

TOWN OF DARIEN

CONNECTICUT



**Comprehensive
Annual Financial Report**

Fiscal Year Ended June 30, 2008

Comprehensive Annual Financial Report

of the

Town of Darien Connecticut

Fiscal Year Ended June 30, 2008

Prepared by:
Finance Department
Kathleen Clarke Buch
Finance Director

TOWN OF DARIEN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section



October 30, 2008

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, 2008. 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 Blum, Shapiro and Company, P.C. as the Town's independent auditor for the year 2007-2008. In addition to meeting the requirements set forth in State Statutes, the audit was also designed to meet the requirements of the Federal and State Single Audit Acts. The auditors' report on the basic financial statements is in the financial section of this report. The auditors' reports related specifically to the Federal and State Single Audits are issued in separate reports.

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

ORGANIZATION AND SERVICES

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

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

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

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

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

Purchase orders are encumbered and considered as expenditures for budget reporting purposes to ensure the availability of budget appropriations. Purchase orders are not released unless funding is available. Open encumbrances, reflecting goods and services not received are shown as a reservation of fund balance in the financial statements under generally accepted accounting principles (GAAP).

ECONOMIC CONDITION AND OUTLOOK

Darien is a community with high per capita income and housing values. Unemployment in Darien is lower than the state and national averages, standing at 4.0 percent compared to 5.7 and 5.5 for the state and nation. This is in keeping with the trends of the last ten years and is expected to remain stable.

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

The tax base is primarily residential (approximately 90%) with a limited number of commercial office and retail buildings. The value of local construction increased slightly to \$145,990,000 representing a 17.9% decrease over the previous year. A total of 820 building permits were issued. This is the first year in the last ten years where there has been a decrease in the number and the value. Part of the FY 2007 increase was due to the issuance of the permit for the new Tokeneke Elementary School, which caused a slight distortion in values. Growth in Darien will continue to be stable or gradual, due to the limited amount of land available for development.

Property taxes comprise 90.4% of Town General Fund revenues and the current property tax collection rate remains strong at 99.4%. Delinquent collections also remain strong, so that the ratio of total tax collections to the current tax levy is 100%.

Intergovernmental revenues represent a small portion of Town revenues, reflecting only 2.5% in the current year. As a result of the Town's heavy reliance on property taxes and continually increasing student enrollment projections, the Board of Finance is preparing a five year financial plan that assumes property tax increases averaging slightly more than 5% for the period. School enrollment is expected to remain steady or decline over the next five years, with no further need for additional classroom space. The property tax mill rate enacted for 2008-2009, 14.55, represented an increase of 4.9% which was slightly under the projected average.

LONG-TERM FINANCIAL PLANNING

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

The Board of Finance has adopted a Fund Balance Policy. This is also a consideration in development of the Five Year Forecast. The Fund Balance Policy calls for the Town to maintain fund balance within an appropriate range, measured as a percentage of revenues. This allows the Town to maintain sufficient fund balance to provide protection in case of unforeseen emergencies, to moderate mill rate increases and to avoid excessive accumulation.

The Town and Board of Education are covered under a fully insured medical insurance plan. The Board of Education dental and 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 and auto collision of \$1,000 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 2007-2008 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 2007-2008, over \$250,000 was expended in these programs.

The Assessor's office began work to revalue the Grand List for October 1, 2008. The cost of the project is estimated at \$230,000. Work is nearing completion on replacement of the Gorham's Pond Tide Gates. The cost of the project was over \$750,000, but was offset by contributions from the neighbors of Gorham's Pond. Replacement of the roof on the Town Hall Gym began, with an estimated cost of \$325,000. The Town also undertook several drainage related projects including installing a new drainage system on LaForge Road, Topographical Mapping of the watersheds and a study of the potential for the use of a Town Park to alleviate flooding. These projects combined will cost over \$800,000.

Construction was completed on the new Tokeneke Elementary School. The project cost approximately \$22 million. Occupancy of the new school took place in January 2008.

Other school projects continuing include the installation of air conditioning on the third floor of the Middlesex Middle School, partial re-roofing of Royle School, installation of new access controls at all schools and installation of a new turf baseball field at the high school. The combined cost of these projects is over \$2,000,000.

The Town continues to install new sewer lines as needed and as requested. The projects are funded through property assessments. Sidewalk rehabilitation projects continued, costing \$110,000. The Town purchased the Darien Library building and associated land for \$4 million with the intent to develop it for affordable housing. The Town has also undertaken renovation projects at Weed Beach and the Police Station. The costs of these projects are estimated at \$4 million and \$17 million respectively.

CERTIFICATE OF ACHIEVEMENT

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

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

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Kathleen Clarke Buch
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Darien Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



President

Executive Director

**TOWN OF DARIEN
PRINCIPAL OFFICIALS**

AS OF JUNE 30, 2008

BOARD OF SELECTMEN:

Evonne M. Klein, First Selectman
David F. Bayne
Seth W. Morton
Linda S. Santarella
Callie A. Sullivan

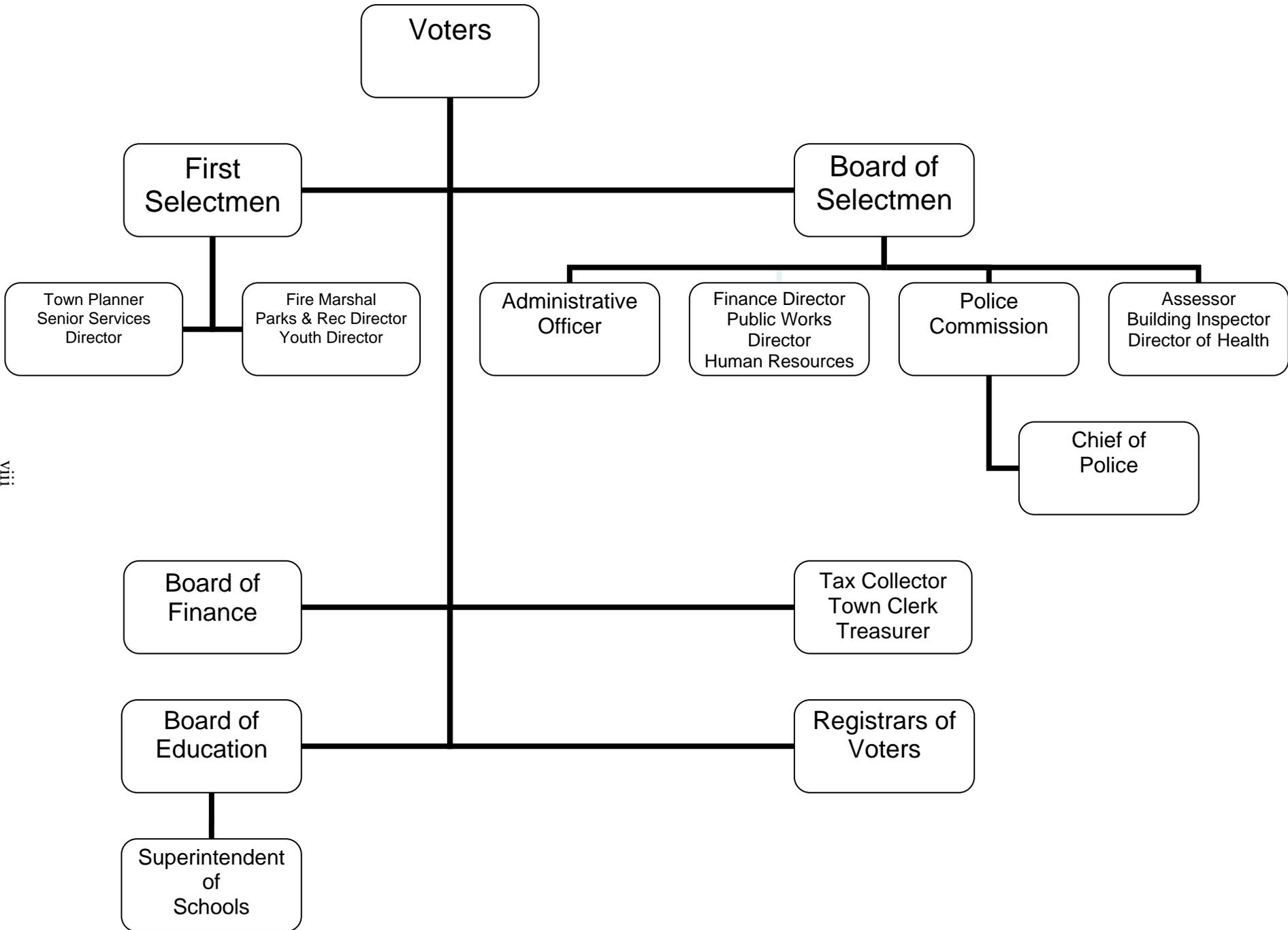
BOARD OF FINANCE:

Murry Stegelmann, Chairman
Martha A. Banks, Vice Chairman
Lorene Bora
Peter Hovell
Gwen Mogenson
Elizabeth Smith Mao
Thomas Volpe

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

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

Town of Darien Organization Chart



Financial Section



Independent Auditors' Report

Board of Finance
Town of Darien
Darien, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut, as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2008 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3 through 9 and budgetary comparison information on pages 41 through 47 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Blum, Shapiro & Company, P.C.

December 5, 2008

TOWN OF DARIEN, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2008

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, 2007. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to VI. All amounts are expressed in thousands unless otherwise noted.

FINANCIAL HIGHLIGHTS

- Net assets of our governmental activities increased by \$39, or 0.03%.
- During the year, the Town had expenses that were \$39 less than the \$140,429 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$134,183 with no new programs added this year.
- The General Fund reported a fund balance this year of \$17,588.
- The resources available for appropriation were \$408 more than budgeted for the General Fund. Expenditures were kept within spending limits.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- *Fiduciary Funds (Exhibits 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 assets increased from a year ago increasing from \$116,580 to \$116,619. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town’s governmental activities.

**TABLE 1
NET ASSETS**
(In Thousands)

	Governmental Activities	
	2008	2007
Current assets	\$ 37,353	\$ 45,701
Capital assets, net of accumulated depreciation	182,551	176,538
Total assets	<u>219,904</u>	<u>222,239</u>
Long-term liabilities outstanding	98,301	84,660
Other liabilities	4,984	20,999
Total liabilities	<u>103,285</u>	<u>105,659</u>
Net Assets:		
Invested in capital assets, net of debt	84,591	80,136
Unrestricted	<u>32,028</u>	<u>36,444</u>
Total Net Assets	<u>\$ 116,619</u>	<u>\$ 116,580</u>

Net assets of the Town’s governmental activities increased by 0.03%. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - changed from \$36,445 at June 30, 2007 to \$32,028 at the end of this year.

This change in unrestricted governmental net assets resulted primarily because of continuing investments in capital assets. The Town completed a significant school construction project during the fiscal year, opening a new Tokeneke Elementary School and demolishing the original school. The Town’s investment in capital assets is \$84,591. This amount represents the original cost of assets, less accumulated depreciation and is net of any debt outstanding that was used to acquire those assets.

TABLE 2
CHANGE IN NET ASSETS
(In Thousands)

	Governmental Activities	
	2008	2007
Revenues:		
Program revenues:		
Charges for services	\$ 12,741	\$ 12,222
Operating grants and contributions	30,283	8,581
Capital grants and contributions	4,495	4,611
General revenues:		
Property taxes	90,507	85,996
Grants and contributions not restricted to specific purposes	227	255
Unrestricted investment earnings	1,924	2,855
Other general revenues	252	610
Total revenues	<u>140,429</u>	<u>115,130</u>
Program expenses:		
General government	3,977	3,477
Community environment	902	863
Public safety	11,433	9,683
Health and social services	1,354	1,416
Library	2,516	2,388
Parks and recreation	1,776	1,571
Public works	5,488	7,494
Board of Education	96,894	71,884
Sewer operations	4,316	2,061
Solid waste	1,198	1,318
Debt service	4,329	3,523
Total program expenses	<u>134,183</u>	<u>105,678</u>
Special item - loss on school conversion	<u>(6,207)</u>	
Increase in Net Assets	<u>\$ 39</u>	<u>\$ 9,452</u>

The Town's total revenues (excluding special items) were \$140,429. The total cost of all programs and services was \$134,183. Our analysis below considers the operations of governmental activities.

Governmental Activities

Property taxes were 64.5% of revenues and charges for services accounted for 9.1%. Capital grants of \$4,495 were primarily grants from the State of Connecticut for school construction projects and infrastructure. Operating grants and contributions increased by over 250%. This is due to the State of Connecticut increasing the amount it contributes to the State of Connecticut Teachers' Retirement System on behalf of the Town of Darien. While this contribution is made on an annual basis, the amount contributed in FY 2008 is substantially increased over prior years. The 2007-2008 property tax collection rate was 99.4%. Licenses and permits decreased by \$56 primarily due to decreases in Town Clerk fees. Intergovernmental revenue increased due to increases in the school

construction grants and the Equalized Cost Sharing Grant. School principal and interest subsidy grants on pre-1996 construction projects continue to decline, which corresponds to the decline in the debt service for older school projects. Investment income decreased due to the decrease in interest rates.

On the expense side, general government was down, primarily due to a decrease in legal expenses. Education expenses are the most significant component accounting for 68.0%. Public works increased due to higher depreciation expense. Board of Education increased because of increased enrollment, negotiated wage increases, increased medical expenses and the increased contribution to the Teachers Retirement System. Also, as noted previously, an elementary school was demolished, resulting in the reduction of Board of Education assets. A loss of \$6.2 million was recognized and is reported as a Special Item in the Statement of Activities. Debt service increased as a result of new debt issued for school construction projects.

Table 3 presents the cost of each of the Town’s five largest programs - general government, public safety, public works, education and debt service - 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)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General government	\$ 3,977	\$ 3,477	\$ 2,173	\$ 1,541
Public safety	11,433	9,683	7,583	6,684
Public works	5,488	7,494	2,886	5,705
Education	96,894	71,884	62,906	58,916
Debt service	4,329	3,523	4,252	3,438

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$25,341, which is an increase from last year’s total of \$17,181. The most significant component of the change in fund balance came from the Capital Projects Fund. The Capital Projects fund balance increased by \$8,837. This resulted from elimination of the liability for bond anticipation notes from the previous year. The fund had expenditures of \$18,300.

General Fund Budgetary Highlights

Additional appropriations for the year were \$2,100. A contingency of \$686 was included in the original budget. This contingency covered items such as unsettled labor contracts and other unexpected expenses. Additional appropriations were primarily for capital projects.

Actual revenues were higher than budgetary estimates by approximately \$408. Investment income exceeded budgetary estimates by \$655. This was due to higher interest rates and increased funds invested. There were also increases in other accounts, such as prior year property taxes and lien fees.

Actual expenditures were less than budgetary estimates by \$255. The largest single contributor to this was the Board of Education.

The Town's General Fund balance of \$17,588 reported on Exhibit III differs from the General Fund's budgetary fund balance of \$17,410. This is principally because budgetary fund balance does not include \$178 of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008, the Town had \$182,551 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 \$6,011, or 3.4%, over last year.

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

	Governmental Activities	
	2008	2007
Land	\$ 10,904	\$ 7,097
Buildings	149,288	136,252
Land improvement	1,407	1,555
Machinery and equipment	6,380	4,855
Infrastructure	11,146	11,520
Construction in progress	3,426	15,261
Totals	<u>\$ 182,551</u>	<u>\$ 176,540</u>

This year's major additions included:

Purchase of 35 Leroy Avenue property	\$ 3,885
Gorham's Pond Tide Gates – in progress	617
Police Station Renovations/Addition – in progress	653
New Tokeneke Elementary School – completion	8,539

The Town's fiscal-year 2007-08 capital budget calls for it to spend another \$3,197 for capital projects, principally for vehicle and equipment replacement. Appropriations of \$3.2 million and \$17.8 million have been approved for renovations and additions to Weed Beach and the Police Station, respectively. As of October, 2008, capital projects exceeding \$100,000 that have not already commenced have been placed on hold due to economic conditions. More detailed information about the Town's capital assets is presented in Notes 1 and 6 to the financial statements.

Long-Term Debt

At June 30, 2008, the Town had \$97,940 in bonds and notes outstanding versus \$84,551 last year.

New debt resulted from the issuance of bonds for construction of the new high school, new elementary school and purchase of the 35 Leroy Avenue property. Current year debt principal paid amounted to \$6,111.

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 \$632,758 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 9 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 2009 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 4.0% versus 3.2% a year ago. This compares with the State's unemployment rate of 5.7% and the national rate of 5.5%.

Inflation in the Darien area was slightly lower than the national Consumer Price Index (CPI). The Town's CPI increase was 4.5% for fiscal year 2008 which is lower than the average U.S. Town rate increase of 5.0%.

These indicators were taken into account when adopting the General Fund budget for 2008-09. Amounts available for appropriation in the General Fund budget are \$104,306, an increase of 5.4% over the final 2008 budget of \$98,924. Property taxes (benefiting from the 2008 rate increases and growth in the grand list) and intergovernmental income 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 debt service cost are the largest areas of expenditure increase. Fund balance will provide \$1,100 to support the budget. At this time, the administration anticipates there may be revenue shortfalls due to economic conditions and have reduced expenditures accordingly.

If these estimates are realized, the Town's budgetary General Fund balance is expected to remain stable by June 30, 2009.

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

TOWN OF DARIEN, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2008

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 23,970,674
Investments	1,092,480
Receivables, net	11,938,532
Inventories	16,107
Prepaid expenses	1,151
Deferred charges	334,478
Capital assets not being depreciated	14,330,056
Capital assets being depreciated, net of accumulated depreciation	<u>168,221,076</u>
Total assets	<u>219,904,554</u>
Liabilities:	
Accounts and other payables	4,747,161
Unearned revenue	69,795
Unamortized bond premiums	166,661
Noncurrent liabilities:	
Due within one year	8,193,190
Due in more than one year	<u>90,108,291</u>
Total liabilities	<u>103,285,098</u>
Net Assets:	
Invested in capital assets, net of related debt	84,591,426
Unrestricted	<u>32,028,030</u>
Total Net Assets	<u>\$ 116,619,456</u>

The accompanying notes are an integral part of the financial statements

TOWN OF DARIEN, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental activities:					
General government	\$ 3,976,667	\$ 1,778,689	\$ 25,330	\$	\$ (2,172,648)
Community environment	902,206	80,203			(822,003)
Public safety	11,433,357	3,695,281	62,342	92,852	(7,582,882)
Health and social services	1,354,196	118,454	228,488	34,332	(972,922)
Library	2,516,090				(2,516,090)
Parks and recreation	1,776,055	320,995	6,464		(1,448,596)
Public works	5,488,377	503,630		2,097,896	(2,886,851)
Board of Education	96,894,200	1,835,384	29,883,165	2,269,550	(62,906,101)
Sewer operations	4,315,350	3,436,194			(879,156)
Solid waste	1,198,201	972,345			(225,856)
Interest on long-term debt	4,328,876		76,977		(4,251,899)
Total Governmental Activities	\$ 134,183,575	\$ 12,741,175	\$ 30,282,766	\$ 4,494,630	(86,665,004)
General revenues:					
Property taxes					90,507,543
Grants and contributions not restricted to specific programs					226,910
Unrestricted investment earnings					1,923,881
Miscellaneous					252,513
Total general revenues					<u>92,910,847</u>
Special item - loss on school conversion					(6,206,704)
Total general revenues and special item					<u>86,704,143</u>
Change in net assets					39,139
Net Assets, Beginning of Year					<u>116,580,317</u>
Net Assets, End of Year					<u>\$ 116,619,456</u>

The accompanying notes are an integral part of the financial statements

TOWN OF DARIEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2008

	<u>General</u>	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 14,170,597	\$ 5,947,492	\$ 1,153,442	\$ 809,470	\$ 1,889,673	\$ 23,970,674
Investments					1,092,480	1,092,480
Receivables, net	3,114,187	325,951	4,767,604	3,534,460	196,330	11,938,532
Due from other funds	5,264,217			129,145	251,448	5,644,810
Inventories					16,107	16,107
Other assets	1,151					1,151
Total Assets	<u>\$ 22,550,152</u>	<u>\$ 6,273,443</u>	<u>\$ 5,921,046</u>	<u>\$ 4,473,075</u>	<u>\$ 3,446,038</u>	<u>\$ 42,663,754</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 1,879,005	\$ 82,727	\$ 42,845	\$ 1,449,757	\$ 228,097	\$ 3,682,431
Due to other funds	251,448	4,969		5,098,017	290,376	5,644,810
Deferred revenue	2,831,880	325,951	4,767,604		69,795	7,995,230
Total liabilities	<u>4,962,333</u>	<u>413,647</u>	<u>4,810,449</u>	<u>6,547,774</u>	<u>588,268</u>	<u>17,322,471</u>
Fund balances:						
Reserved for inventory					16,107	16,107
Reserved for encumbrances	177,432	54,494		1,076,050	145,806	1,453,782
Reserved for benefits					1,129,863	1,129,863
Unreserved, reported in:						
General Fund	17,410,387					17,410,387
Special Revenue Funds		5,805,302	1,110,597		1,565,994	8,481,893
Capital Project Funds				(3,150,749)		(3,150,749)
Total fund balances	<u>17,587,819</u>	<u>5,859,796</u>	<u>1,110,597</u>	<u>(2,074,699)</u>	<u>2,857,770</u>	<u>25,341,283</u>
Total Liabilities and Fund Balances	<u>\$ 22,550,152</u>	<u>\$ 6,273,443</u>	<u>\$ 5,921,046</u>	<u>\$ 4,473,075</u>	<u>\$ 3,446,038</u>	<u>\$ 42,663,754</u>

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TOWN OF DARIEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2008

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets (Exhibit I) are
different because of the following:

Fund balances - total governmental funds	\$ 25,341,283
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 251,608,105	
Less accumulated depreciation	<u>(69,056,973)</u>	
Net capital assets		182,551,132

Other long-term assets are not available to pay for current-period
expenditures and, therefore, are not recorded in the funds:

Property tax receivables greater than 60 days	868,547
Interest receivable on property taxes	388,245
Assessments receivable	4,767,604
Sewer use receivables	269,481
Sewer use accrued interest	56,470
Receivable from the state for school construction projects	1,575,088

Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(97,939,665)
Interest payable on bonds and notes	(1,064,730)
Compensated absences	(1,651,381)
Deferred charges issuance costs	334,478
Bond premium	(166,661)
Deferred charges refunding	<u>1,289,565</u>

Net Assets of Governmental Activities (Exhibit I)	<u><u>\$ 116,619,456</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF DARIEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 90,532,664					\$ 90,532,664
Intergovernmental	29,590,967			2,265,758	946,222	32,802,947
Charges for services	880,662	2,615,121	775,896		4,800,036	9,071,715
Income on investments	1,555,071	256,233	10,762	98,301	3,514	1,923,881
Miscellaneous	3,989,184		3,177	44,629	208,793	4,245,783
Total revenues	<u>126,548,548</u>	<u>2,871,354</u>	<u>789,835</u>	<u>2,408,688</u>	<u>5,958,565</u>	<u>138,576,990</u>
Expenditures:						
Current:						
General government	2,824,737				62,010	2,886,747
Community environment	637,009					637,009
Public safety	6,655,942				1,636,917	8,292,859
Health and social services	1,078,685				7,389	1,086,074
Library	2,516,090					2,516,090
Parks and recreation	1,010,925					1,010,925
Public works	2,649,652				435,052	3,084,704
Board of Education	89,629,028				2,729,133	92,358,161
Sewer operations		4,315,350				4,315,350
Solid waste					1,198,201	1,198,201
General overhead	4,425,521					4,425,521
Capital outlay				18,299,639		18,299,639
Debt service	9,980,921					9,980,921
Total expenditures	<u>121,408,510</u>	<u>4,315,350</u>	<u>-</u>	<u>18,299,639</u>	<u>6,068,702</u>	<u>150,092,201</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,140,038</u>	<u>(1,443,996)</u>	<u>789,835</u>	<u>(15,890,951)</u>	<u>(110,137)</u>	<u>(11,515,211)</u>
Other Financing Sources (Uses):						
Transfers in	1,668,248			5,927,745	644,247	8,240,240
Transfers out	(6,442,847)	(53,807)	(859,698)	(699,402)	(184,486)	(8,240,240)
Bond proceeds				19,500,000		19,500,000
Bond premium	175,432					175,432
Total other financing sources (uses)	<u>(4,599,167)</u>	<u>(53,807)</u>	<u>(859,698)</u>	<u>24,728,343</u>	<u>459,761</u>	<u>19,675,432</u>
Net Change in Fund Balances	540,871	(1,497,803)	(69,863)	8,837,392	349,624	8,160,221
Fund Balances, Beginning of Year	<u>17,046,948</u>	<u>7,357,599</u>	<u>1,180,460</u>	<u>(10,912,091)</u>	<u>2,508,146</u>	<u>17,181,062</u>
Fund Balances, End of Year	<u>\$ 17,587,819</u>	<u>\$ 5,859,796</u>	<u>\$ 1,110,597</u>	<u>\$ (2,074,699)</u>	<u>\$ 2,857,770</u>	<u>\$ 25,341,283</u>

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TOWN OF DARIEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

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)	\$ 8,160,221
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	17,931,282
Depreciation expense	(5,712,114)
The statement of activities reports losses arising from the trade-in or disposal of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in or disposal of capital assets.	
	(6,206,704)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:	
School building grant receipts	(236,218)
Property tax receivable - accrual basis change	(25,121)
Sewer use - accrual basis change	138,624
Sewer assessment receivable - accrual basis change	126,557
Sewer use interest receivable - accrual change	28,235
Net pension asset	(55,509)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:	
Bond and note principal payments	6,111,463
Issuance of bonds and notes	(19,500,000)
Bond premiums	(175,432)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(86,724)
Accrued interest	(260,468)
Amortization of deferred charge on refunding	(165,867)
Amortization of issuance costs	(41,855)
Amortization of premiums	8,769
Change in Net Assets of Governmental Activities (Exhibit II)	\$ <u>39,139</u>

The accompanying notes are an integral part of the financial statements

TOWN OF DARIEN, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2008

	Pension Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 735,239	\$ 500,286
Investments:		
Unit trusts	1,271,741	
Equity securities	33,834,328	
Mutual funds	22,966,704	
Receivables:		
Interest and dividends	<u>86,566</u>	
Total assets	58,894,578	<u>\$ 500,286</u>
Liabilities:		
Accounts and other payables	<u>-</u>	<u>\$ 500,286</u>
Net Assets:		
Held in trust for pension benefits	<u>\$ 58,894,578</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF DARIEN, CONNECTICUT

FIDUCIARY FUNDS

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS

PENSION TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

Additions:

Contributions:

Employer	\$ 1,949,216
Plan members	1,060,058
Total contributions	<u>3,009,274</u>

Investment income (loss):

Net depreciation in fair value of investments	(4,642,868)
Interest and dividends	1,710,087
Net investment loss	<u>(2,932,781)</u>

Total additions	<u>76,493</u>
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Deductions:

Benefits	3,065,365
Administration	272,217
Total deductions	<u>3,337,582</u>

Net Decrease	(3,261,089)
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Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>62,155,667</u>
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Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$ 58,894,578</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

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.

A. 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.

B. Government-Wide and Fund Financial Statements

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

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

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

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

Governmental Funds

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

General Fund is the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund.

Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

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

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

Fiduciary Funds

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

Pension Trust Funds account for the Darien Retirement System. There are two pension funds, Town and Police.

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.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The Town reports the following major governmental funds:

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

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

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

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

Additionally, the Town reports the following fund types:

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

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

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

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

D. Deposits and Investments

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

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

Investments are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

The Town's property tax is levied each July 1, on the assessed value listed on the prior October 1, Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach the property does not exist until July 1. Therefore, taxes are due and payable in equal installments on July 1, and January 1, following the date of the Grand List. Interest of 1½% per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31, and are payable in one installment due January 1. An amount of \$66,386 has been established as an allowance for uncollectible taxes. At June 30, 2008, this represents 6.1% of all property taxes receivable.

F. 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.

G. 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 (amount not rounded) 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

H. 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 carry-forward of unused vacation days up to the number of vacation days earned during the two most recent years of employment for Town employees other than police, and unused vacation days up to one week for police.

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

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

I. Long-Term Obligations

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

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

J. Fund Equity

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the annual budget of the General Fund:

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

- The Board of Education, which is not a separate legal entity but a separate department of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and RTM approval.
- Budgeted amounts shown are as originally adopted, or as amended by the Board of Finance and Representative Town Meeting during the course of the year. Additional appropriations totaling \$2,100,507 were approved during the year.
- Generally, all unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward.

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

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

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does 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*, \$22,606,591 of the Town's bank balance of \$23,430,338 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 20,203,658
Collateralized, held by banks	<u>2,402,933</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 22,606,591</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.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2008 the Town's cash equivalents amounted to \$946,156. 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>	<u>Fitch Ratings</u>
StateTax Exempt Proceeds Fund*		
State Short-Term Investment Fund (STIF)	AAAm	
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)	AA	AAA
Bank of America N.A. Cash Management Assets	AA	AA-

*Not rated

B. Investments

Investments as of June 30, 2008 in all funds are as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Unit trusts	\$ 287,439
Common stock	33,546,889
Pooled open-end mutual fund accounts:	
Pension trust funds	24,783,306
Nonmajor governmental funds	<u>547,619</u>
Total	<u>\$ 59,165,253</u>

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

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

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

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, 2008, the Town had \$33,546,889 worth of uninsured and unregistered common stock that was held by the Bank of America or by its trust department or agent that was not in the Town's name.

4. RECEIVABLES

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

	<u>General</u>	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Capital Projects</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Interest on delinquent taxes	\$ 388,245	\$	\$	\$	\$	\$ 388,245
Taxes	1,087,500					1,087,500
Accounts	119,103	269,481			189,045	577,629
Special assessments			4,767,604			4,767,604
Intergovernmental	1,581,267			3,534,460	7,285	5,123,012
Interest receivable		56,470				56,470
Investment income	4,458				86,566	91,024
Gross receivables	<u>3,180,573</u>	<u>325,951</u>	<u>4,767,604</u>	<u>3,534,460</u>	<u>282,896</u>	<u>12,091,484</u>
Less allowance for property tax uncollectibles	<u>(66,386)</u>					<u>(66,386)</u>
Net Total Receivables	<u>\$ 3,114,187</u>	<u>\$ 325,951</u>	<u>\$ 4,767,604</u>	<u>\$ 3,534,460</u>	<u>\$ 282,896</u>	<u>\$ 12,025,098</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 868,547	\$
Interest and delinquent property tax	388,245	
Special assessments not yet due	4,767,604	
Grant drawdowns prior to meeting all eligibility requirements		69,795
School building grants	1,575,088	
Sewer use receivables	269,481	
Interest on sewer use receivable	<u>56,470</u>	
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 7,925,435</u>	<u>\$ 69,795</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 7,096,698	\$ 3,807,585	\$	\$	\$ 10,904,283
Construction in progress	<u>15,260,581</u>	<u>1,949,064</u>	<u> </u>	<u>(13,783,872)</u>	<u>3,425,773</u>
Total capital assets not being depreciated	<u>22,357,279</u>	<u>5,756,649</u>	<u>-</u>	<u>(13,783,872)</u>	<u>14,330,056</u>
Capital assets being depreciated:					
Buildings	172,065,735	9,669,034	8,664,049	13,759,467	186,830,187
Land improvements	2,602,349				2,602,349
Machinery and equipment	10,096,636	535,631	223,206	24,405	10,433,466
Infrastructure	<u>35,442,079</u>	<u>1,969,968</u>	<u> </u>	<u> </u>	<u>37,412,047</u>
Total capital assets being depreciated	<u>220,206,799</u>	<u>12,174,633</u>	<u>8,887,255</u>	<u>13,783,872</u>	<u>237,278,049</u>
Less accumulated depreciation for:					
Buildings	35,814,212	4,192,860	2,464,951		37,542,121
Land improvements	1,046,843	148,208			1,195,051
Machinery and equipment	5,242,180	645,615	200,849		5,686,946
Infrastructure	<u>23,922,175</u>	<u>725,431</u>	<u>14,751</u>	<u> </u>	<u>24,632,855</u>
Total accumulated depreciation	<u>66,025,410</u>	<u>5,712,114</u>	<u>2,680,551</u>	<u>-</u>	<u>69,056,973</u>
Total capital assets being depreciated, net	<u>154,181,389</u>	<u>6,462,519</u>	<u>6,206,704</u>	<u>13,783,872</u>	<u>168,221,076</u>
Governmental Activities Capital Assets, Net	<u>\$ 176,538,668</u>	<u>\$ 12,219,168</u>	<u>\$ 6,206,704</u>	<u>\$ -</u>	<u>\$ 182,551,132</u>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 149,346
Community environment	29,386
Public safety	314,206
Health and social services	159
Parks and recreation	87,607
Public works	924,899
Education	<u>4,206,511</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,712,114</u>

Construction Commitments

The Town has active construction projects as of June 30, 2008. A summary of capital projects is as follows:

	Project Authorization	Project Expenditures			Balance
		2007/2008	Cumulative	Encumbrances	
Public Works Garage	\$ 1,200,000	\$	\$ 1,176,592	\$	\$ 23,408
Clean Water Fund	1,500,000		1,093,433		406,567
Sewer Line Expansion	9,515,000	10,373	5,084,692	428,897	4,001,411
High School Building	75,799,440	1,066,310	74,919,921		879,519
Capital Nonrecurring Expenditures	16,240,505	3,671,759	9,342,625	497,054	6,400,826
Parking Capital	494,565	9,340	29,644		464,921
Library Acquisition	4,125,000	3,885,290	3,885,290		239,710
Weed Beach	3,600,000	24,577	24,577	149,795	3,425,628
Police Station Addition	1,768,000	336,544	336,544		1,431,456
Tokeneke School	23,170,000	8,539,435	21,821,747	304	1,347,949

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances at June 30, 2008 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 5,098,017
General Fund	Nonmajor Governmental Funds	161,231
Capital Projects Fund	Nonmajor Governmental Funds	129,145
General Fund	Sewer Operating Fund	4,969
Nonmajor Governmental Funds	General Fund	251,448
Total		<u>\$ 5,644,810</u>

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

Interfund Transfers:

	Transfers In			
	General Fund	Capital Projects	Nonmajor Governmental	Total
Transfers out:				
General Fund	\$	\$ 5,798,600	\$ 644,247	\$ 6,442,847
Sewer Operating Fund	53,807			53,807
Sewer Assessment Fund	859,698			859,698
Capital Projects	699,402			699,402
Nonmajor Governmental Funds	55,341	129,145		184,486
Total Transfers Out	<u>\$ 1,668,248</u>	<u>\$ 5,927,745</u>	<u>\$ 644,247</u>	<u>\$ 8,240,240</u>

All transfers represent routine transactions that occur annually to move resources from one fund to another.

7. LEASES

Operating Leases

The Town leases some office equipment under operating leases. Total costs for such leases were \$305,433 for the year ended June 30, 2008. These leases are cancelable at any time before the expiration date of the year 2012. The future minimum lease payments for these leases are as follows:

Year Ending June 30,

2009	\$ 321,300
2010	321,290
2011	306,393
2012	264,423
2013	<u>260,719</u>
Total	\$ <u>1,474,125</u>

8. BOND ANTICIPATION NOTES

The following is a schedule of changes in bond anticipation notes for the year ended June 30, 2008:

<u>Project</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2007</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2008</u>
High School Project	11/1/2006 8/1/2007	8/1/2007 1/22/2008	4.0 4.25	\$ 1,200,000	\$ - 1,200,000	\$ 1,200,000 1,200,000	\$ - -
Tokeneke School Project	11/1/2006 8/1/2007	8/1/2007 1/22/2008	4.0 4.25	13,800,000	15,925,000	13,800,000 15,925,000	- -
Library Acquisition	8/1/2007	1/22/2008	4.25		875,000	875,000	-
Total				\$ <u>15,000,000</u>	\$ <u>18,000,000</u>	\$ <u>33,000,000</u>	\$ <u>-</u>

The notes were reported in the Capital Projects fund, and were permanently financed this year.

9. LONG-TERM DEBT

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 83,915,000	\$ 19,500,000	\$ 6,070,000	\$ 97,345,000	\$ 7,070,000
Clean water notes	636,128		41,463	594,665	42,300
Less deferred amounts:					
Refunding bonds	(1,455,432)		(165,867)	(1,289,565)	
Total bonds and notes payable	<u>83,095,696</u>	<u>19,500,000</u>	<u>5,945,596</u>	<u>96,650,100</u>	<u>7,112,300</u>
Compensated absences	<u>1,564,657</u>	<u>1,351,065</u>	<u>1,264,341</u>	<u>1,651,381</u>	<u>1,080,890</u>
Total Governmental Activities					
Long-Term Liabilities	\$ <u>84,660,353</u>	\$ <u>20,851,065</u>	\$ <u>7,209,937</u>	\$ <u>98,301,481</u>	\$ <u>8,193,190</u>

Bonds and notes outstanding by issue at June 30, 2008 were:

<u>Description</u>	<u>Year of Maturity</u>	<u>Interest Rate (%)</u>	<u>Balance Outstanding June 30, 2008</u>
General Obligation Bonds:			
Middle School expansion	2019	4.0-5.125	\$ 1,846,847
Advance refunding	2018	4.0-5.125	9,795,000
Darien High School	2022	3.5-5.00	540,000
Darien High School	2023	3.0-5.0	9,750,000
Refunding - 2004	2018	1.0-3.75	6,616,000
Darien High School	2024	3.0-5.0	8,750,000
Refunding - 2005	2024	3.0-4.75	28,535,000
DHS & Tokeneke	2025	3.75-5.75	6,300,000
DHS & Tokeneke	2028	3.25-5.0	18,625,000
Library	2028	3.25-5.0	875,000
Total general obligation bonds			<u>91,632,847</u>
Special Assessment Debt with Town Commitment:			
Nolan Lane	2019	4.0-5.125	73,153
Peach Hill	2022	3.5-5.00	105,000
Harbor/Ring's End	2022	3.5-5.00	105,000
Refunding - 2004	2018	1.0-3.75	1,654,000
Refunding - 2005	2024	3.0-4.75	1,075,000
Multiple Sewers	2025	3.75-5.75	2,700,000
Total special assessment debt with town commitment			<u>5,712,153</u>
State Loans:			
Clean Water	2022	2	<u>594,665</u>
Total Outstanding			<u>\$ 97,939,665</u>

During fiscal year 2008, principal and interest payments were funded by the General Fund. The Sewer Operating Fund and Sewer Assessment Fund reimbursed the General Fund \$53,807 and \$859,698, 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.

The following is a summary of long-term debt principal and interest maturities. The State of Connecticut will provide future payments to subsidize the debt cost. Principal debt subsidies of \$1,575,088 and interest subsidies of \$275,888 will be received over the life of the outstanding debt.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 7,112,300	\$ 3,673,570
2010	7,138,154	3,428,697
2011	7,119,025	3,163,932
2012	7,094,913	2,899,640
2013	7,055,820	2,615,671
2014-2018	32,418,350	9,027,675
2019-2023	21,976,103	3,798,076
2024-2028	<u>8,025,000</u>	<u>745,313</u>
Total	<u>\$ 97,939,665</u>	<u>\$ 29,352,574</u>

Authorized Unissued Bonds

At June 30, 2008, the Town had \$1,385,000 of authorized, unissued bonds for sewer line extension projects, \$16,915,000 for the Darien High School Building Project, \$5,745,000 for the Tokeneke Elementary School Project, \$3,325,000 for the purchase of the Darien Library Building, \$17,680,000 for the Police Station Project, and \$2,000,000 for the Weed Beach Project. The Darien High School Project is estimated to receive \$15,690,000 in State of Connecticut grants to reduce the amount of borrowing required for the project. The Tokeneke Elementary School Project is estimated to receive \$4,170,000 in State of Connecticut grants to reduce the amount of borrowing required for the project. This amount is approximately 20.7% of total eligible costs.

Debt Limit

The Town's total indebtedness does not exceed the limit of \$633 million allowed by State Statute.

Advance Refundings

In prior years, 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, 2008, \$25,452,000 of the defeased debt is outstanding.

Compensated Absences

The liability for compensated absences increased by \$86,724 this year. These liabilities are paid by the General Fund, Sewer Operating Fund, Parking Operations Fund and Solid Waste Fund.

10. 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, 2008, 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.

A. Risk Pooling

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies, which was formed in 1980 by the Connecticut Conference of Municipalities (CCM) for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's Workers' Compensation Pool, a risk sharing pool, which was begun on July 1, 1980. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan and losses incurred in coverage period 2007-08 will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium paid in 2007/08 was \$746,697. 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 and purchases reinsurance above that amount to the limit of liability of \$10 million per occurrence.

B. 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 funds the claims through annual appropriations. The claims liability of \$-0- reported at June 30, 2008, is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim which include 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.

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

	<u>Claims Payable July 1,</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable June 30,</u>
2006-2007	\$ 9,824	\$ 1,873,020	\$ 1,882,844	\$ -
2007-2008	-	1,682,903	1,682,903	-

11. FUND BALANCE

Reservations

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

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

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

Reserved - Debt Service - to segregate fund balance of the Sewer Assessment fund which must be used for debt service.

A summary of reserved fund balances at June 30, 2008 is presented below:

General Fund:		
Reserved for encumbrances	\$	177,432
Sewer Operating:		
Reserved for encumbrances		54,494
Capital Projects Fund:		
Reserved for encumbrances		1,076,050
Nonmajor Governmental Funds:		
Reserved for inventory		16,107
Reserved for encumbrances		145,806
Reserved for benefits		<u>1,129,863</u>
Total	\$	<u>2,599,752</u>

Deficits

The Capital Projects fund has a fund balance deficit of \$2,074,699. The deficit will be funded when the projects are permanently funded.

12. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 13, in accordance with contractual agreements, the Town provides, on a pay-as-you-go basis, post-retirement health care benefits for those persons retiring from the police bargaining unit. Under the plan, retirees and their spouses may continue coverage under the Town plan up to age 65. Under the agreement, the employees who retired between July 1, 1999 and June 30, 2002 will make a 10% cost-sharing contribution, employees retiring on or after July 1, 2002 will make a 12% cost-sharing contribution and for all employees retiring after July 1, 1999, the police union will make a 15% cost-sharing contribution. Eligible retirees may reject the coverage and receive in lieu of such coverage, a payment equal to 1/3 of the annual premium cost for the plan he or she most recently had and rejected. It is the Town's plan to actuarially fund the post-retirement medical insurance benefit. As of June 30, 2008, fourteen (14) retirees are receiving this benefit at a cost to the Town of \$158,130 for the year. Officers employed as of December 5, 2007 who retire with 25 years or more service will have the option of covering minor dependents. Such retirees will contribute 25% of the cost of dependent coverage. Any officer hired after December 5, 2007 will not be eligible for Town paid retiree medical coverage for themselves or dependents.

Board of Education retirees over age 65 who are eligible to receive a pension are paid \$850 annually, until their death, toward the purchase of a supplement health care plan. The Board pays such retirees the cost of participating in Medicare “B.” Payments to twenty-four (24) such retirees for Medical and Medicare “B” cost totaled approximately \$45,334 for the year ended June 30, 2008.

13. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. 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 noncertified Board of Education employees.

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

At July 1, 2007 (date of the last valuation), membership in the Town Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	136
Terminated members entitled to benefits but not yet receiving them	5
Current active members	<u>337</u>
 Total	 <u><u>478</u></u>

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

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

Town of Darien Police Pension Fund

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

At July 1, 2007, membership in the Police Plan consisted of:

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

B. 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. 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.

C. 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.

D. Schedule of Funding Progress

Town						
Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2007*	\$ 29,087,137	\$ 32,962,616	\$ 3,875,479	88%	\$ 15,191,006	25.5%

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

Police						
Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2007*	\$ 23,459,042	\$ 27,775,450	\$ 4,316,408	84.5%	\$ 3,598,772	120.0%

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

E. Schedule of Employer Contributions

Town			
Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2008	\$ 1,197,070	\$ 1,141,561	95.4%
2007	1,037,442	1,133,022	109.2%
2006	1,127,980	1,127,980	100.0%
2005	953,347	898,319	94.2%
2004	875,362	712,456	81.4%
2003	264,087	284,240	107.6%

Police			
Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2008	\$ 807,655	\$ 807,655	100.0%
2007	675,337	675,337	100.0%
2006	585,335	585,335	100.0%
2005	490,221	490,221	100.0%
2004	191,138	191,138	100.0%
2003	-	-	-

F. Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	July 1, 2007
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%
COLA	None

G. 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:

	<u>Town Plan</u>	<u>Police Plan</u>
Annual required contribution	\$ 1,201,279	\$ 807,655
Adjustment to annual required contribution	(4,209)	
Annual pension cost	1,197,070	807,655
Contributions made	1,141,561	807,655
Decrease in net pension asset	55,509	
Net pension obligation, beginning of year	(55,509)	-
Net Pension (Asset) Obligation, End of Year	\$ -	\$ -

H. Trend Information

<u>Town</u>			
<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2008	\$ 1,197,070	95.4%	\$ -
2007	1,037,442	109.2%	(55,509)
2006	1,127,980	100.0%	40,071

Police

Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2008	\$ 807,655	100%	\$ -
2007	675,337	100%	-
2006	585,335	100%	-

I. Separate Plan Financial Information

**Schedule of Plan Net Assets
For the Year Ended June 30, 2008**

	Police	Town	Total Pension Trust Funds
Assets:			
Cash and cash equivalents	\$ 122,318	\$ 612,921	\$ 735,239
Investments, at fair value:			
Unit trusts	566,745	704,996	1,271,741
Equity securities	15,064,594	18,769,734	33,834,328
Mutual funds	10,280,134	12,686,570	22,966,704
Receivables:			
Investment income	39,288	47,278	86,566
Total assets	<u>26,073,079</u>	<u>32,821,499</u>	<u>58,894,578</u>
Net Assets:			
Net Assets Held in Trust	<u>\$ 26,073,079</u>	<u>\$ 32,821,499</u>	<u>\$ 58,894,578</u>

**Schedule of Changes in Plan Net Assets
For the Year Ended June 30, 2008**

	<u>Police</u>	<u>Town</u>	<u>Total Pension Trust Funds</u>
Additions:			
Contributions:			
Employer	\$ 807,655	\$ 1,141,561	\$ 1,949,216
Plan members	247,033	813,025	1,060,058
Total contributions	<u>1,054,688</u>	<u>1,954,586</u>	<u>3,009,274</u>
Investment income (loss):			
Net appreciation in fair value of investments	(2,069,567)	(2,573,301)	(4,642,868)
Interest and dividends	760,259	949,828	1,710,087
Total investment loss	<u>(1,309,308)</u>	<u>(1,623,473)</u>	<u>(2,932,781)</u>
Total additions	<u>(254,620)</u>	<u>331,113</u>	<u>76,493</u>
Deductions:			
Benefits	1,428,192	1,637,173	3,065,365
Administration	123,427	148,790	272,217
Total deductions	<u>1,551,619</u>	<u>1,785,963</u>	<u>3,337,582</u>
Net decrease	(1,806,239)	(1,454,850)	(3,261,089)
Net Assets at Beginning of Year	<u>27,879,318</u>	<u>34,276,349</u>	<u>62,155,667</u>
Net Assets at End of Year	<u>\$ 26,073,079</u>	<u>\$ 32,821,499</u>	<u>\$ 58,894,578</u>

J. 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 service 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 \$33,328,499.

The retirement system for teachers is funded by the State based upon the recommendation of the Teacher's Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2008, the Town has recorded in the General Fund intergovernmental revenue schools and schools expenditures in the amount of \$24,671,119 as payments made by the State of Connecticut on behalf of the Town. The State of Connecticut significantly increased its contribution this year. The contribution increased by \$20.8 million this year. The Town does not have any liability for teacher pension.

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 06106.

14. SPECIAL ITEM

In January 2008, the Town of Darien opened the new Tokeneke Elementary School building. This replaced the previous building on that site, which was subsequently demolished to make room for parking and play fields, per the project plan. The loss on the disposal of the original school was \$6,206,704.

15. CONTINGENT LIABILITIES

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

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

Required Supplementary
Information

TOWN OF DARIEN, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Property taxes:				
Property taxes current	\$ 88,738,758	\$ 88,738,758	\$ 89,493,304	\$ 754,546
Property taxes prior	290,000	290,000	535,611	245,611
Suspense tax collections	1,000	1,000	35,561	34,561
Telecommunication property tax	123,367	123,367	120,911	(2,456)
Interest and liens	230,000	230,000	347,277	117,277
Total property taxes	<u>89,383,125</u>	<u>89,383,125</u>	<u>90,532,664</u>	<u>1,149,539</u>
Licenses and permits:				
Town Clerk	1,300,000	1,300,000	1,753,685	453,685
Building, plumbing and other	1,183,400	1,183,400	1,585,404	402,004
Food establishment	60,000	60,000	55,369	(4,631)
Private disposal and water supply	36,600	36,600	51,725	15,125
Fire Marshal's revenue	4,000	4,000	8,625	4,625
Other	31,900	31,900	32,990	1,090
Total licenses and permits	<u>2,615,900</u>	<u>2,615,900</u>	<u>3,487,798</u>	<u>871,898</u>
Intergovernmental:				
Capital improvement grant	110,955	110,955	110,761	(194)
Housing Authority	44,000	44,000		(44,000)
Taxes on State-owned land	94,761	94,761	107,738	12,977
Pequot distribution	15,606	15,606	19,938	4,332
Disabled persons	100	100	166	66
Circuit breaker	60,570	60,570	44,694	(15,876)
Elderly tax relief	14,000	14,000	10,000	(4,000)
Veterans' exemption	7,700	7,700		(7,700)
Court fines	3,000	3,000	23,440	20,440
Boating safety enforcement	18,700	18,700	18,715	15
Infrastructure - Town aid	154,581	154,581	166,784	12,203
State school reimbursement	393,694	393,694	313,233	(80,461)
Education cost-sharing grant	1,100,000	1,100,000	1,673,060	573,060
Transportation	804	804	693	(111)
Other	14,000	14,000	43,681	29,681
Total intergovernmental	<u>2,032,471</u>	<u>2,032,471</u>	<u>2,532,903</u>	<u>500,432</u>

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Charges for services:				
Sale of codes, regulations, etc.	\$ 3,000	\$ 3,000	\$ 2,106	\$ (894)
GIS fees	100	100		(100)
Planning and zoning application	17,400	17,400	23,130	5,730
ZBA application fees	20,240	20,240	14,874	(5,366)
EPC application fees	30,000	30,000	24,479	(5,521)
Other planning fees	11,100	11,100	11,970	870
EMS Services	500	500		(500)
Services for Sewer Commission Authority	42,000	42,000	42,000	-
Services for Parking Fund	68,039	68,039	68,039	-
Parking meters and permits	117,650	117,650	142,175	24,525
Youth Commission fees	195,045	195,045	213,299	18,254
Beach parking permits	203,400	99,250	197,000	97,750
Boat launch fees	8,275	203,400	7,110	(196,290)
Parks and recreation	99,250	8,275	116,884	108,609
Other	10,000	10,000	17,596	7,596
Total charges for services	<u>825,999</u>	<u>825,999</u>	<u>880,662</u>	<u>54,663</u>
Fines and forfeits	<u>18,000</u>	<u>18,000</u>	<u>19,458</u>	<u>1,458</u>
Board of Education	<u>73,200</u>	<u>178,207</u>	<u>218,875</u>	<u>40,668</u>
Investment income	<u>900,000</u>	<u>900,000</u>	<u>1,555,071</u>	<u>655,071</u>
Bond premiums	<u>-</u>	<u>-</u>	<u>175,432</u>	<u>175,432</u>
Miscellaneous:				
Metro mobile rent	100,000	100,000	96,933	(3,067)
Coin operated Xerox machine	11,000	11,000	17,434	6,434
Commission on Aging - van	35,393	35,393	34,332	(1,061)
Other rents	20,500	20,500	27,841	7,341
Insurance recoveries	20,000	20,000	70,839	50,839
Other	30,000	30,000	114,021	84,021
Total miscellaneous	<u>216,893</u>	<u>216,893</u>	<u>361,400</u>	<u>144,507</u>
Total revenues	<u>96,065,588</u>	<u>96,170,595</u>	<u>99,764,263</u>	<u>3,593,668</u>

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Other financing sources:				
Transfers in:				
Sewer Assessment Fund	\$ 859,698	\$ 859,698	\$ 859,698	\$ -
Sewer Operating Fund	53,807	53,807	53,807	-
Police Private Duty			55,341	55,341
Other Funds	845,000	845,000	699,402	(145,598)
Total transfers in	<u>1,758,505</u>	<u>1,758,505</u>	<u>1,668,248</u>	<u>(90,257)</u>
Appropriation of fund balance	<u>1,100,000</u>	<u>3,095,500</u>		<u>(3,095,500)</u>
Total other financing sources	<u>2,858,505</u>	<u>4,854,005</u>	<u>1,668,248</u>	<u>(3,185,757)</u>
Total Revenues and Other Financing Sources	<u>\$ 98,924,093</u>	<u>\$ 101,024,600</u>	101,432,511	<u>\$ 407,911</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.

24,671,119

Under liquidation of prior year encumbrances is recorded as miscellaneous
revenue for budgetary reporting. This amount is excluded for financial
reporting purposes.

(98,347)

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.2,386,945Total Revenues and Other Financing Sources as Reported on the Statement
of Revenues, Expenditures and Changes in Fund Balances - Governmental
Funds - Exhibit IV\$ 128,392,228

TOWN OF DARIEN, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General government:				
Selectmen's office	\$ 166,752	\$ 226,921	\$ 226,404	\$ 517
Administrative Officer	333,792	358,372	354,603	3,769
Human Resources	108,200	91,091	91,055	36
RTM	1,880	2,419	2,417	2
Financial management	350,289	372,215	371,935	280
Board of Finance	31,200	41,400	41,400	-
Tax Assessor	266,446	253,567	251,429	2,138
Tax Collector	226,673	235,030	231,998	3,032
Legal services	384,600	683,350	683,347	3
Town Clerk	238,096	233,011	230,389	2,622
Registrar of Voters	111,343	115,156	112,122	3,034
Information services	246,491	230,192	225,521	4,671
Probate court	11,300	11,300	9,314	1,986
Total general government	<u>2,477,062</u>	<u>2,854,024</u>	<u>2,831,934</u>	<u>22,090</u>
Community environment:				
Development Planning	529,871	538,035	533,906	4,129
Planning and Zoning	31,167	36,717	36,717	-
Zoning Appeals	5,520	5,520	5,101	419
Environmental Protection	5,960	6,495	5,893	602
Regional Planning	6,366	6,366	6,366	-
Beautification	34,000	34,000	34,000	-
Celebrations and observances	29,400	20,869	17,785	3,084
Harbor Master	375	379	377	2
Revitalize Downtown Darien	3,750	3,750	3,750	-
Total community environment	<u>646,409</u>	<u>652,131</u>	<u>643,895</u>	<u>8,236</u>
Public safety:				
Building Department	<u>296,623</u>	<u>305,595</u>	<u>303,588</u>	<u>2,007</u>
Police Department:				
Administration	463,559	468,697	468,060	637
Criminal Investigation	392,716	425,454	425,197	257
Patrol	3,034,265	3,396,691	3,395,966	725
Records	258,359	265,192	265,046	146
Youth	124,308	164,250	164,249	1
Marine Patrol	8,600	9,106	9,072	34
Training	119,960	153,469	152,833	636
Traffic and School Crossing	68,980	64,444	64,260	184
Fleet Services	155,338	152,625	152,384	241
Station maintenance and communication	176,182	182,234	182,009	225
Miscellaneous	800	167	81	86
Total Police Department	<u>4,803,067</u>	<u>5,282,329</u>	<u>5,279,157</u>	<u>3,172</u>

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Fire service and emergency medical service:				
Darien Fire Department	\$ 125,468	\$ 125,553	\$ 117,120	\$ 8,433
Noroton Fire Department	134,795	137,401	136,267	1,134
Noroton Heights Fire Department	113,666	121,666	120,838	828
Board of Fire Commissioners	66,135	69,265	68,138	1,127
Fire Marshal	265,343	268,112	265,727	2,385
Hydrants and main rental	275,000	310,860	310,859	1
Disaster Preparedness	7,450	7,450	7,415	35
Emergency medical service	84,674	84,674	71,152	13,522
Total fire service and emergency medical service	<u>1,072,531</u>	<u>1,124,981</u>	<u>1,097,516</u>	<u>27,465</u>
Total public safety	<u>6,172,221</u>	<u>6,712,905</u>	<u>6,680,261</u>	<u>32,644</u>
Public works:				
Administration	304,215	315,655	312,873	2,782
Roadway and walkway maintenance	1,796,706	1,922,319	1,903,496	18,823
Public building management	356,817	367,867	366,265	1,602
Parking facility	76,260	54,473	54,443	30
Total public works	<u>2,533,998</u>	<u>2,660,314</u>	<u>2,637,077</u>	<u>23,237</u>
Health and social services:				
Social services	193,915	202,000	200,809	1,191
Social service - outside assistance	12,000	12,000	11,316	684
Senior Center	210,938	218,053	215,919	2,134
Senior transportation	35,393	35,393	34,217	1,176
Youth programs	281,739	270,486	255,293	15,193
Youth services grants	96,075	96,075	94,950	1,125
Other outreach services	5,200	5,200	4,100	1,100
Health Department	291,077	267,512	263,659	3,853
Total health and social services	<u>1,126,337</u>	<u>1,106,719</u>	<u>1,080,263</u>	<u>26,456</u>
Parks and recreation:				
Administration	254,784	290,566	283,178	7,388
Beach and court facilities	181,589	162,532	159,747	2,785
Maintenance and repair	363,142	352,442	345,841	6,601
Organized recreation activities	31,881	31,881	29,206	2,675
Grounds, fields, building	234,406	217,677	208,241	9,436
Total parks and recreation	<u>1,065,802</u>	<u>1,055,098</u>	<u>1,026,213</u>	<u>28,885</u>
Overhead and miscellaneous:				
Employee benefits	3,539,365	3,478,536	3,477,840	696
Risk management	857,777	948,801	947,693	1,108
Contingency	686,137	-	-	-
Total overhead and miscellaneous	<u>5,083,279</u>	<u>4,427,337</u>	<u>4,425,533</u>	<u>1,804</u>

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT

SEWER OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
Licenses and permits	\$ 14,000	\$ 14,000	\$ 14,400	\$ 400
Charges for services	2,692,835	2,692,835	2,573,407	(119,428)
Fines and forfeits	50,000	50,000	27,314	(22,686)
Investment income	200,000	200,000	256,233	56,233
Total revenues	<u>2,956,835</u>	<u>2,956,835</u>	<u>2,871,354</u>	<u>(85,481)</u>
Expenditures:				
Sewer operations:				
Administration	262,943	279,551	280,960	1,409
Collection and pumping	1,134,299	923,794	747,714	(176,080)
Treatment service	1,800,000	2,021,819	2,021,819	-
Overhead and miscellaneous	259,593	231,671	177,837	(53,834)
Total expenditures	<u>3,456,835</u>	<u>3,456,835</u>	<u>3,228,330</u>	<u>(228,505)</u>
Excess (deficiency) of revenues over expenditures	<u>(500,000)</u>	<u>(500,000)</u>	<u>(356,976)</u>	<u>143,024</u>
Other financing sources (uses):				
Operating transfers out	-	-	(53,807)	(53,807)
Appropriation of fund balance	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	(410,783)	<u>\$ (410,783)</u>
Budgetary Fund Balance, Beginning of Year			<u>7,357,599</u>	
Budgetary Fund Balance, End of Year			6,946,816	
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>(1,087,020)</u>	
GAAP Fund Balance, End of Year			<u>\$ 5,859,796</u>	

Combining and Individual Fund Statements and Schedules

General Fund

GENERAL FUND

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

TOWN OF DARIEN, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 14,170,597	\$ 21,067,101
Receivables:		
Taxes	1,021,114	1,046,224
Intergovernmental	1,581,267	1,811,306
Other	511,806	578,020
Due from other funds	5,264,217	259,213
Prepaid expenses	<u>1,151</u>	<u>7,778</u>
Total Assets	<u>\$ 22,550,152</u>	<u>\$ 24,769,642</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 1,879,005	\$ 2,784,784
Due to other funds	251,448	1,844,691
Deferred revenue	<u>2,831,880</u>	<u>3,093,219</u>
Total liabilities	<u>4,962,333</u>	<u>7,722,694</u>
Fund balance:		
Reserved for encumbrances	177,432	267,274
Unreserved:		
Designated for subsequent year budget	1,100,000	1,100,000
Undesignated	<u>16,310,387</u>	<u>15,679,674</u>
Total fund balance	<u>17,587,819</u>	<u>17,046,948</u>
Total Liabilites and Fund Balance	<u>\$ 22,550,152</u>	<u>\$ 24,769,642</u>

TOWN OF DARIEN, CONNECTICUT
REPORT OF PROPERTY TAX COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2008

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Grand List Year	Uncollected Taxes June 30, 2007	Current Levy	Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2008
			Additons	Deductions			Taxes	Interest	Liens	Total	
1992	\$ 1,035	\$	\$	\$	\$	\$ 1,035	\$	\$ 67	\$	\$ 67	\$ 1,035
1993	1,071					1,071					1,071
1994	1,109					1,109		188		188	1,109
1995	3,872					3,872	2,700	1,575	48	4,323	1,172
1996	8,962		241	90		9,113	3,102	11,693	24	14,819	6,011
1997	9,474					9,474	3,120	5,868	24	9,012	6,354
1998	14,720					14,720	5,993	5,244	48	11,285	8,727
1999	26,546					26,546	10,828	11,249	48	22,125	15,718
2000	32,624					32,624	12,912	13,599	96	26,607	19,712
2001	48,545		266			48,811	18,855	18,534	96	37,485	29,956
2002	101,631				52,556	49,075	17,410	23,215	96	40,721	31,665
2003	125,417			4,885		120,532	26,267	12,924	96	39,287	94,265
2004	202,877		42,825	6,032		239,670	142,000	38,216	336	180,552	97,670
2005	523,066		32,232	24,550		530,748	293,512	46,976	720	341,208	237,236
Total prior years	1,100,949	-	75,564	35,557	52,556	1,088,400	536,699	189,348	1,632	727,679	551,701
2006		89,932,680	347,781	250,541		90,029,920	89,494,121	178,887	8	89,673,016	535,799
Total	\$ 1,100,949	\$ 89,932,680	\$ 423,345	\$ 286,098	\$ 52,556	\$ 91,118,320	\$ 90,030,820	\$ 368,235	\$ 1,640	\$ 90,400,695	\$ 1,087,500

Nonmajor Governmental
Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources which are legally designed to finance a particular function or activity. These funds are as follows:

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

TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008

	<u>Special Revenue</u>							
	<u>Animal Control</u>	<u>Cafeteria</u>	<u>Special Education Grants</u>	<u>Land Purchase Option</u>	<u>Solid Waste Management</u>	<u>Special Education Reserve</u>	<u>Waste Disposal</u>	<u>Police Extra Duty</u>
Assets								
Cash and cash equivalents	\$ 25,037	\$ 145,476	\$ 128,350	\$ 69,897	\$ 344,269		\$ 89,850	\$ 188,930
Investments								
Receivables:								
Other					9,625			154,868
Intergovernmental		6,986						
Due from other funds	1,448					250,000		
Inventory		16,107						
Total Assets	<u>\$ 26,485</u>	<u>\$ 168,569</u>	<u>\$ 128,350</u>	<u>\$ 69,897</u>	<u>\$ 353,894</u>	<u>\$ 250,000</u>	<u>\$ 89,850</u>	<u>\$ 343,798</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts and other payables	\$ 11,349		\$ 11,545		\$ 119,731			\$ 73,661
Due to other funds					3,280			102,928
Deferred revenue								
Total liabilities	<u>11,349</u>	<u>-</u>	<u>11,545</u>	<u>-</u>	<u>123,011</u>	<u>-</u>	<u>-</u>	<u>176,589</u>
Fund balance:								
Reserved for inventory		16,107						
Reserved for encumbrances	1,749				141,902			
Reserved for benefits								
Unreserved reported in:								
Undesignated	13,387	152,462	116,805	69,897	88,981	250,000	89,850	167,209
Total fund balance	<u>15,136</u>	<u>168,569</u>	<u>116,805</u>	<u>69,897</u>	<u>230,883</u>	<u>250,000</u>	<u>89,850</u>	<u>167,209</u>
Total Liabilities and Fund Balances	<u>\$ 26,485</u>	<u>\$ 168,569</u>	<u>\$ 128,350</u>	<u>\$ 69,897</u>	<u>\$ 353,894</u>	<u>\$ 250,000</u>	<u>\$ 89,850</u>	<u>\$ 343,798</u>

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TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2008

	<u>Special Revenue</u>							
	<u>Fire Alarm</u>	<u>State and Federal Grants</u>	<u>Social Services Gift</u>	<u>Sarah Wilson Trust</u>	<u>Harold Dean Trust</u>	<u>George Nelson Trust</u>	<u>Bruno Scholarship</u>	
Assets								
Cash and cash equivalents	\$ 17,518	\$ 129,193	\$ 8,533	\$ 8,848	\$ 1,492	\$ 6,580	\$ 2,082	\$ 37,383
Investments								1,092,480
Receivables:								
Other	1,047							
Intergovernmental		299						
Due from other funds								
Inventory								
Total Assets	<u>\$ 18,565</u>	<u>\$ 129,492</u>	<u>\$ 8,533</u>	<u>\$ 8,848</u>	<u>\$ 1,492</u>	<u>\$ 6,580</u>	<u>\$ 2,082</u>	<u>\$ 1,129,863</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts and other payables	\$	\$	\$	\$	\$	\$	\$	\$
Due to other funds		3						
Deferred revenue		69,795						
Total liabilities	<u>-</u>	<u>69,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:								
Reserved for inventory								
Reserved for encumbrances	1,823							
Reserved for benefits								1,129,863
Unreserved reported in:								
Undesignated	16,742	59,694	8,533	8,848	1,492	6,580	2,082	
Total fund balance	<u>18,565</u>	<u>59,694</u>	<u>8,533</u>	<u>8,848</u>	<u>1,492</u>	<u>6,580</u>	<u>2,082</u>	<u>1,129,863</u>
Total Liabilities and Fund Balances	<u>\$ 18,565</u>	<u>\$ 129,492</u>	<u>\$ 8,533</u>	<u>\$ 8,848</u>	<u>\$ 1,492</u>	<u>\$ 6,580</u>	<u>\$ 2,082</u>	<u>\$ 1,129,863</u>

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TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2008

	<u>Special Revenue</u>							Total Nonmajor Governmental Funds
	<u>Stadium Field</u>	<u>Police Supplemental Benefit</u>	<u>Firefighters Memorial</u>	<u>Parking Operations</u>	<u>Park Pals Play Area Trust</u>	<u>Weed Beach Donations</u>	<u>Veterans Memorial</u>	
Assets								
Cash and cash equivalents	\$ 1,350		\$ 450	\$ 644,512	\$ 31,976	\$ 6,464	\$ 1,483	\$ 1,889,673
Investments								1,092,480
Receivables:								
Other				23,505				189,045
Intergovernmental								7,285
Due from other funds								251,448
Inventory								16,107
Total Assets	<u>\$ 1,350</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 668,017</u>	<u>\$ 31,976</u>	<u>\$ 6,464</u>	<u>\$ 1,483</u>	<u>\$ 3,446,038</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts and other payables	\$	\$	\$	11,811	\$	\$	\$	228,097
Due to other funds				184,165				290,376
Deferred revenue								69,795
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>588,268</u>
Fund balance:								
Reserved for inventory								16,107
Reserved for encumbrances				332				145,806
Reserved for benefits								1,129,863
Unreserved reported in:								
Undesignated	1,350		450	471,709	31,976	6,464	1,483	1,565,994
Total fund balance	<u>1,350</u>	<u>-</u>	<u>450</u>	<u>472,041</u>	<u>31,976</u>	<u>6,464</u>	<u>1,483</u>	<u>2,857,770</u>
Total Liabilities and Fund Balances	<u>\$ 1,350</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 668,017</u>	<u>\$ 31,976</u>	<u>\$ 6,464</u>	<u>\$ 1,483</u>	<u>\$ 3,446,038</u>

TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Special Revenue</u>							
	<u>Animal Control</u>	<u>Cafeteria</u>	<u>Special Education Grants</u>	<u>Land Purchase Option</u>	<u>Solid Waste Management</u>	<u>Special Education Reserve</u>	<u>Waste Disposal</u>	<u>Police Extra Duty</u>
Revenues:								
Intergovernmental	\$	\$ 82,656	\$ 795,377	\$	\$	\$	\$	\$
Licenses and permits	5,464				257,941			
Charges for services		1,800,519			694,610			1,341,586
Fines and forfeits	1,840				19,794			
Investment income				65			3	
Contributions			107,110					
Miscellaneous		34,865						
Total revenues	<u>7,304</u>	<u>1,918,040</u>	<u>902,487</u>	<u>65</u>	<u>972,345</u>	<u>-</u>	<u>3</u>	<u>1,341,586</u>
Expenditures:								
Current:								
General government								
Public safety	62,036							1,196,384
Public health								
Public works								
Solid waste					1,198,201			
Board of Education		1,897,982	830,651					
Total expenditures	<u>62,036</u>	<u>1,897,982</u>	<u>830,651</u>	<u>-</u>	<u>1,198,201</u>	<u>-</u>	<u>-</u>	<u>1,196,384</u>
Excess (deficiency) of revenues over expenditures	<u>(54,732)</u>	<u>20,058</u>	<u>71,836</u>	<u>65</u>	<u>(225,856)</u>	<u>-</u>	<u>3</u>	<u>145,202</u>
Other financing sources (uses):								
Transfers in	56,923				200,000			
Transfers out								(55,341)
Total other financing sources (uses)	<u>56,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>(55,341)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>2,191</u>	<u>20,058</u>	<u>71,836</u>	<u>65</u>	<u>(25,856)</u>	<u>-</u>	<u>3</u>	<u>89,861</u>
Fund balance, beginning of year	<u>12,945</u>	<u>148,511</u>	<u>44,969</u>	<u>69,832</u>	<u>256,739</u>	<u>250,000</u>	<u>89,847</u>	<u>77,348</u>
Fund Balance, End of Year	<u>\$ 15,136</u>	<u>\$ 168,569</u>	<u>\$ 116,805</u>	<u>\$ 69,897</u>	<u>\$ 230,883</u>	<u>\$ 250,000</u>	<u>\$ 89,850</u>	<u>\$ 167,209</u>

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TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Special Revenue</u>							
	<u>Fire Alarm</u>	<u>State and Federal Grants</u>	<u>Social Services Gift</u>	<u>Sarah Wilson Trust</u>	<u>Harold Dean Trust</u>	<u>George Nelson Trust</u>	<u>Bruno Scholarship</u>	<u>Police Retiree Medical Reserve</u>
Revenues:								
Intergovernmental	\$	\$ 68,189	\$	\$	\$	\$	\$	\$
Licenses and permits								
Charges for services								
Fines and forfeits	23,650		121	316	53	235	91	(12,846)
Investment income			5,457					
Contributions								
Miscellaneous								
Total revenues	<u>23,650</u>	<u>68,189</u>	<u>5,578</u>	<u>316</u>	<u>53</u>	<u>235</u>	<u>91</u>	<u>(12,846)</u>
Expenditures:								
Current:								
General government		54,335	7,675					
Public safety	54,990	18,966						164,622
Public health		7,389						
Public works								
Solid waste								
Board of Education							500	
Total expenditures	<u>54,990</u>	<u>80,690</u>	<u>7,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>164,622</u>
Excess (deficiency) of revenues over expenditures	<u>(31,340)</u>	<u>(12,501)</u>	<u>(2,097)</u>	<u>316</u>	<u>53</u>	<u>235</u>	<u>(409)</u>	<u>(177,468)</u>
Other financing sources (uses):								
Transfers in								387,324
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>387,324</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(31,340)</u>	<u>(12,501)</u>	<u>(2,097)</u>	<u>316</u>	<u>53</u>	<u>235</u>	<u>(409)</u>	<u>209,856</u>
Fund balance, beginning of year	<u>49,905</u>	<u>72,195</u>	<u>10,630</u>	<u>8,532</u>	<u>1,439</u>	<u>6,345</u>	<u>2,491</u>	<u>920,007</u>
Fund Balance, End of Year	<u>\$ 18,565</u>	<u>\$ 59,694</u>	<u>\$ 8,533</u>	<u>\$ 8,848</u>	<u>\$ 1,492</u>	<u>\$ 6,580</u>	<u>\$ 2,082</u>	<u>\$ 1,129,863</u>

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TOWN OF DARIEN, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue							Total Nonmajor Governmental Funds
	Stadium Field	Police Supplemental Benefit	Firefighters Memorial	Parking Operations	Park Pals Play Area Trust	Weed Beach Donations	Veterans Memorial	
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$ 946,222
Licenses and permits				578,005				841,410
Charges for services								3,836,715
Fines and forfeits				76,627				121,911
Investment income				15,476				3,514
Contributions						6,464		119,031
Miscellaneous		41,227		13,670				89,762
Total revenues	<u>-</u>	<u>41,227</u>	<u>-</u>	<u>683,778</u>	<u>-</u>	<u>6,464</u>	<u>-</u>	<u>5,958,565</u>
Expenditures:								
Current:								
General government								62,010
Public safety		138,156			488		1,275	1,636,917
Public health								7,389
Public works				435,052				435,052
Solid waste								1,198,201
Board of Education								2,729,133
Total expenditures	<u>-</u>	<u>138,156</u>	<u>-</u>	<u>435,052</u>	<u>488</u>	<u>-</u>	<u>1,275</u>	<u>6,068,702</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(96,929)</u>	<u>-</u>	<u>248,726</u>	<u>(488)</u>	<u>6,464</u>	<u>(1,275)</u>	<u>(110,137)</u>
Other financing sources (uses):								
Transfers in								644,247
Transfers out				(129,145)				(184,486)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(129,145)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>459,761</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>(96,929)</u>	<u>-</u>	<u>119,581</u>	<u>(488)</u>	<u>6,464</u>	<u>(1,275)</u>	<u>349,624</u>
Fund balance, beginning of year	<u>1,350</u>	<u>96,929</u>	<u>450</u>	<u>352,460</u>	<u>32,464</u>	<u>-</u>	<u>2,758</u>	<u>2,508,146</u>
Fund Balance, End of Year	<u>\$ 1,350</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 472,041</u>	<u>\$ 31,976</u>	<u>\$ 6,464</u>	<u>\$ 1,483</u>	<u>\$ 2,857,770</u>

TOWN OF DARIEN, CONNECTICUT

ANIMAL CONTROL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 4,500	\$ 4,500	\$ 5,464	\$ 964
Fines and forfeits	2,400	2,400	1,840	(560)
Investment income	100	100		(100)
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>7,304</u>	<u>304</u>
Expenditures:				
Public safety	<u>61,775</u>	<u>63,923</u>	<u>63,544</u>	<u>(379)</u>
Deficiency of revenues over expenditures	(54,775)	(56,923)	(56,240)	683
Other financing sources:				
Transfers in	<u>54,775</u>	<u>56,923</u>	<u>56,923</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures	\$ <u>-</u>	\$ <u>-</u>	683	\$ <u>683</u>
Budgetary Fund Balance, Beginning of Year			<u>12,945</u>	
Budgetary Fund Balance, End of Year			13,628	
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>1,508</u>	
GAAP Fund Balance, End of Year			\$ <u><u>15,136</u></u>	

TOWN OF DARIEN, CONNECTICUT

SOLID WASTE MANAGEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Licenses and permits	\$ 229,275	\$ 229,275	\$ 257,941	\$ 28,666
Charges for services	1,003,467	1,003,467	694,611	(308,856)
Fines and forfeits	16,000	16,000	19,794	3,794
Total revenues	<u>1,248,742</u>	<u>1,248,742</u>	<u>972,346</u>	<u>(276,396)</u>
Expenditures:				
Solid waste management	<u>1,510,742</u>	<u>1,510,742</u>	<u>1,205,945</u>	<u>(304,797)</u>
Deficiency of revenues over expenditures	(262,000)	(262,000)	(233,599)	28,401
Other financing sources:				
Transfers in	200,000	200,000	200,000	-
Appropriation of fund balance	<u>62,000</u>	<u>62,000</u>	<u>-</u>	<u>(62,000)</u>
Excess of Revenues and Other Financing Sources over Expenditures	\$ <u>-</u>	\$ <u>-</u>	(33,599)	\$ <u>(33,599)</u>
Budgetary Fund Balance, Beginning of Year			<u>244,635</u>	
Budgetary Fund Balance, End of Year			211,036	
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>19,847</u>	
GAAP Fund Balance, End of Year			\$ <u>230,883</u>	

TOWN OF DARIEN, CONNECTICUT

PARKING OPERATIONS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Revenues:				
Licenses and permits	\$ 509,841	\$ 509,841	\$ 578,005	\$ 68,164
Fines and forfeits	70,000	70,000	76,627	6,627
Investment income	10,000	10,000	15,476	5,476
Miscellaneous income	15,000	15,000	13,670	(1,330)
Total revenues	<u>604,841</u>	<u>604,841</u>	<u>683,778</u>	<u>78,937</u>
Expenditures:				
Parking operations	<u>536,802</u>	<u>536,802</u>	<u>496,158</u>	<u>(40,644)</u>
Excess of revenues over expenditures	68,039	68,039	187,620	119,581
Other financing uses:				
Transfers out	<u>(68,039)</u>	<u>(68,039)</u>	<u>(68,039)</u>	<u>-</u>
Excess of Revenues over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	119,581	\$ <u>119,581</u>
Fund Balance, Beginning of Year			<u>352,460</u>	
Fund Balance, End of Year			\$ <u>472,041</u>	

Fiduciary Funds

FIDUCIARY FUNDS

AGENCY FUND

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

TOWN OF DARIEN, CONNECTICUT

AGENCY FUND

STUDENT ACTIVITIES

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
ASSETS				
Cash and cash equivalents	\$ <u>401,567</u>	\$ <u>1,567,996</u>	\$ <u>1,469,277</u>	\$ <u>500,286</u>
LIABILITIES				
Accounts and other payables	\$ <u>401,567</u>	\$ <u>1,567,996</u>	\$ <u>1,469,277</u>	\$ <u>500,286</u>

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.

TOWN OF DARIEN, CONNECTICUT

NET ASSETS BY COMPONENT

LAST SIX FISCAL YEARS

(In Thousands)

	FISCAL YEAR					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:						
Invested in capital assets, net of related debt	\$ 84,591	\$ 80,136	\$ 67,136	\$ 66,144	\$ 59,624	\$ 52,386
Unrestricted	<u>32,028</u>	<u>36,389</u>	<u>30,178</u>	<u>22,645</u>	<u>20,805</u>	<u>21,380</u>
Total Governmental Activities Net Assets	<u>\$ 116,619</u>	<u>\$ 116,525</u>	<u>\$ 97,314</u>	<u>\$ 88,789</u>	<u>\$ 80,429</u>	<u>\$ 73,766</u>

09

NOTES:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003

TOWN OF DARIEN, CONNECTICUT

CHANGES IN NET ASSETS

LAST SIX FISCAL YEARS

(In Thousands)

	FISCAL YEAR					
	2008	2007	2006	2005	2004	2003
Expenses:						
Governmental activities:						
General government	\$ 3,977	\$ 3,478	\$ 3,546	\$ 3,127	\$ 3,442	\$ 3,058
Community environment	902	863	643	655	563	641
Public safety	11,433	9,682	9,344	9,145	7,725	8,486
Health and social services	1,354	1,416	1,252	1,079	1,062	943
Library	2,516	2,388	2,300	2,186	1,983	1,905
Parks and recreation	1,776	1,571	1,500	1,296	1,483	1,269
Public works	5,489	7,494	3,526	3,297	4,106	3,468
Board of Education	96,894	71,884	70,118	60,356	55,938	52,025
Sewer operations	4,315	2,061	2,114	2,140	1,905	2,046
Solid waste	1,198	1,318	1,580	1,418	1,464	1,313
Interest on long-term debt	4,329	3,523	2,947	3,421	2,870	2,542
Total governmental activities expenses	134,183	105,678	98,870	88,120	82,541	77,696
Program Revenues:						
Governmental activities:						
Charges for services:						
General government	1,779	1,906	2,051	2,119	2,544	1,715
Community environment	80	70	75	36	25	25
Public safety	3,695	2,952		1,580	1,370	1,173
Health and social services	118	103	93	72	68	169
Parks and recreation	321	326	320	286	256	189
Public works	504	209	925	901	68	73
Board of Education	1,835	1,873	1,785	1,702	1,578	1,599
Sewer operations	3,436	3,596	3,201	2,936	2,298	2,192
Solid waste	972	1,187	1,405	1,195	1,289	999
Operating grants and contributions:						
General government	25	29	17	54	35	
Community environment				2		
Public safety	62	47	2,102	29	68	219
Health and social services	229	323	201	182	166	38
Parks and recreation	6		45			
Public works			23	70		35
Board of Education	29,883	8,096	3,703	4,895	3,949	3,902
Sewer operations				1		
Interest on long term debt	77	86	92	173	157	150
Capital grants and contributions:						
General government				109	109	
Public safety	93		76			
Health and social services	35	32	32	31	29	
Parks and recreation				41	1,120	
Public works	2,098	1,580	3,007	111	70	199
Board of Education	2,270	2,999	2,010	3,828	4,519	2,057
Sewer operations			1,433			
Total governmental activities program revenues	47,518	25,414	22,596	20,353	19,718	14,734
Net (expense) revenue:						
Governmental activities	(86,665)	(80,264)	(76,274)	(67,767)	(62,823)	(62,962)

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT
CHANGES IN NET ASSETS (CONTINUED)

LAST SIX FISCAL YEARS
(In Thousands)

	FISCAL YEAR					
	2008	2007	2006	2005	2004	2003
General revenues and other changes in net assets:						
Governmental activities:						
Property taxes	\$ 90,508	\$ 85,996	\$ 82,426	\$ 74,497	\$ 68,060	\$ 63,002
Grants and contributions not restricted to specific purposes	227	255	276	293	272	511
Unrestricted investment earnings	1,924	2,855	1,709	867	601	715
Other general revenues	252	610	387	469	385	14
Total governmental activities	<u>92,911</u>	<u>89,716</u>	<u>84,798</u>	<u>76,126</u>	<u>69,318</u>	<u>64,242</u>
Special items	<u>(6,207)</u>					
Changes in net assets:						
Governmental activities	<u>\$ 39</u>	<u>\$ 9,452</u>	<u>\$ 8,524</u>	<u>\$ 8,359</u>	<u>\$ 6,495</u>	<u>\$ 1,280</u>

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.
- (3) On behalf payments from the State of Connecticut for Darien teachers increased by \$20.9 million in 2008. These amounts are reflected in Board of Education expenses and Operating Grants and Contributions.

TOWN OF DARIEN, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS

LAST SIX FISCAL YEARS
(In Thousands)

	FISCAL YEAR					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:						
Reserved	\$ 178	\$ 267	\$ 229	\$ 393	\$ 270	\$ 122
Unreserved	<u>17,410</u>	<u>16,780</u>	<u>13,636</u>	<u>10,284</u>	<u>7,198</u>	<u>7,336</u>
Total General Fund	<u>\$ 17,588</u>	<u>\$ 17,047</u>	<u>\$ 13,865</u>	<u>\$ 10,677</u>	<u>\$ 7,468</u>	<u>\$ 7,458</u>
All other governmental funds:						
Reserved	\$ 7,636	\$ 4,030	\$ 2,308	\$ 3,892	\$ 23,485	\$ 24,749
Unreserved, reported in:						
Special revenue funds	8,482	7,687	7,445	7,318	6,622	6,379
Capital projects funds	<u>(8,365)</u>	<u>(11,583)</u>	<u>(323)</u>	<u>(3,886)</u>	<u>(22,034)</u>	<u>1,677</u>
Total All Other Governmental Funds	<u>\$ 7,753</u>	<u>\$ 134</u>	<u>\$ 9,430</u>	<u>\$ 7,324</u>	<u>\$ 8,073</u>	<u>\$ 32,805</u>

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

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

TOWN OF DARIEN, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS
(In Thousands)

	FISCAL YEAR					
	2008	2007	2006	2005	2004	2003
Revenues:						
Property taxes	\$ 90,533	\$ 85,837	\$ 82,435	\$ 74,866	\$ 68,132	\$ 63,355
Intergovernmental	32,803	11,135	9,351	9,954	9,375	6,962
Charges for services	9,072	8,690	12,289	10,918	9,423	8,434
Income on investments	1,924	2,855	1,709	881	601	715
Miscellaneous	4,245	5,257	1,114	496	1,905	193
Total revenues	<u>138,577</u>	<u>113,774</u>	<u>106,898</u>	<u>97,115</u>	<u>89,436</u>	<u>79,659</u>
Expenditures:						
General government	2,887	2,614	2,554	2,314	2,444	2,248
Community environment	637	560	457	453	429	425
Public safety	8,293	7,119	6,686	6,887	6,295	6,199
Health and social services	1,086	1,056	954	894	848	761
Library	2,516	2,388	2,300	2,186	1,983	1,905
Parks and recreation	1,011	940	936	941	929	883
Public works	3,085	2,684	2,494	2,587	2,301	2,057
Schools	92,358	67,071	64,797	57,102	53,497	49,835
Sewer operations	4,315	2,061	2,114	2,141	1,905	2,046
Solid waste	1,198	1,318	1,580	1,418	1,464	1,313
General overhead	4,426	4,170	3,947	3,018	2,762	2,572
Capital outlay	18,299	18,973	13,961	24,929	33,001	13,701
Debt service:						
Principal	6,112	5,501	5,851	4,180	3,529	3,618
Interest	3,869	3,433	3,293	3,005	2,928	2,067
Total expenditures	<u>150,092</u>	<u>119,888</u>	<u>111,924</u>	<u>112,055</u>	<u>114,315</u>	<u>89,630</u>
Excess of Revenue Over (Under) Expenditures	<u>(11,515)</u>	<u>(6,114)</u>	<u>(5,026)</u>	<u>(14,940)</u>	<u>(24,879)</u>	<u>(9,971)</u>
Other Financing Sources (Uses):						
Transfers in	8,240	5,446	3,501	3,605	4,359	3,184
Transfers out	(8,240)	(5,446)	(3,501)	(3,605)	(4,359)	(3,184)
Issuance of bonds	19,500		40,215	17,400	9,310	30,000
Payment to Escrow Agent			(29,894)		(9,154)	
Bond Premium	175					
Total Other Financing Sources (Uses)	<u>19,675</u>	<u>-</u>	<u>10,321</u>	<u>17,400</u>	<u>156</u>	<u>30,000</u>
Net Change in Fund Balances	<u>\$ 8,160</u>	<u>\$ (6,114)</u>	<u>\$ 5,295</u>	<u>\$ 2,460</u>	<u>\$ (24,723)</u>	<u>\$ 20,029</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>7.55%</u>	<u>8.80%</u>	<u>9.04%</u>	<u>8.09%</u>	<u>7.75%</u>	<u>7.34%</u>

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

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

TOWN OF DARIEN, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value As a Percentage of Actual Taxable Value
	Residential	Commercial	Other							
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	13.4	9,150,820	70.00%
2006	5,513,834	398,601	141,646	63,740	209,890	1,720	6,325,992	13.02	9,037,130	70.00%
2005	5,426,736	399,496	139,631	63,259	195,169	1,841	6,222,451	11.95	8,891,845	69.98%
2004	3,567,507	336,477	83,203	71,176	196,385	2,067	4,254,707	16	6,078,153	70.00%
2003	3,543,949	336,381	81,606	63,178	190,198	1,715	4,263,935	14.98	6,093,785	69.97%
2002	3,528,533	335,074	93,742	69,208	184,032	1,710	4,239,958	14.02	6,059,526	69.97%
2001	3,530,480	335,373	94,875	66,267	176,358	2,058	4,201,294	13.06	6,004,788	69.97%
2000	2,350,863	262,362	80,976	60,876	148,437	2,043	2,901,470	17.72	4,147,875	69.95%
1999	2,366,580	256,646	78,572	58,113	136,856	2,354	2,894,413	17.05	4,138,238	69.94%

Source: Town of Darien Office of Tax Assessor

Note 1: 70% Assessment ratio used to estimate full value.

TABLE 6

TOWN OF DARIEN, CONNECTICUT

PRINCIPAL PROPERTY TAX PAYERS

OCTOBER 1, 2006 AND OCTOBER 1, 1996

(In Thousands)

<u>Taxpayer</u>	<u>October 1, 2006(1)</u>			<u>October 1, 1996</u>		<u>Percentage of Net Taxable Assessed Value</u>
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Net Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	
Wee Burn Country Club	\$ 28,429,680	1	0.44%	\$ 13,499,300	1	0.48%
Country Club of Darien	21,790,830	2	0.34	9,511,270	3	0.34
Avalonbay Communities	19,845,000	3	0.31			
Connecticut Light & Power Company	19,098,950	4	0.29			
⊗ Woodway Country Club	18,315,690	5	0.28	9,275,900	4	0.33
U.B. Darien Inc.	14,002,800	6	0.22			
Zotos International	11,345,950	7	0.17	7,719,400	6	0.27
9 Old Kings Highway, LLC	10,353,340	8	0.16	7,423,850	9	0.26
William Ziegler III TR et al	10,208,520	9	0.16			
Parkland Limited Partnership	10,067,330	10	0.15	7,492,000	8	0.27
Goodwives Center				10,102,400	2	0.36
Darien Green Associates				8,709,950	5	0.31
The Nielsen Company				7,495,350	7	0.27
Guernsey Realty Company				6,628,600	10	0.23
Total	\$ <u>163,458,090</u>		<u>2.51%</u>	\$ <u>87,858,020</u>		<u>3.08%</u>

Source: Town of Darien, Office of Tax Assessor

(1) Fiscal year is July 1, 2007 - June 30, 2008

TABLE 7

TOWN OF DARIEN, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year Ended June 30,	Tax Rate In Mills	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of Levy		Collection In Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 13.87	\$ 90,030	\$ 89,494	99.40%	n/a	\$ 89,494	99.40%
2007	13.4	85,538	85,015	99.39%	294	85,309	99.73%
2006	13.02	82,211	81,786	99.48%	382	82,168	99.95%
2005	11.95	74,228	73,870	99.52%	287	74,157	99.90%
2004	16.00	67,768	67,414	99.48%	271	67,685	99.88%
2003	14.98	62,949	62,546	99.36%	373	62,919	99.95%
2002	14.02	58,772	58,387	99.34%	366	58,753	99.97%
2001	13.06	54,631	54,208	99.23%	408	54,616	99.97%
2000	17.72	52,006	51,372	98.78%	626	51,998	99.98%
1999	17.05	49,259	48,882	99.23%	371	49,253	99.99%

TOWN OF DARIEN, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	Governmental Activities General Obligation Bonds	Ratio of Debt to Taxable Assessed Value	Debt Per Capita
2008	\$ 97,940	1.51%	\$ 4.84
2007	84,551	1.32%	4.14
2006	90,052	1.44%	4.43
2005	84,097	1.34%	4.24
2004	70,187	1.13%	3.56
2003	73,389	1.17%	3.70
2002	47,006	0.76%	2.44
2001	44,510	0.72%	2.32
2000	47,930	0.76%	2.45
1999	50,595	0.80%	2.81

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

TOWN OF DARIEN, CONNECTICUT
COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2008
(In Thousands)

Total tax collections (including interest and lien fees):

For the year ended June 30, 2008:

Town of Darien	\$ 89,894
Taxing districts	510

Reimbursement for revenue loss:

Tax relief for elderly freeze	10
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Base	\$ 90,394
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	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation					
2-1/4 times base	\$ 203,387	\$	\$	\$	\$
4-1/2 times base		406,773			
3-3/4 times base			338,978		
3-1/4 times base				293,781	
3 times base					271,182
Total debt limitation	203,387	406,773	338,978	293,781	271,182
Indebtedness:					
Bonds payable (1)	1,450	90,183	6,307		
Bonds authorized but unissued	23,005	21,960	1,385		
Less: School building grants receivable		(5,180)			
Total indebtedness	24,455	106,963	7,692	-	-
Debt Limitation in Excess of Indebtedness	\$ 178,932	\$ 299,810	\$ 331,286	\$ 293,781	\$ 271,182

Note 1: Total net indebtedness above amounts to \$139,110 but in no event shall total indebtedness exceed \$632,758 (seven times the base for debt limitation).

Note 2: There is no overlapping debt.

Note 3: School building grants receivable include \$1,645 of bond principal grants from the State of Connecticut. Additionally, progress payments of \$3,535 (or approximately 20.7%) of eligible project costs on the High School and Tokeneke School projects are included.

TOWN OF DARIEN, CONNECTICUT

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

(In Thousands)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Debt limitation	\$ 632,758	\$ 603,463	\$ 579,026	\$ 525,686	\$ 478,849	\$ 444,332	\$ 415,261	\$ 387,338	\$ 365,520	\$ 348,768
Total net debt applicable to limit	<u>149,470</u>	<u>137,833</u>	<u>127,066</u>	<u>104,528</u>	<u>103,670</u>	<u>100,749</u>	<u>104,094</u>	<u>49,909</u>	<u>45,140</u>	<u>47,979</u>
Legal Debt Margin	<u>\$ 483,288</u>	<u>\$ 465,630</u>	<u>\$ 451,960</u>	<u>\$ 421,158</u>	<u>\$ 375,179</u>	<u>\$ 343,583</u>	<u>\$ 311,167</u>	<u>\$ 337,429</u>	<u>\$ 320,380</u>	<u>\$ 300,789</u>
Total net debt applicable to the limit as a percentage of debt limit	23.62%	22.84%	21.94%	19.88%	21.65%	22.67%	25.07%	12.89%	12.35%	13.76%

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

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

TOWN OF DARIEN, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year	Population(1)	Personal Income (in thousands)	Per Capita Income (2)	Median Age (2)	School Enrollment(3)	Unemployment Rate(4)
2008	20,246	\$ 1,569,450	77,519	38	4,663	4.0%
2007	20,431	1,583,791	77,519	38	4,587	3.2%
2006	20,547	1,592,783	77,519	38	4,468	3.0%
2005	20,049	1,554,178	77,519	38	4,378	3.6%
2004	20,049	1,554,178	77,519	38	3,927	2.0%
2003	20,049	1,554,178	77,519	38	4,116	2.8%
2002	19,695	1,526,737	77,519	38	3,927	2.0%
2001	19,607	1,519,915	77,519	38	3,874	1.9%
2000	19,607	1,519,915	77,519	38	3,662	1.1%
1999	18,085	1,401,931	77,519	38	3,497	1.4%

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

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

(3) Source: Darien Board of Education

(4) Source: State of CT Department of Labor

TOWN OF DARIEN, CONNECTICUT

PRINCIPAL EMPLOYERS
2008 AND 1998

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Employer	Nature of Business	2008			1998		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Darien	Municipality	887	1	9.87%	598	1	6.59%
Colangelo Synergy Marketing	Marketing	178	2	1.98%			
Ring's End, Inc.	Building Supplies	140	3	1.56%	125	4	1.38%
Zoto's International	Hair Care Products	120	4	1.34%	100	5	1.10%
BMW of Darien	Automotive Sales	85	5	0.95%			
CRA Rogers Casey	Investment Consulting	80	6	0.89%	80	7	0.88%
Jet Blue	Commercial Airline	78	7	0.87%			
Land Rover of Darien	Automotive Sales	70	8	0.78%			
US Postal Service	Mail Delivery	48	9	0.53%			
Life Study Fellowship Foundation	Publishing	43	10	4.80%	65	8	0.72%
Air Express International	Air Freight Traffic				200	2	2.20%
Information Resources	Market Research				200	2	2.20%
Brinks Incorporated	Security				100	5	1.10%
Real Decisions Corporation	Computer Software				65	8	0.72%
Brier Neidle Patrone Assoc.	Designers-Airport Installations				35	10	0.39%
TOTAL		<u>1,729</u>		19.24%	<u>1,568</u>		17.67%

Source: Town of Darien survey

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

TOWN OF DARIEN, CONNECTICUT
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Full-Time Equivalent Employees as of June 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government	41	41	41	43	43	43	43	43	43	43
Police	57	57	57	55	55	55	55	55	58	58
Public Works	26	25	26	26	27	27	27	27	25	28
Sewer Authority	4	4	4	4	4	4	4	4	5	6
Parks and recreation	8	8	8	8	8	8	8	8	8	7
Education	<u>751</u>	<u>717</u>	<u>697</u>	<u>698</u>	<u>669</u>	<u>595</u>	<u>551</u>	<u>605</u>	<u>601</u>	<u>446</u>
Total	<u><u>887</u></u>	<u><u>852</u></u>	<u><u>833</u></u>	<u><u>834</u></u>	<u><u>806</u></u>	<u><u>732</u></u>	<u><u>688</u></u>	<u><u>742</u></u>	<u><u>740</u></u>	<u><u>588</u></u>

TOWN OF DARIEN, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General government:										
Building permits issued	820	876	901	885	826	820	871	816	749	705
Building inspections conducted	3,871	3,702	4,266							
Police:										
Calls Answered	21,076	21,591	21,069	20,839	25,842	22,573	25,842	22,349	20,715	20,873
Criminal Arrests	375	246	206	206	206	204	320	231	228	67
Motor Vehicle Arrests	3,463	3,451	2,062	1,993	2,062	3,014	2,995	2,750	2,705	2,637
DWI Arrests	101	71								
Motor Vehicle Warnings	910	834	1,139	929	1,139	1,341	2,689	1,667	1,140	1,562
Accidents	606	652	683	685	683	640	812	762	796	689
Fire:										
Emergency responses	1,189	1,495	1,375	1,269	1,357	1,213	1,005	1,269	1,290	1,243
Fires extinguished	67	57	75	69	72	93	71	87	79	109
Inspections	677	397	410	293	207	252	153	259	217	233
Other public works:										
Street resurfacing (miles)	3.3	3	2.2	2.94	4.15	4.1	4.82	1.99	2.63	3.62
Parks and recreation:										
Facility permits issued		666	722							
Beach permits issued		6,646	6,671	6,806						
Boat Permits issued		202								
Program Registrations		3,125	2,619	2,511						
Youth Programs										
Summer Camp Registrations	489	645								
Teen Program Registrations	1,343	1,354								

TOWN OF DARIEN, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
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	827	827	827	827						
Traffic signals	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	11	11	11	11	11	11
Paddle Tennis Courts	5	5								
Water:										
Fire hydrants	512	512	534	522	522	522	522	522	521	520
Wastewater:										
Sanitary sewers (miles)	79.2	79.2	79	77	75	75	75	75	75	75
Pump stations	14	14	14	13	13	13	13	13	13	13