Total unassigned	17,404,398	-	-	(453,109)	(255,710)
Total fund balances	\$ 19,472,937	\$ 3,974,518	\$ 549,062	\$ 2,697,104	\$ 2,255,500

Significant encumbrances at June 30, 2013 are contained in the above table in the assigned categories of the General Fund.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 15. Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates 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:

- **GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities***, clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, GASB 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, GASB 65 recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources. The provisions of this Statement are effective for periods beginning after December 15, 2012, and would be applied on a prospective basis. Early adoption is encouraged
- **GASB Statement No. 66, *Technical Corrections - 2012***, enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. GASB 66 amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state or local government's risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (a) operating lease payments that vary from a straight-line basis; (b) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (c) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement are effective for periods beginning after December 15, 2012, and would be applied on a prospective basis. Early adoption is encouraged.
- **GASB Statement No. 67, *Financial Reporting for Pension Plans an amendment of GASB Statement No. 25***, was issued in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2014.

- **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27***, was issued in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2015.
- **GASB Statement No. 69, *Government Combinations and Disposals of Government Operations***, was issued in January 2013. This Statement provides guidance for:
 - Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations.
 - Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations.
 - Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based on their acquisition values in a government acquisition.
 - Reporting the disposal of government operations that have been transferred or sold.

The requirements of this Statement are effective for periods beginning after December 15, 2013, and should be applied on a prospective basis.

- **GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees***. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.
- **GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68***. The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The provisions of this Statement are effective for reporting periods beginning after June 15, 2014.

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**Required Supplementary
Information**

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

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

(NON-GAAP BUDGETARY BASIS)

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Property taxes:				
Property taxes current	\$ 110,858,573	\$ 110,858,573	\$ 110,868,836	\$ 10,263
Property taxes prior	400,000	400,000	626,263	226,263
Suspense tax collections	1,000	1,000	2,297	1,297
Telecommunication property tax	70,000	70,000	59,824	(10,176)
Interest and liens	250,000	250,000	501,100	251,100
Total property taxes	111,579,573	111,579,573	112,058,320	478,747
Licenses and permits:				
Tourist camp permits	-	-	50	50
Town clerks' revenue	1,100,000	1,100,000	1,776,358	676,358
Building permits	900,000	900,000	1,201,346	301,346
Plumbing permits	400	400	680	280
Heating permits	20,000	20,000	39,140	19,140
Electrical permits	35,000	35,000	46,670	11,670
Other building permits	500	500	1,582	1,082
Amusement/raffle/baz	400	400	225	(175)
Peddler and vendor's	200	200	390	190
Pistol permits	2,000	2,000	5,040	3,040
Other non-business permits	500	500	370	(130)
Dog licenses	5,000	5,000	6,862	1,862
Fire Marshal's	7,500	7,500	9,993	2,493
Refuse disposal permits	250,000	250,000	273,025	23,025
Street opening permits	10,000	10,000	13,200	3,200
Food establishment	60,000	60,000	70,689	10,689
Pool permits	6,000	6,000	5,650	(350)
Salon permits	3,000	3,000	2,800	(200)
Private sewage disposals	30,000	30,000	27,355	(2,645)
Water supply permits	5,000	5,000	3,550	(1,450)
Other health permits	1,000	1,000	1,055	55
Total licenses and permits	2,436,500	2,436,500	3,486,030	1,049,530
Intergovernmental:				
Capital improvement grant	109,397	109,397	111,835	2,438
State grant misc	40,000	40,000	212,375	172,375
Housing Authority	-	-	64,272	64,272
Taxes on State-owned land	114,722	114,722	100,116	(14,606)
Pequot distribution	7,915	7,915	7,653	(262)
Disabled persons	100	100	208	108
Circuit breaker	61,000	61,000	65,130	4,130
Elderly tax exemption	2,000	2,000	2,000	-
Veterans' exemption	1,700	1,700	1,765	65

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
(NON-GAAP BUDGETARY BASIS), Continued
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Intergovernmental:				
Court fines	20,000	20,000	32,042	12,042
Infrastructure - Town Aid/LOCIP	166,082	166,082	56,121	(109,961)
Emergency Storm Damage	-	-	22,695	22,695
State school reimbursement	253,138	253,138	253,138	-
Education cost-sharing grant	1,616,006	1,616,006	1,732,977	116,971
Transportation	324	324	295	(29)
Total intergovernmental	2,392,384	2,392,384	2,662,622	270,238
Charges for services:				
Channel 79 fees	1,200	1,200	3,027	1,827
Sale of codes, regulations, etc.	1,000	1,000	1,446	446
ARB fees	1,800	1,800	1,468	(332)
GIS Fees	100	100	-	(100)
Planning and zoning application	53,794	53,794	60,540	6,746
ZBA application fees	16,610	16,610	19,050	2,440
EPC fees	15,048	15,048	16,505	1,457
Other charges	10,000	10,000	20,691	10,691
Fingerprinting fee	1,200	1,200	1,330	130
Service for Sewer	55,000	55,000	55,000	-
Freon Dumping fee	6,000	6,000	7,570	1,570
Refuse fee	490,000	490,000	584,519	94,519
Service for parking	85,014	85,014	85,014	-
Parking vouchers	19,000	19,000	41,407	22,407
Parking permits	165,000	165,000	134,180	(30,820)
Senior Center Food Program	25,012	25,012	24,942	(70)
Senior Center Program Revenue	12,000	12,000	10,983	(1,017)
Youth Commission fee	197,430	197,430	192,016	(5,414)
Beach parking permits	240,000	240,000	255,840	15,840
Boat permits	7,800	7,800	6,605	(1,195)
Paddle court	37,890	37,890	51,976	14,086
Parks and Recreation other fees	120,000	120,000	140,172	20,172
Park Facility permit	15,000	15,000	18,875	3,875
Tennis court	1,000	1,000	435	(565)
Total charges for services	1,576,898	1,576,898	1,733,591	156,693

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

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

(NON-GAAP BUDGETARY BASIS), Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Fines and forfeits	29,400	29,400	34,305	4,905
Investment Income	150,000	150,000	176,012	26,012
Miscellaneous:				
Metro mobile rent	120,000	120,000	134,140	14,140
Misc. other revenue	10,000	10,000	16,482	6,482
Coin operated xerox	16,000	16,000	21,818	5,818
Sale of compost	8,000	8,000	11,079	3,079
Sale of recyclables	20,000	20,000	23,401	3,401
Sale of scrap metal	60,000	60,000	70,158	10,158
Rent-Town Hall	25,000	25,000	41,010	16,010
Rent Community Fund	4,625	4,625	4,807	182
Commission on Aging	47,349	47,349	51,740	4,391
Paddle Court Rent	-	-	2,350	2,350
Insurance recoveries	20,000	20,000	122,776	102,776
Total miscellaneous	330,974	330,974	499,761	168,787
Total revenues	118,495,729	118,495,729	120,650,641	2,154,912
Other financing sources:				
Transfers in:				
Sewer Assessment Fund	550,000	550,000	550,000	-
Sewer Operating Funds	53,807	53,807	53,807	-
Other Funds	35,000	35,000	46,127	11,127
Total transfers in	638,807	638,807	649,934	11,127

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

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

(NON-GAAP BUDGETARY BASIS), Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Appropriation of fund balance	1,100,000	2,344,733		(2,344,733)
Total other financing sources	1,738,807	2,983,540	649,934	(2,333,606)
Total revenues and other financing sources	<u>\$ 120,234,536</u>	<u>\$ 121,479,269</u>	121,300,575	<u>\$ (178,694)</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.

8,520,000

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.

2,188,837

**Total Revenues and Other Financing Sources as Reported
on the Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds - Exhibit IV.**

\$ 132,009,412

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

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

(NON-GAAP BUDGETARY BASIS)

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government:				
Selectmen's office	\$ 163,286	\$ 161,493	\$ 160,842	\$ 651
Administrative Officer	343,646	377,567	376,382	1,185
Human Resources	140,546	146,790	146,668	122
RTM	2,160	2,531	2,530	1
Financial management	417,262	436,296	435,969	327
Treasurer	23,124	23,124	23,024	100
Board of Finance	35,750	38,950	38,950	-
Tax Assessor	277,416	278,152	277,406	746
Tax Collector	233,241	242,503	242,002	501
Legal services	521,945	558,097	558,095	2
Town Clerk	277,946	281,664	280,513	1,151
Registrar of Voters	90,652	90,534	88,699	1,835
Information Services	283,899	272,849	272,152	697
Elections	53,804	53,922	52,270	1,652
Probate court	8,000	8,000	5,741	2,259
Total general government	2,872,677	2,972,472	2,961,243	11,229
Community environment:				
Development Planning	522,533	538,633	538,211	422
Planning and Zoning	9,228	8,211	7,454	757
Zoning Appeals	9,110	11,518	11,518	-
Environmental Protection	5,420	4,140	3,873	267
Regional Planning	7,003	7,003	7,003	-
Beautification	26,000	26,000	24,833	1,167
Celebrations and observances	10,400	10,203	8,341	1,862
Harbor Master	715	912	910	2
Total community environment	590,409	606,620	602,143	4,477
Public safety:				
Building Department	313,134	308,900	308,788	112
Police Department:				
Administration	662,084	668,085	667,789	296
Criminal Investigation	471,431	474,659	474,332	327
Patrol	3,868,429	4,143,247	4,142,209	1,038
Records	303,769	290,865	290,500	365
Youth	188,980	185,602	185,601	1
Marine Patrol	11,130	11,124	10,910	214
Professional Standards	159,089	170,113	168,006	2,107
Traffic and School Crossing	69,829	67,369	66,956	413
Fleet Services	123,714	122,652	122,598	54
Station maintenance and communication	174,290	251,985	251,254	731
Prisoner custody	1,200	1,321	1,321	-
Animal Control	69,544	72,179	71,929	250
Total Police Department	6,103,489	6,459,201	6,453,405	5,796

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND
(NON-GAAP BUDGETARY BASIS), Continued
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Fire service and emergency medical service:				
Darien Fire Department	156,119	144,081	142,621	1,460
Noroton Fire Department	181,792	171,570	171,397	173
Noroton Heights Fire Department	168,481	168,481	164,002	4,479
Board of Fire Commissioners	99,075	86,241	83,669	2,572
Fire Marshal	291,853	300,176	298,610	1,566
Hydrants and main rental	375,692	403,448	403,448	-
Disaster preparedness	19,860	18,874	18,712	162
Emergency medical service	92,433	152,814	152,231	583
Total fire service and emergency medical service	1,385,305	1,445,685	1,434,690	10,995
Total public safety	7,801,928	8,213,786	8,196,883	16,903
Management and Engineering	330,274	378,785	378,261	524
Roadway and walkway maintenance	2,460,619	2,473,418	2,473,417	1
Waste Management	1,199,856	1,228,560	1,227,642	918
Public building management	404,260	370,081	370,081	-
Parking facility	60,721	47,942	47,542	400
Total public works	4,455,730	4,498,786	4,496,943	1,843
Health and social services:				
Social services	190,742	194,409	193,932	477
Social service - outside assistance	22,500	14,750	13,065	1,685
Senior Center	380,228	374,003	348,348	25,655
Senior transportation	47,349	51,741	51,740	1
Youth programs	306,265	303,625	300,140	3,485
Youth services grants	53,075	53,075	53,075	-
Other outreach services	11,900	11,900	8,780	3,120
Health Department	283,788	280,256	273,682	6,574
Total health and social services	1,295,847	1,283,759	1,242,762	40,997
Parks and recreation:				
Administration	372,281	384,730	383,327	1,403
Beach and court facilities	179,894	170,830	165,308	5,522
Maintenance and repair	379,005	379,732	379,624	108
Organized recreation activities	36,120	27,968	25,668	2,300
Grounds, fields, building	236,283	231,018	223,709	7,309
Total parks and recreation	1,203,583	1,194,278	1,177,636	16,642
Overhead and miscellaneous:				
Employee benefits	5,017,327	5,020,201	5,020,198	3
Risk management	803,504	851,722	840,195	11,527
Contingency	564,259	-	-	-
Total overhead and miscellaneous	6,385,090	5,871,923	5,860,393	11,530

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND
 (NON-GAAP BUDGETARY BASIS), Continued
 For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Library	3,249,087	3,263,537	3,263,537	-
Board of Education - operations	79,984,182	80,149,182	79,781,325	367,857
Board of Education - Sewer payments	-	132,733	132,733	-
Debt service:				
Schools	9,234,587	9,184,630	9,184,630	-
Town	559,532	556,940	556,940	-
Sewer	546,691	546,691	546,632	59
Total debt service	10,340,810	10,288,261	10,288,202	59
Total expenditures	118,179,343	118,475,337	118,003,800	471,537
Other financing uses:				
Transfers out:				
Storm Fund		250,000	250,000	-
OPEB	10,662	10,662	10,662	-
Capital nonrecurring expenditures	2,044,531	2,743,270	2,743,270	-
Total other financing uses	2,055,193	3,003,932	3,003,932	-
Total	\$ 120,234,536	\$ 121,479,269	121,007,732	\$ 471,537

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.	8,520,000
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.	(643,800)
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.	2,188,837
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund - Exhibit IV	\$ 131,072,769

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
**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, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Licenses and permits	\$ 10,000	\$ 10,000	\$ 11,850	\$ (1,850)
Charges for services	2,797,764	2,797,764	3,438,866	(641,102)
Fines and forfeits	35,000	35,000	63,878	(28,878)
Investment income	25,000	25,000	27,255	(2,255)
Total revenues	2,867,764	2,867,764	3,541,849	(674,085)
Expenditures:				
Sewer operations:				
Administration	292,714	298,453	461,536	(163,083)
Collection and pumping	435,780	435,780	449,073	(13,293)
Treatment service	1,920,000	1,920,000	1,967,784	(47,784)
Overhead and miscellaneous	165,463	165,463	180,235	(14,772)
Total expenditures	2,813,957	2,819,696	3,058,628	(238,932)
Excess (deficiency) of revenues over expenditures	53,807	48,068	483,221	(435,153)
Other Financing Sources (Uses):				
Operating transfers In		1,739	1,739	
Operating transfers out	53,807	53,807	(53,807)	107,614
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 107,614	\$ 103,614	431,153	\$ (327,539)
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.			(6,751)	
GAAP fund balance change, end of year			\$ 424,402	

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
OTHER POST EMPLOYMENT BENEFIT PLAN
June 30, 2013

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						
06/30/12	\$ 2,365,805	\$ 5,387,763	\$ 3,021,958	43.9%	\$ 4,294,463	70.37%
06/30/11	\$ 2,133,971	\$ 4,780,656	\$ 2,646,685	44.6%	\$ 3,818,581	69.30%
06/30/09	\$ 1,317,602	\$ 4,821,068	\$ 3,503,467	27.3%	\$ 4,129,118	84.9%
06/30/07	\$ -	\$ 4,276,948	\$ 4,276,948	0.0%	\$ 3,598,772	118.8%
Non-Police						
06/30/12	\$ 1,508,244	\$ 3,899,220	\$ 2,390,976	38.7%	\$ 45,934,076	0.00%
06/30/11	\$ 1,136,257	\$ 3,606,158	\$ 2,469,901	31.5%	\$ 42,742,437	6.28%
06/30/09	\$ 1,081,222	\$ 3,748,552	\$ 2,667,330	28.8%	\$ 41,611,300	6.4%
06/30/07	\$ -	\$ 4,475,369	\$ 4,475,349	0.0%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB

Year Ended June 30,	Police		Non-Police	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2013	\$ 424,706	77.6%	\$ 361,200	100.00%
2012	528,363	81.3%	452,050	100.00%
2011	504,575	80.4%	399,078	76.07%
2010	604,678	295.6%	586,352	184.39%

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
TOWN AND POLICE PENSION PLANS
SCHEDULE OF FUNDING PROGRESS
June 30, 2013

Schedule of Funding Progress - Town

Actuarial Valuation Date June 30,	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)
2012	\$ 40,313,620	\$ 48,026,347	\$ 7,712,727	83.94%	\$ 17,271,448	44.7%
2011	\$ 38,173,965	\$ 44,995,779	\$ 6,821,814	84.84%	\$ 16,875,651	40.4%
2009	\$ 33,150,591	\$ 38,943,751	\$ 5,793,160	85.12%	\$ 17,138,717	33.8%
2007	\$ 29,087,137	\$ 32,962,616	\$ 3,875,479	88.24%	\$ 15,196,000	25.5%

Schedule of Funding Progress - Police

Actuarial Valuation Date June 30,	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)
2012	\$ 27,781,972	\$ 36,100,388	\$ 8,318,416	76.96%	\$ 4,660,227	178.5%
2011	\$ 27,839,876	\$ 34,622,756	\$ 6,822,880	80.32%	\$ 4,135,601	165.0%
2009	\$ 25,437,366	\$ 31,211,236	\$ 5,773,870	81.50%	\$ 3,960,737	145.8%
2007	\$ 23,459,042	\$ 27,775,450	\$ 4,316,408	84.50%	\$ 3,579,000	120.6%

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
TOWN AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2013

Schedule of Employer Contributions - Town

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2013	\$ 1,593,296	\$ 1,601,430	100.5%
2012	1,671,289	1,671,289	100.0%
2011	1,515,023	1,515,023	100.0%
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%

Schedule of Employer Contributions - Police

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2013	\$ 1,119,967	\$ 1,125,594	100.5%
2012	1,133,728	1,133,728	100.0%
2011	1,027,782	1,027,782	100.0%
2010	866,685	866,685	100.0%
2009	800,558	800,558	100.0%
2008	807,655	807,655	100.0%

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
June 30, 2013

Note 1. Stewardship, Compliance and AccountabilityBudgetary 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 or before 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 Board of Finance has the authority to transfer unexpended balances and to establish a process for transfer approval.
- 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.
- 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. No additional appropriations 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. A nonmajor fund with an annually adopted budget is the Parking Operations 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.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited), Continued
June 30, 2013

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

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**Combining and Individual Fund
Financial Statements and Other 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.

BALANCE SHEET - BY ACCOUNT - GENERAL FUND
June 30, 2013

	General Fund	Animal Control	Land Purchase Option	Solid Waste Management	Special Education Reserve	Waste Disposal	Eliminate Interfund Receivables	Totals
ASSETS								
Cash and cash equivalents	\$ 21,998,512	\$ -	\$ 69,919	\$ 76,270	\$ -	\$ 89,851	\$ -	\$ 22,234,552
Investments	5,334,370	-	-	-	-	-	-	5,334,370
Receivables:								
Taxes	1,247,797	-	-	-	-	-	-	1,247,797
Intergovernmental	551,849	-	-	-	-	-	-	551,849
Other	982,147	-	-	-	-	-	-	982,147
Due from other funds	2,811,199	64,850	-	-	100,000	-	(164,850)	2,811,199
Prepaid expenses	658,537	-	-	-	-	-	-	658,537
Total assets	\$ 33,584,411	\$ 64,850	\$ 69,919	\$ 76,270	\$ 100,000	\$ 89,851	\$ (164,850)	\$ 33,820,451
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts and other payables	\$ 3,724,974	\$ 36,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,761,393
Due to other funds	8,622,225	-	-	-	-	-	(164,850)	8,457,375
Deferred revenue	2,128,746	-	-	-	-	-	-	2,128,746
Total liabilities	14,475,945	36,419	-	-	-	-	(164,850)	14,347,514
FUND BALANCES								
Nonspendable	658,537	-	-	-	-	-	-	658,537
Assigned	1,045,531	28,431	69,919	76,270	100,000	89,851	-	1,410,002
Unassigned	17,404,398	-	-	-	-	-	-	17,404,398
Total fund balances	19,108,466	28,431	69,919	76,270	100,000	89,851	-	19,472,937
Total liabilities and fund balances	\$ 33,584,411	\$ 64,850	\$ 69,919	\$ 76,270	\$ 100,000	\$ 89,851	\$ (164,850)	\$ 33,820,451

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BY ACCOUNT - GENERAL FUND
For the Year Ended June 30, 2013

	General Fund	Animal Control	Land Purchase Option	Solid Waste Management	Special Education Reserve	Waste Disposal	Eliminate Interfund Transfers	Totals
REVENUES								
Property taxes	\$ 112,058,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,058,320
Intergovernmental	13,371,459	-	-	-	-	-	-	13,371,459
Licenses and permits	3,479,168	-	-	-	-	-	-	3,479,168
Charges for services	1,733,591	-	-	-	-	-	-	1,733,591
Fines and forfeits	41,171	-	-	-	-	-	-	41,171
Investment income	176,012	-	-	-	-	-	-	176,012
Miscellaneous	499,757	-	-	-	-	-	-	499,757
Total revenues	131,359,478	-	-	-	-	-	-	131,359,478
EXPENDITURES								
Current:								
General government	2,948,259	-	-	-	-	-	-	2,948,259
Community environment	597,535	-	-	-	-	-	-	597,535
Public safety	8,100,967	-	-	-	-	-	-	8,100,967
Public health and social services	1,181,351	-	-	-	-	-	-	1,181,351
Library	3,263,537	-	-	-	-	-	-	3,263,537
Parks and recreation	1,110,258	-	-	-	-	-	-	1,110,258
Public works	4,475,334	-	-	-	-	-	-	4,475,334
Board of Education	90,216,733	-	-	-	-	-	-	90,216,733
General overhead	5,897,323	-	-	-	-	-	-	5,897,323
Debt service	10,288,202	-	-	-	-	-	-	10,288,202
Total expenditures	128,079,499	-	-	-	-	-	-	128,079,499
Revenues over expenditures	3,279,979	-	-	-	-	-	-	3,279,979
OTHER FINANCING SOURCES (USES)								
Transfers in	649,934	-	-	-	-	-	-	649,934
Transfers out	(2,993,270)	-	-	-	-	-	-	(2,993,270)
Net other financing sources (uses)	(2,343,336)	-	-	-	-	-	-	(2,343,336)
Net change in fund balances	936,643	-	-	-	-	-	-	936,643
FUND BALANCES, beginning of year	18,171,823	28,431	69,919	76,270	100,000	89,851	-	18,536,294
FUND BALANCES, end of year	\$ 19,108,466	\$ 28,431	\$ 69,919	\$ 76,270	\$ 100,000	\$ 89,851	\$ -	\$ 19,472,937

REPORT OF PROPERTY TAX COLLECTION
For the Year Ended June 30, 2013

Grand List Year	Balance Uncollected June 30, 2012	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectable	Collections				Uncollected Taxes June 30, 2013
			Additions	Deletions			Taxes	Interest	Liens	Total	
1997	\$ 6,354	\$ -	\$ -	\$ -	\$ -	\$ 6,354	\$ -	\$ -	\$ -	\$ -	\$ 6,354
1998	8,687	-	-	-	-	8,687	161	-	-	161	8,526
1999	10,323	-	-	-	-	10,323	105	-	-	105	10,218
2000	10,646	-	-	-	-	10,646	-	43	-	43	10,646
2001	10,798	-	-	-	-	10,798	-	150	-	150	10,798
2002	22,108	-	-	-	-	22,108	-	127	-	127	22,108
2003	31,667	-	-	-	-	31,667	-	-	-	-	31,667
2004	37,307	-	-	-	-	37,307	2,776	650	24	3,450	34,531
2005	86,425	-	-	-	-	86,425	52,043	48,410	48	100,501	34,382
2006	97,697	-	-	-	-	97,697	48,886	46,198	72	95,156	48,811
2007	126,468	-	-	-	-	126,468	60,545	44,883	96	105,524	65,923
2008	219,714	-	-	109,734	53,056	56,924	13,739	52,933	192	66,864	43,185
2009	322,637	-	9,680	159,773	-	172,544	34,200	54,081	312	88,593	138,344
2010	642,911	-	26,058	193,811	-	475,158	186,802	61,786	768	249,356	288,356
Total prior years	1,633,742	-	35,738	463,318	53,056	1,153,106	399,257	309,261	1,512	710,030	753,849
2011	-	111,441,302	545,166	310,116	-	111,676,352	111,114,057	190,327	-	111,304,384	562,295
	<u>\$ 1,633,742</u>	<u>\$ 111,441,302</u>	<u>\$ 580,904</u>	<u>\$ 773,434</u>	<u>\$ 53,056</u>	<u>\$ 112,829,458</u>	<u>\$ 111,513,314</u>	<u>\$ 499,588</u>	<u>\$ 1,512</u>	<u>\$ 112,014,414</u>	<u>\$ 1,316,144</u>

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Nonmajor Governmental Funds

Fund	Funding Source	Function
Cafeteria	Sale of lunches and state grants	Operations of the school lunch program
Special Education Grants	Federal and state grants	Finance education programs
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
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
Miscellaneous Trust	Contributions	Various trust activities
Affordable Housing Trust	Fees	Accounts for fees received from developers in lieu of building affordable units in a multi-unit housing project and other sources as may be available. Funds are to be used to provide affordable housing in Darien
Storm Recovery Fund	Federal and state grants	Accounts for expenses and reimbursements and grants related to Storm Sandy
Stadium Field	Contributions	Fundraising for an artificial playing surface
Debt Service	Other Financing Sources	Accounts for debt service transactions

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TOWN OF DARIEN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013

	Special Revenue					State and Federal Grants
	Cafeteria	Special Education Grants	Police Extra Duty	False Police Alarm	Fire Alarm	
ASSETS						
Cash and cash equivalents	\$ 326,800	\$ 180,718	\$ 403,610	\$ 37,803	\$ 21,509	\$ 192,487
Investments	-	-	-	-	-	-
Receivables:						
Intergovernmental	-	-	-	-	-	299
Other	-	-	108,396	29,489	2,809	-
Other	-	-	-	-	-	-
Due from other funds	-	885	6,873	-	-	3,456
Total assets	\$ 326,800	\$ 181,603	\$ 518,879	\$ 67,292	\$ 24,318	\$ 196,242
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities						
Accounts and other payables	\$ 219,537	\$ 1,104	\$ 29,665	\$ 210	\$ 3,530	\$ 367
Due to other funds	-	-	91,039	-	-	-
Deferred revenue	111,546	-	-	-	-	-
Total liabilities	331,083	1,104	120,704	210	3,530	367
Fund Balances (Deficits)						
Restricted	-	180,499	-	-	-	195,875
Committed	-	-	398,175	67,082	20,788	-
Unassigned	(4,283)	-	-	-	-	-
Total fund balance (deficits)	(4,283)	180,499	398,175	67,082	20,788	195,875
Total liabilities and fund balances	\$ 326,800	\$ 181,603	\$ 518,879	\$ 67,292	\$ 24,318	\$ 196,242

Parking Operations	Special Revenue					Capital Projects	Debt Service	Total Nonmajor Governmental Funds
	Affordable Housing Trust	Storm Recovery fund	Park Pals Play Area Trust	Weed Beach Donations	Miscellaneous Trusts	Stadium Field	Debt Service	
\$ 2,086,146	\$ 14	\$ -	\$ 30,617	\$ 4,289	\$ 69,968	\$ 1,350	\$ 802,656	\$ 4,157,967
-	362,220	-	-	-	-	-	-	362,220
-	-	-	-	-	-	-	-	299
26,544	-	-	-	-	-	-	-	167,238
-	-	-	-	-	-	-	-	-
5,000	-	-	-	-	-	-	-	16,214
<u>\$ 2,117,690</u>	<u>\$ 362,234</u>	<u>\$ -</u>	<u>\$ 30,617</u>	<u>\$ 4,289</u>	<u>\$ 69,968</u>	<u>\$ 1,350</u>	<u>\$ 802,656</u>	<u>\$ 4,703,938</u>
\$ 13,025	\$ -	\$ 98,514	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,952
1,116,849	-	152,913	-	-	-	-	610,139	1,970,940
-	-	-	-	-	-	-	-	111,546
<u>1,129,874</u>	<u>-</u>	<u>251,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>610,139</u>	<u>2,448,438</u>
987,816	-	-	30,617	4,289	69,968	-	-	1,469,064
-	362,234	-	-	-	-	1,350	192,517	1,042,146
-	-	(251,427)	-	-	-	-	-	(255,710)
<u>987,816</u>	<u>362,234</u>	<u>(251,427)</u>	<u>30,617</u>	<u>4,289</u>	<u>69,968</u>	<u>1,350</u>	<u>192,517</u>	<u>2,255,500</u>
<u>\$ 2,117,690</u>	<u>\$ 362,234</u>	<u>\$ -</u>	<u>\$ 30,617</u>	<u>\$ 4,289</u>	<u>\$ 69,968</u>	<u>\$ 1,350</u>	<u>\$ 802,656</u>	<u>\$ 4,703,938</u>

TOWN OF DARIEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2013

	Special Revenue					State and Federal Grants
	Cafeteria	Special Education Grants	Police Extra Duty	False Police Alarm	Fire Alarm	
REVENUES						
Intergovernmental	\$ -	\$ 922,020	\$ -	\$ -	\$ -	\$ 132,241
Licenses and permits	-	-	-	-	-	-
Charges for services	2,207,602	-	760,412	-	-	-
Fines and forfeits	-	-	-	103,985	24,258	-
Investment income	921	-	-	-	450	-
Contributions	-	50,149	-	-	-	-
Miscellaneous	9,746	-	-	-	-	-
Total revenues	2,218,269	972,169	760,412	103,985	24,708	132,241
EXPENDITURES						
Current:						
General government	-	-	-	-	-	2,513
Public safety	-	-	672,996	75,284	21,802	19,260
Public health and social services	-	-	-	-	-	31,038
Parks and recreations	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Board of Education	2,260,692	890,032	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	2,260,692	890,032	672,996	75,284	21,802	52,811
Excess (deficiency) of revenues over expenditures	(42,423)	82,137	87,416	28,701	2,906	79,430
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers out	-	-	(46,127)	-	-	-
Payment to escrow agent	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(46,127)	-	-	-
Net change in fund balance	(42,423)	82,137	41,289	28,701	2,906	79,430
FUND BALANCE, beginning of year	38,140	98,362	356,886	38,381	17,882	116,445
FUND BALANCE (DEFICITS), end of year	\$ (4,283)	\$ 180,499	\$ 398,175	\$ 67,082	\$ 20,788	\$ 195,875

Parking Operations	Special Revenue					Capital Projects	Debt Service	Total Nonmajor Governmental Funds
	Affordable Housing Trust	Storm Recovery Fund	Park Pals Play Area Trust	Weed Beach Donations	Miscellaneous Trusts	Stadium Field	Debt Service	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,816	\$ -	\$ -	\$ 1,071,077
607,931	-	-	-	-	-	-	-	607,931
-	-	-	-	-	-	-	-	2,968,014
62,130	-	-	-	-	-	-	-	190,373
-	-	-	-	-	-	-	-	1,371
-	362,234	-	-	-	-	-	-	412,383
19,855	-	55,291	-	-	-	-	-	84,892
<u>689,916</u>	<u>362,234</u>	<u>55,291</u>	<u>-</u>	<u>-</u>	<u>16,816</u>	<u>-</u>	<u>-</u>	<u>5,336,041</u>
-	-	-	-	-	-	-	-	2,513
-	-	62,609	-	-	325	-	-	852,276
-	-	-	-	-	4,145	-	-	35,183
-	-	225,629	536	-	530	-	-	226,695
343,206	-	268,480	-	-	-	-	-	611,686
-	-	-	-	-	1,500	-	-	3,152,224
-	-	-	-	-	-	-	591,464	591,464
<u>343,206</u>	<u>-</u>	<u>556,718</u>	<u>536</u>	<u>-</u>	<u>6,500</u>	<u>-</u>	<u>591,464</u>	<u>5,472,041</u>
346,710	362,234	(501,427)	(536)	-	10,316	-	(591,464)	(136,000)
-	-	250,000	-	-	-	-	-	250,000
(263,597)	-	-	-	-	-	-	-	(309,724)
-	-	-	-	-	-	-	(36,511,842)	(36,511,842)
-	-	-	-	-	-	-	33,610,000	33,610,000
-	-	-	-	-	-	-	3,077,870	3,077,870
<u>(263,597)</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,028</u>	<u>116,304</u>
83,113	362,234	(251,427)	(536)	-	10,316	-	(415,436)	(19,696)
904,703	-	-	31,153	4,289	59,652	1,350	607,953	2,275,196
<u>\$ 987,816</u>	<u>\$ 362,234</u>	<u>\$ (251,427)</u>	<u>\$ 30,617</u>	<u>\$ 4,289</u>	<u>\$ 69,968</u>	<u>\$ 1,350</u>	<u>\$ 192,517</u>	<u>\$ 2,255,500</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, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Licenses and permits	\$ 580,000	\$ 580,000	\$ 607,931	\$ 27,931
Fines and forfeits	70,000	70,000	62,130	(7,870)
Investment income	3,500	3,500	-	(3,500)
Miscellaneous income	18,000	18,000	19,855	1,855
Total revenues	671,500	671,500	689,916	18,416
Expenditures:				
Parking operations	671,500	671,500	605,546	(65,954)
Excess of revenues over expenditures	\$ -	\$ -	84,370	\$ 84,370
FUND BALANCE , beginning of year			<u>904,703</u>	
FUND BALANCE , end of year			989,073	
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>(1,257)</u>	
GAAP FUND BALANCE , end of year			<u><u>\$ 987,816</u></u>	

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, 2013

	Balance			Balance
	July 1, 2012	Additions	Deductions	June 30, 2013
ASSETS				
Cash and cash equivalents	\$ 458,540	\$ 1,390,443	\$ 1,448,725	\$ 400,258
LIABILITIES				
Accounts and other payables	\$ 458,540	\$ 1,390,443	\$ 1,448,725	\$ 400,258

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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.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

NET POSITION BY COMPONENT (unaudited)

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
Net investment in capital assets	\$ 97,749	\$ 89,762	\$ 88,823	\$ 89,614	\$ 93,214	\$ 84,591	\$ 80,136	\$ 67,136	\$ 66,144	\$ 59,624
Restricted	1,469	5,616	1,102	-	-	-	-	-	-	-
Unrestricted	26,101	23,629	28,719	27,522	24,183	32,028	36,389	30,178	22,645	20,805
Total governmental activities										
net position	\$ 125,319	\$ 119,007	\$ 118,644	\$ 117,136	\$ 117,397	\$ 116,619	\$ 116,525	\$ 97,314	\$ 88,789	\$ 80,429

Notes:

-Schedule prepared on the accrual basis of accounting.

TOWN OF DARIEN, CONNECTICUT

CHANGES IN NET POSITION (unaudited)

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
General government	\$ 4,329	\$ 4,116	\$ 4,117	\$ 3,715	\$ 3,989	\$ 3,977	\$ 3,478	\$ 3,546	\$ 3,127	\$ 3,442
Community environment	846	838	841	910	939	902	863	643	655	563
Public safety	12,695	12,026	12,059	11,339	11,410	11,433	9,682	9,344	9,145	7,725
Health and social services	2,373	1,652	1,447	1,395	1,341	1,354	1,416	1,252	1,079	1,062
Library	3,264	3,186	3,131	3,061	2,944	2,516	2,388	2,300	2,186	1,983
Parks and recreation	1,715	2,901	1,715	1,522	1,811	1,776	1,571	1,500	1,296	1,483
Public works	6,444	7,143	5,872	6,904	5,290	5,489	7,494	3,526	3,297	4,106
Board of Education	97,796	94,266	88,077	85,558	84,964	96,894	71,884	70,118	60,356	55,938
Sewer operations	3,065	2,739	3,312	3,656	3,044	4,315	2,061	2,114	2,140	1,905
Solid waste	-	-	1,207	1,223	1,293	1,198	1,318	1,580	1,418	1,464
Interest on long-term debt	2,765	4,118	3,703	4,193	1,731	4,329	3,523	2,947	3,421	2,870
Total governmental activities expenses	135,292	132,985	125,481	123,476	118,756	134,183	105,678	98,870	88,120	82,541
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	1,779	1,392	1,448	1,361	782	1,779	1,906	2,051	2,119	2,544
Community environment	98	87	70	57	56	80	70	75	36	25
Public safety	2,517	1,793	1,678	1,830	2,755	3,695	2,952	-	1,580	1,370
Health and social services	665	325	291	207	94	118	103	93	72	68
Parks and recreation	480	516	416	388	320	321	326	320	286	256
Public works	1,636	2,019	1,135	1,115	254	504	209	925	901	68
Board of Education	2,208	2,176	2,050	2,131	1,940	1,835	1,873	1,785	1,702	1,578
Sewer operations	5,335	3,088	2,592	2,485	2,824	3,436	3,596	3,201	2,936	2,298
Solid waste	-	-	767	999	940	972	1,187	1,405	1,195	1,289
Operating grants and contributions:										
General government	32	-	-	-	22	25	29	17	54	35
Community environment	-	-	-	-	-	-	-	-	2	-
Public safety	-	42	42	27	69	62	47	2,102	29	68
Health and social services	149	68	74	203	384	229	323	201	182	166
Parks and recreation	-	-	-	-	-	6	-	45	-	-
Public works	-	-	-	-	-	-	-	23	70	-
Board of Education	13,443	13,260	11,909	10,964	10,992	29,883	8,096	3,703	4,895	3,949
Sewer operations	-	-	-	-	-	-	-	-	1	-
Interest on long-term debt	-	-	-	-	77	77	86	92	173	157
Capital grants and contributions:										
General government	324	110	109	-	-	-	-	-	109	109
Public safety	-	34	278	345	5	93	-	76	-	-
Health and social services	-	-	2	10	35	35	32	32	31	29
Parks and recreation	-	4	10	67	165	-	-	-	41	1,120
Public works	83	167	393	604	297	2,098	1,580	3,007	111	70
Board of Education	-	1	34	191	26	2,270	2,999	2,010	3,828	4,519
Sewer operations	-	-	-	-	-	-	-	1,433	-	-
Total governmental activities program revenues	28,749	25,082	23,298	22,984	22,037	47,518	25,414	22,596	20,353	19,718
Net (expense)/revenue										
Governmental activities	(106,543)	(107,903)	(102,183)	(100,492)	(96,719)	(86,665)	(80,264)	(76,274)	(67,767)	(62,823)
Total primary government net expense	(106,543)	(107,903)	(102,183)	(100,492)	(96,719)	(86,665)	(80,264)	(76,274)	(67,767)	(62,823)

CHANGES IN NET POSITION (unaudited), Continued
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General revenues and other changes in net expenses										
Governmental activities:										
Property taxes	111,719	106,666	102,220	99,221	96,462	90,508	85,996	82,426	74,497	68,060
Grants and contributions not restricted to specific purposes	241	332	341	214	162	227	255	276	293	272
Unrestricted investment earnings	211	848	655	218	585	1,924	2,855	1,709	867	601
Other general revenues	685	420	475	578	288	252	610	387	469	385
Total governmental activities	112,856	108,266	103,691	100,231	97,497	92,911	89,716	84,798	76,126	69,318
Special items	-	-	-	-	-	(6,207)	-	-	-	-
Changes in net position										
Governmental activities	\$ 6,313	\$ 363	\$ 1,508	\$ (261)	\$ 778	\$ 39	\$ 9,452	\$ 8,524	\$ 8,359	\$ 6,495

Notes:

-Schedule prepared on the accrual basis of accounting.

-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 (unaudited)

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General fund										
Nonspendable	\$ 659	\$ 598	\$ 47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,410	930	522	-	-	-	-	-	-	-
Unassigned	17,404	17,008	17,160	-	-	-	-	-	-	-
Reserved	-	-	-	130	81	178	267	229	393	270
Unreserved	-	-	-	16,645	15,999	17,410	16,780	13,636	10,284	7,198
Total general fund	\$ 19,473	\$ 18,536	\$ 17,729	\$ 16,775	\$ 16,080	\$ 17,588	\$ 17,047	\$ 13,865	\$ 10,677	\$ 7,468
All other governmental funds										
Nonspendable	\$ 10	\$ 10	\$ 22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	4,609	5,594	5,435	-	-	-	-	-	-	-
Committed	5,566	7,205	6,765	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(709)	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	1,848	2,895	7,636	4,030	2,308	3,892	23,485
Unreserved, reported in:										
Special revenue funds	-	-	-	5,974	7,416	8,482	7,687	7,445	7,318	6,622
Capital project funds	-	-	-	(2,561)	(6,535)	(8,365)	(11,583)	(323)	(3,886)	(22,034)
Total all other governmental funds	\$ 9,476	\$ 12,809	\$ 12,222	\$ 5,261	\$ 3,776	\$ 7,753	\$ 134	\$ 9,430	\$ 7,324	\$ 8,073

Notes:

- Schedule prepared on the accrual basis of accounting.

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (unaudited)

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Property taxes	\$112,058	\$106,518	\$102,076	\$ 98,968	\$ 96,223	\$ 90,533	\$ 85,837	\$ 82,435	\$ 74,866	\$ 68,132
Intergovernmental revenues	14,859	14,415	13,258	12,852	11,893	32,803	11,135	9,351	9,954	9,375
Charges for services	13,216	11,827	11,096	10,966	8,530	9,072	8,690	12,289	10,918	9,423
Income on investments	211	240	258	218	585	1,924	2,855	1,709	881	601
Miscellaneous	685	420	475	578	2,543	4,245	5,257	1,114	496	1,905
Total revenues	141,029	133,420	127,163	123,582	119,774	138,577	113,774	106,898	97,115	89,436
Expenditures:										
General government	2,951	3,071	3,014	3,924	2,796	2,887	2,614	2,554	2,314	2,444
Community environment	598	591	595	658	650	637	560	457	453	429
Public safety	8,953	8,259	8,098	9,332	8,139	8,293	7,119	6,686	6,887	6,295
Health and social services	1,217	1,232	1,098	1,088	1,086	1,086	1,056	954	894	848
Library	3,264	3,186	3,132	3,061	2,944	2,516	2,388	2,300	2,186	1,983
Parks and recreation	1,337	1,127	1,099	1,100	1,091	1,011	940	936	941	929
Public works	5,087	4,547	3,538	3,084	3,340	3,085	2,684	2,494	2,587	2,301
Schools	93,369	89,696	84,091	80,551	77,693	92,358	67,071	64,797	57,102	53,497
Sewer operations	3,065	2,739	3,312	3,656	3,044	4,315	2,061	2,114	2,141	1,905
Solid waste	-	-	5,701	5,126	1,293	1,198	1,318	1,580	1,418	1,464
General overhead	5,897	5,719	1,207	1,222	4,417	4,426	4,170	3,947	3,018	2,762
Capital outlay	6,984	15,906	7,321	2,572	8,212	18,299	18,973	13,961	24,929	33,001
Debt service:										
Principal	7,954	7,145	6,264	6,838	7,112	6,112	5,501	5,851	4,180	3,529
Interest	2,925	2,950	3,177	3,337	3,552	3,869	3,433	3,293	3,005	2,928
Total expenditures	143,601	146,168	131,647	125,549	125,369	150,092	119,888	111,924	112,055	114,315
Excess of revenues over (under) expenditures	(2,572)	(12,748)	(4,484)	(1,967)	(5,595)	(11,515)	(6,114)	(5,026)	(14,940)	(24,879)
Other Financing Sources (Uses):										
Transfers in	3,907	2,400	3,044	4,405	6,977	8,240	5,446	3,501	3,605	4,359
Transfers out	(3,907)	(2,400)	(3,044)	(4,405)	(6,977)	(8,240)	(5,446)	(3,501)	(3,605)	(4,359)
Issuance of debt	33,610	14,000	12,000	11,305	30,344	19,500	-	40,215	17,400	9,310
Payment to escrow agent	(36,512)	-	-	(12,308)	(30,234)	-	-	(29,894)	-	(9,154)
Bond premium	3,078	608	398	1,151	-	175	-	-	-	-
Issuance of BAN	-	-	-	4,000	-	-	-	-	-	-
Total other financing sources (uses)	176	14,608	12,398	4,148	110	19,675	-	10,321	17,400	156
Net change in fund balances	\$ (2,396)	\$ 1,860	\$ 7,914	\$ 2,181	\$ (5,485)	\$ 8,160	\$ (6,114)	\$ 5,295	\$ 2,460	\$ (24,723)
Debt Service as a Percentage of Noncapital Expenditures	7.91%	8.40%	7.59%	8.26%	8.10%	7.55%	8.80%	9.04%	8.09%	7.75%

Notes:

-Schedule prepared on the modified accrual basis of accounting.

ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY (unaudited)
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							
2013	\$ 7,617,128	\$ 660,314	\$ 192,464	\$ 160,293	\$ 233,014	\$ 1,188	8,862,025	12.68%	\$ 12,660,036	70.00%
2012	7,564,758	666,677	192,373	156,415	216,654	1,474	8,795,403	12.20%	12,651,744	69.52%
2011	7,553,873	686,405	149,514	150,120	201,218	1,547	8,739,583	11.74%	12,485,120	70.00%
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%

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

PRINCIPAL PROPERTY TAXPAYERS (unaudited)

(In Thousands)

October 1, 2011 and October 1, 2002

Taxpayer	October 1, 2011 ⁽¹⁾			October 1, 2002		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Connecticut Light & Power Company	\$ 86,421,310	1	0.98%	\$ -	-	-
Wee Burn Country Club	38,009,400	2	0.43%	22,636,230	1	0.53%
Avalonbay Communities	36,191,260	3	0.41%	-	-	-
Country Club of Darien	34,415,260	4	0.39%	16,489,850	4	0.39%
Woodway Country Club	27,338,180	5	0.31%	11,943,730	6	0.28%
Zotos International	24,337,980	6	0.27%	10,143,020	8	0.24%
Rivoire, Helen M. et al (Estate)	22,249,220	7	0.25%	17,827,880	3	0.42%
U.B. Darien Inc.	19,906,740	8	0.22%	-	-	-
9 Old Kings Highway, LLC	17,352,860	9	0.20%	-	-	-
Parkland Limited Partnership	15,457,820	10	0.17%	9,913,570	9	0.23%
William Ziegler III TR et al	-	-	-	22,441,650	2	0.53%
Goodwives Center	-	-	-	11,301,920	7	0.27%
Darien Green Associates	-	-	-	8,294,200	10	0.20%
The Nielsen Company	-	-	-	14,309,250	5	0.34%
Total Taxable Grand List	\$ 321,680,030		3.63%	\$ 145,301,300		3.43%

Source: Town of Darien, Office of Tax Assessor

⁽¹⁾ Fiscal year is July 1, 2011-June 30, 2012

PROPERTY TAX LEVIES AND COLLECTIONS (unaudited)
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
2013	12.68	\$ 111,676	\$ 111,114	99.50%	\$ -	\$ 111,114	99.50%
2012	12.20	106,578	106,074	99.53%	187	106,261	99.70%
2011	11.74	102,098	101,469	99.38%	123	101,469	99.38%
2010	11.37	98,640	97,917	99.27%	126	98,043	99.39%
2009	14.55	96,006	95,204	99.16%	688	95,892	99.88%
2008	13.87	90,030	89,494	99.40%	450	89,944	99.90%
2007	13.04	85,538	85,015	99.39%	455	85,470	99.92%
2006	13.02	82,211	81,786	99.48%	413	82,199	99.99%
2005	11.95	74,228	73,870	99.52%	309	74,179	99.93%
2004	16.00	67,768	67,414	99.48%	280	67,694	99.89%

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

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

Fiscal Year	Governmental Activities General Obligation Bonds	Ratio of Debt to Taxable Assessed Value	Debt Per Capita	Estimated Personal Income (in thousands)	Debt as Percent of Estimated Personal Income
2013	\$ 91,499	1.03%	\$ 4.33	\$ 1,992,655	4.59%
2012	99,877	1.13%	4.77	2,001,574	4.99%
2011	92,150	1.05%	4.44	2,011,978	4.58%
2010	86,414	1.00%	4.30	1,969,278	4.43%
2009	89,722	0.95%	4.43	1,964,814	4.57%
2008	97,940	1.51%	4.84	1,569,450	6.24%
2007	84,551	1.32%	4.14	1,583,791	5.34%
2006	90,052	1.44%	4.43	1,592,783	5.65%
2005	84,097	1.34%	4.24	1,554,178	5.41%
2004	70,187	1.13%	3.56	1,554,178	4.52%

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

COMPUTATION OF LEGAL DEBT MARGIN (unaudited)
June 30, 2013
(In Thousands)

Total tax collections (including interest and lien fees):

For the year ended June 30, 2013:

Town of Darien	\$ 112,014,414
Taxing districts	605

Reimbursement for revenue loss:

Tax relief for elderly freeze	<u>2</u>
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Base for establishing debt limit	<u><u>\$ 112,015,017</u></u>
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	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
Debt Limitation						
2 1/4 times base	\$ 252,033,788	\$ -	\$ -	\$ -	\$ -	\$ 252,033,788
4 1/2 times base	-	504,067,577	-	-	-	504,067,577
3 3/4 times base	-	-	420,056,314	-	-	420,056,314
3 1/4 times base	-	-	-	364,048,805	-	364,048,805
3 times base	-	-	-	-	336,045,051	336,045,051
Total debt limitation	<u>252,033,788</u>	<u>504,067,577</u>	<u>420,056,314</u>	<u>364,048,805</u>	<u>336,045,051</u>	<u>1,876,251,535</u>
Debt, as defined by Statute:						
Bonds payable ⁽¹⁾	24,990	58,335	6,110	-	-	89,435
Bonds authorized but unissued	8,679	17,731	2,200	-	-	28,610
Less: School building grants receivable	-	428	-	-	-	428
Total indebtedness	<u>33,669</u>	<u>75,638</u>	<u>8,310</u>	<u>-</u>	<u>-</u>	<u>117,617</u>
Debt limitation in excess of indebtedness	<u>\$ 252,000,119</u>	<u>\$ 503,991,939</u>	<u>\$ 420,048,004</u>	<u>\$ 364,048,805</u>	<u>\$ 336,045,051</u>	<u>\$ 1,876,133,918</u>

Note 1: Total net indebtedness above amounts of \$118,922 but in no event shall total indebtedness exceed \$784,105 (seven times the base for debt limitation).

Note 2: There is no overlapping debt.

Note 3: School building grants receivable include \$428 of bond principal grants from the State of Connecticut.

LEGAL DEBT MARGIN INFORMATION (unaudited)
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limitation	\$ 784,105	\$ 749,266	\$ 719,201	\$ 696,444	\$ 675,052	\$ 632,758	\$ 603,463	\$ 579,026	\$ 525,686	\$ 478,849
Total net debt applicable to limit	117,617	124,678	124,982	128,739	138,234	149,470	137,833	127,066	104,528	103,670
Legal Debt Margin	\$ 666,488	\$ 624,588	\$ 594,219	\$ 567,705	\$ 536,818	\$ 483,288	\$ 465,630	\$ 451,960	\$ 421,158	\$ 375,179
Total net debt applicable to the limit as percentage of debt limit	15.00%	16.64%	17.38%	18.49%	20.48%	23.62%	22.84%	21.94%	19.88%	21.65%

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 (unaudited)
Last Ten Calendar Years

Calendar Year	Population ⁽¹⁾	Estimated Personal Income (In Thousands)	Per Capita Income ⁽²⁾	Median Age ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2013	21,114	\$ 1,992,655	\$ 94,376	39.1	4,846	5.7%
2012	20,942	2,001,574	95,577	39.0	4,817	6.4%
2011	20,732	2,011,978	97,047	38.0	4,841	6.0%
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%

⁽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 (unaudited)
2013 and 2004**

Employer	Nature of Business	2013			2004		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Darien	Municipality	898	1	10.18%	806	1	9.66%
Colangelo Synergy Marketing	Marketing	165	2	1.87%	-		-
Ring's End, Inc.	Building Supplies	127	3	1.44%	132	4	1.58%
Zoto's International	Hair Care Products	240	4	2.72%	110	6	1.32%
BMW of Darien	Automotive Sales	94	5	1.07%	56	9	0.67%
CRA Rogers Casey	Investment Consulting	80	6	0.91%	120	5	1.44%
Miller Automotive	Automotive Sales	70	7	0.79%	-		-
Sterling Glen	Assisted Living Center	68	8	0.77%	-		-
U.S. Postal Service	Mail Delivery	30	9	0.34%	65	8	0.78%
Mediplex of Darien	Nursing Home	-		-	140	3	1.68%
Air Express International	Air Freight Traffic	-		-	300	2	3.60%
Life Study Fellowship Foundation	Publisher of Religious Materials	-		-	43	10	0.52%
Penton Media	Advertising	-		-	70	7	0.84%
		<u>1,772</u>		<u>20.1%</u>	<u>1,842</u>		<u>22.1%</u>

Source: Town of Darien survey.

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

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government	42	43	42	44	44	41	41	41	43	43
Police	58	58	57	57	57	57	57	57	55	55
Public Works	26	26	26	28	28	26	25	26	26	27
Sewer Authority	3	3	2	4	4	4	4	4	4	4
Parks and Recreation	9	9	9	9	9	8	8	8	8	8
Education	760	760	785	791	790	751	717	697	698	669
Total	898	899	921	933	932	887	852	833	834	806

OPERATING INDICATORS BY FUNCTION/PROGRAM (unaudited)
Last Ten Fiscal Years

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government:										
Building permits issued	806	607	700	619	555	820	876	901	885	826
Building inspections conducted	3,435	2,533	2,859	2,692	2,903	3,871	3,702	4,266	-	-
Police:										
Calls Answered	18,288	19,621	19,156	20,261	16,309	21,076	21,591	21,069	20,839	25,842
Criminal Arrests	205	261	287	295	287	375	246	206	206	206
Motor Vehicle Arrests	2,355	3,280	3,081	3,903	3,168	3,463	3,451	2,062	1,993	2,062
DWI Arrests	73	56	51	76	84	101	71	-	-	-
Morning Vehicle Warnings	525	759	634	755	265	910	834	1,139	929	1,139
Accidents	551	589	550	558	585	606	652	683	685	683
Fire:										
Emergency responses	1,259	1,454	1,295	1,248	1,245	1,189	1,495	1,375	1,269	1,357
Fires extinguished	42	85	67	35	63	67	57	75	69	72
Inspections	189	319	371	367	386	677	397	410	293	207
Other Public Works:										
Street resurfacing (miles)	3.1	3.1	3.00	1.90	2.89	3.30	3.00	2.20	2.94	4.15
Parks and Recreation:										
Facility permits issued	489	496	484	697	784	770	666	722	-	-
Beach permits issued	7,365	7,137	7,129	6,769	6,605	6,660	6,646	6,671	6,806	-
Boat permits issued	168	171	195	183	191	188	202	-	-	-
Program registrations	4,355	3,930	4,052	3,787	2,730	2,895	3,125	2,619	2,511	-
Youth Programs:										
Summer camp registrations	344	371	330	400	430	489	645	-	-	-
Teen program registrations	1,147	1,121	1,054	1,226	1,231	1,343	1,354	-	-	-

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (unaudited)
Last Ten Fiscal Years**

Function/Program	2012	2012	2011	2010	2009	2008	2007	2006	2005	2004
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	834	828	828	828	828	827	827	827	827	-
Traffic signals	12	12	12	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	10	10	10	11
Paddle tennis courts	5	5	5	5	5	5	5	-	-	-
Water:										
Fire hydrants	560	550	545	512	512	512	512	534	522	522
Wastewater:										
Sanitary sewers (miles)	81.2	81.2	79.2	79.2	79.2	79.2	79.2	79.0	77.0	75.0
Pump stations	14	14	14	14	14	14	14	14	13	13