

TOWN OF DARIEN
CONNECTICUT



Comprehensive
Annual Financial Report

Fiscal Year Ended June 30, 2017

Comprehensive Annual Financial Report

of the

Town of Darien Connecticut

Fiscal Year Ended June 30, 2017

Prepared by:
Finance Department
Jennifer A. Charneski
Finance Director

**TOWN OF DARIEN, CONNECTICUT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS
 JUNE 30, 2017**

| Introductory Section | | Page |
|------------------------------------|--|-------------|
| | Letter of Transmittal | i-iv |
| | Certificate of Achievement for Excellence in Financial Reporting | v |
| | Principal Officials | vi |
| | Organizational Chart | vii |
| Financial Section | | |
| | Independent Auditors' Report | 1-3 |
| | Management's Discussion and Analysis | 4-9 |
| Basic Financial Statements | | |
| <u>Exhibit</u> | | |
| | Government-Wide Financial Statements: | |
| I | Statement of Net Position | 10 |
| II | Statement of Activities | 11 |
| | Fund Financial Statements: | |
| | Governmental Funds: | |
| III | Balance Sheet | 12-13 |
| IV | Statement of Revenues, Expenditures and Changes in Fund Balances | 14-15 |
| | Proprietary Fund: | |
| V | Statement of Net Position | 16 |
| VI | Statement of Revenues, Expenses and Changes in Net Position | 17 |
| VII | Statement of Cash Flows | 18 |
| | Fiduciary Funds: | |
| VIII | Statement of Fiduciary Net Position | 19 |
| IX | Statement of Changes in Fiduciary Net Position | 20 |
| | Notes to the Financial Statements | 21-54 |
| Required Supplementary Information | | |
| | General Fund: | |
| RSI-1 | Schedule of Revenues and Other Financing Sources - Budget and Actual | 55-57 |
| RSI-2 | Schedule of Expenditures and Other Financing Uses - Budget and Actual | 58-60 |
| | Sewer Operating Fund: | |
| RSI-3 | Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 61 |
| | Pension Funds: | |
| RSI-4A | Schedule of Changes in Net Pension Asset and Related Ratios - Town Pension Plan | 62 |
| RSI-4B | Schedule of Changes in Net Pension Asset and Related Ratios - Police Pension Plan | 63 |
| RSI-5A | Schedule of Employer Contributions - Town Pension Plan | 64 |
| RSI-5B | Schedule of Employer Contributions - Police Pension Plan | 65 |
| RSI-6A | Schedule of Investment Returns - Town Pension Plan | 66 |
| RSI-6B | Schedule of Investment Returns - Police Pension Plan | 67 |

| <u>Exhibit</u> | | <u>Page</u> |
|----------------|---|-------------|
| RSI-7 | Schedule of the Town's Proportionate Share of the Net Pension Liability - Teachers Retirement Plan | 68 |
| RSI-8A | Schedule of Changes in Net OPEB Liability and Related Ratios - Police Post-Retirement Medical Program | 69 |
| RSI-8B | Schedule of Changes in Net OPEB Liability and Related Ratios - Non-Police Post-Retirement Medical Program | 70 |
| RSI-9A | Schedule of Employer Contributions - Police Post-Retirement Medical Program | 71 |
| RSI-9B | Schedule of Employer Contributions - Non-Police Post-Retirement Medical Program | 72 |
| RSI-10A | Schedule of Investment Returns - Police Post-Retirement Medical Program | 73 |
| RSI-10B | Schedule of Investment Returns - Non-Police Post-Retirement Medical Program | 74 |

Combining and Individual Fund Statements and Schedules

General Fund:

| | | |
|-----|---|----|
| A-1 | Combining Balance Sheet | 75 |
| A-2 | Combining Statement of Revenues, Expenditures and Changes in Fund Balance | 76 |
| A-3 | Report of Property Tax Collections | 77 |

Nonmajor Governmental Funds:

| | | |
|-----|---|-------|
| B-1 | Combining Balance Sheet | 78-79 |
| B-2 | Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 80-81 |
| B-3 | Parking Operations Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) | 82 |

Fiduciary Funds:

Trust Funds:

| | | |
|-----|--|----|
| C-1 | Combining Statement of Fiduciary Net Position | 83 |
| C-2 | Combining Statement of Changes in Fiduciary Net Position | 84 |

Agency Funds:

| | | |
|-----|--|----|
| D-1 | Statement of Changes in Assets and Liabilities | 85 |
|-----|--|----|

Statistical Section

Table

| | | |
|----|--|-------|
| | Financial Trends: | |
| 1 | Net Position by Component | 86 |
| 2 | Changes in Net Position | 87-88 |
| 3 | Fund Balances, Governmental Funds | 89 |
| 4 | Changes in Fund Balances - Governmental Funds | 90 |
| | Revenue Capacity: | |
| 5 | Assessed Value and Estimated Actual Value of Taxable Property | 91 |
| 6 | Principal Property Taxpayers | 92 |
| 7 | Property Tax Levies and Collections | 93 |
| | Debt Capacity: | |
| 8 | Ratios of Outstanding Debt by Type | 94 |
| 9 | Computation of Legal Debt Margin | 95 |
| 10 | Legal Debt Margin Information | 96 |
| | Demographic and Economic Statistics: | |
| 11 | Demographic and Economic Statistics | 97 |
| 12 | Principal Employers | 98 |
| | Operating Information: | |
| 13 | Full-Time Equivalent Town Government Employees by Function/Program | 99 |
| 14 | Operating Indicators by Function/Program | 100 |
| 15 | Capital Asset Statistics by Function/Program | 101 |

Introductory Section

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



JENNIFER A. CHARNESKI
FINANCE DIRECTOR

December 20, 2017

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, 2017. 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 as the Town's independent auditor for the year 2016-2017. In addition to meeting the requirements set forth in State Statutes, the audit is also designed to meet the requirements of the Federal and State Single Audit Acts. The auditors' report on the basic financial statements is in the financial section of this report. The auditors' reports related specifically to the Federal and State Single Audits are issued in separate reports.

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

ORGANIZATION AND SERVICES

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

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

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

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

All annual budgets are recommended by the Board of Selectmen and Board of Education to the Board of Finance, which, following careful review, recommends final budgets for approval by the RTM. The legal level of budgetary control is the Department. The Board of Finance, by charter, has the right to transfer unexpended balances and to establish a transfer approval process. The Board of Finance has granted the Town Administrator and Finance Director the authority to transfer up to \$3,000 within a department. Transfers between departments, or in excess of \$3,000, require approval by the Board of Finance. Management cannot transfer or over-expend at the department level without the approval of the governing body. 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 slightly higher than the national averages, standing at 4.5 percent compared to 5.0 and 4.4 for the state and nation in June 2017. Unemployment in Darien averaged 4.1 percent in calendar year 2016 and 3.9 percent through the first six months of 2017. Overall, Darien's unemployment rate has stayed level and continues to trend lower than the state and similar to the nation.

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

The tax base is primarily residential (approximately 86%) with a limited number of commercial office and retail buildings. The value of local construction decreased to \$135,831,500, up 8.3% from the previous year. A total of 814 building permits were issued. This is a slight decrease from the prior year. Growth in Darien will continue to be stable or gradual, due to the limited amount of land available for development.

Property taxes comprise 94% of Town General Fund revenues and the current property tax collection rate remains strong at 99.7%. Collections of delinquent taxes were consistent with the prior year.

Intergovernmental revenues represent a small portion of Town revenues, reflecting only 0.7% in the current year. This is a decrease from 1.38% in Fiscal 2016. As a result of uncertainty related to intergovernmental revenues, the Fiscal 2018 budget contains a very conservative estimate for these payments. The property tax mill rate enacted for 2017-2018, 16.16, represented a 2.47% increase.

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 a minimum fund balance of 10% of the audited General Fund Revenues. It is the practice of the Board of Finance to maintain the fund balance above the minimum level. This allows the Town to maintain sufficient fund balance to provide protection in case of unforeseen emergencies, to moderate mill rate increases and to avoid excessive accumulation.

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

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

MAJOR INITIATIVES

In fiscal year 2016-2017 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 2016-2017, approximately \$300,000 was expended in these programs.

School projects continued including the continued conversion of locker areas to classrooms, generator installations and numerous smaller projects. Expenditures for school projects totaled approximately \$640,000 in fiscal year 2016-2017.

A total of \$6,545,000 has been appropriated for renovation of the Public Work's garage. The project is underway and expected to be completed in one year. In fiscal 2016-2017 \$6,340,000 was appropriated and expended for the purchase of 16.296 acres of open space.

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 the fiscal year ended June 30, 2016. This was the twenty-fourth consecutive year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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,



Jennifer A. Charneski
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Darien
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

**TOWN OF DARIEN
PRINCIPAL OFFICIALS
AS OF JUNE 30, 2017**

BOARD OF SELECTMEN:

Jayme Stevenson, First Selectman
Charles (Kip) Koons
Susan J. Marks
Robert Richards
Mark Thorne

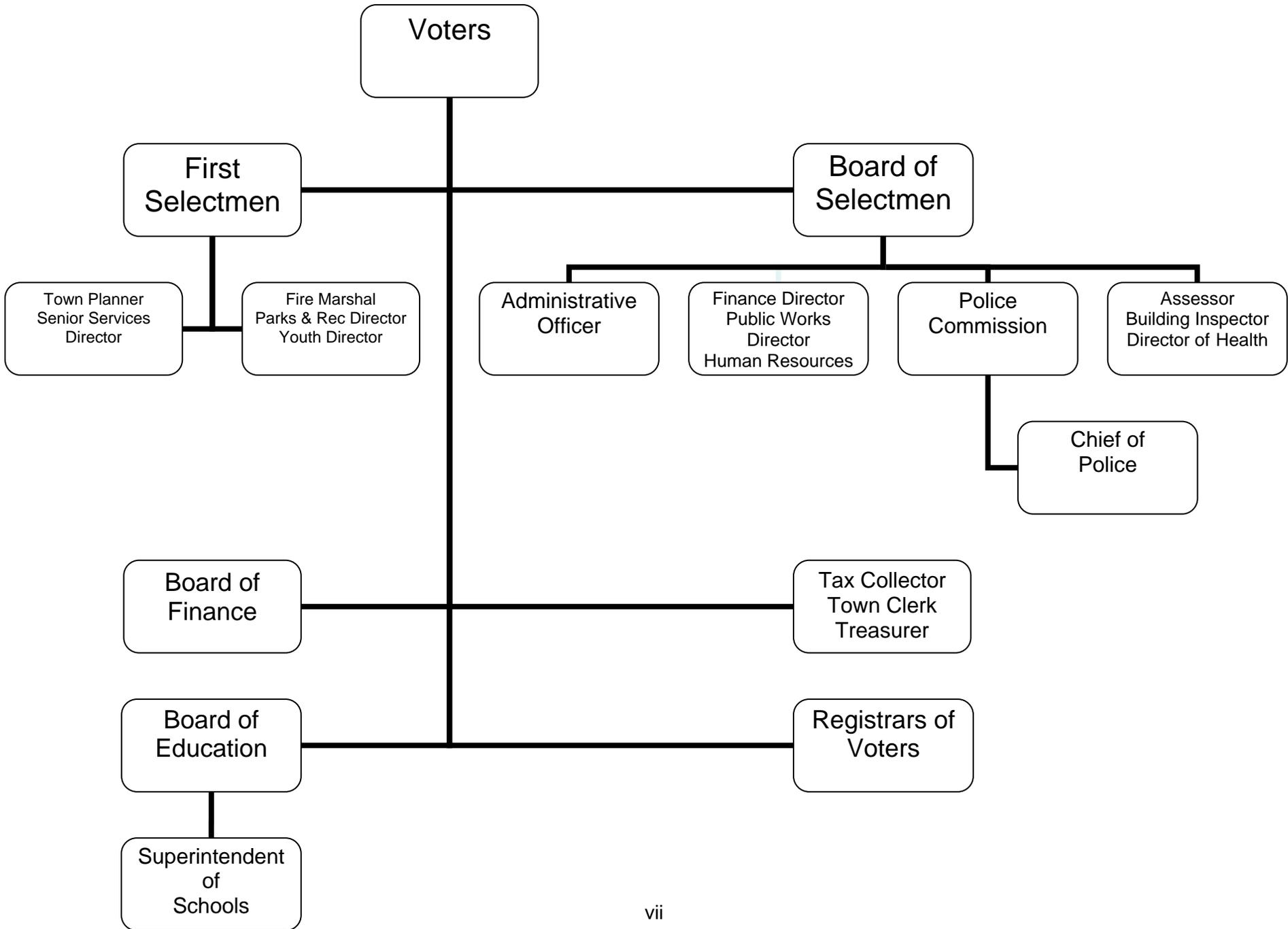
BOARD OF FINANCE:

Jon Zagrodzky Chairman
Frank Huck, Vice Chairman
David Lopiano
Diana Maguire
James McLaughlin
Bruce Orr
James Palen, Jr.

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

Kathleen Clarke Buch
Jennifer Charneski
Joan Hendrickson
Daniel Brenner
Kathleen Larkins
Anthony Homicki
Donna E. Rajczewski

Town of Darien Organization Chart



Financial Section

BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
Town of Darien, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Darien, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut, as of June 30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principle

As discussed in Note 11 to the financial statements, during the fiscal year ended June 30, 2017, the Town adopted new accounting guidance, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, the budgetary comparison information on pages 55 through 61 and the pension and OPEB schedules on pages 62 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Darien, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017 on our consideration of the Town of Darien, Connecticut'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 solely 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 effectiveness of the Town of Darien, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Darien, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 20, 2017

Town of Darien, Connecticut
Management's Discussion and Analysis - unaudited
June 30, 2017
(In Thousands)

This discussion and analysis of the Town of Darien, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2017. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX. All amounts are expressed in thousands unless otherwise noted.

Financial Highlights

- Net position of our governmental activities increased by \$7,723 or 5.0%.
- During the year, the Town had expenses that were \$7,723 less than the \$169,174 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$161,451 with no new programs added this year.
- The General Fund reported a fund balance this year of \$20,010.
- The resources available for appropriation were \$1,694 less than budgeted for the General Fund. Expenditures were \$1,914 less than budgeted.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town of Darien establishes many other funds to help control and manage financial activities for particular purposes (like the Sewer Operations) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State of Connecticut). The Town's funds are divided into three categories: governmental, proprietary 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.
- *Proprietary Funds (Exhibits V, VI and VII)* - the Town maintains an Internal Service Fund. The Town uses its internal service fund to account for certain self-funded employee benefit costs. Because the internal service fund benefits governmental functions, they are included within governmental activities in the government-wide financial statements.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined net position increased from a year ago increasing from \$153,546 to \$161,269. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

| | Governmental Activities | |
|---|------------------------------------|-------------------|
| | 2017 | 2016 |
| Current assets | \$ 48,606 | \$ 48,345 |
| Capital assets, net of accumulated depreciation | 186,642 | 181,031 |
| Total assets | <u>235,248</u> | <u>229,376</u> |
| Deferred outflows of resources | <u>5,958</u> | <u>10,939</u> |
| Long-term liabilities outstanding | 68,807 | 78,763 |
| Other liabilities | 7,273 | 6,723 |
| Total liabilities | <u>76,080</u> | <u>85,486</u> |
| Deferred inflows of resources | <u>3,857</u> | <u>1,283</u> |
| Net Position: | | |
| Net investment in capital assets | 122,133 | 106,977 |
| Restricted | 17,956 | - |
| Unrestricted | <u>21,180</u> | <u>46,569</u> |
| Total Net Position | <u>\$ 161,269</u> | <u>\$ 153,546</u> |

Net position of the Town's governmental activities increased by 5.0%. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - changed from \$46,569 at June 30, 2016 to \$21,180 at the end of this year. A portion of the unrestricted net position was categorized as restricted consistent with the amount of restricted fund balance.

The change in governmental net position resulted primarily due to a reduction in long-term liabilities as the Town's debt is reduced. The Town's long-term liabilities are \$68,807.

| | Governmental Activities | |
|--|------------------------------------|-------------------|
| | 2017 | 2016 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 13,303 | \$ 13,188 |
| Operating grants and contributions | 22,099 | 14,772 |
| Capital grants and contributions | 603 | 678 |
| General revenues: | | |
| Property taxes | 132,032 | 128,172 |
| Grants and contributions not restricted to specific purposes | 278 | 484 |
| Unrestricted investment earnings | 235 | 198 |
| Other general revenues | 624 | 507 |
| Total revenues | <u>169,174</u> | <u>157,999</u> |
| | | |
| Program expenses: | | |
| General government | 4,893 | 4,825 |
| Community environment | 1,174 | 1,124 |
| Public safety | 13,467 | 13,766 |
| Health and social services | 2,004 | 1,809 |
| Library | 3,583 | 3,503 |
| Parks and recreation | 2,502 | 2,024 |
| Public works | 8,285 | 8,027 |
| Board of Education | 120,351 | 110,911 |
| Sewer operations | 3,321 | 3,146 |
| Debt service | 1,871 | 2,206 |
| Total program expenses | <u>161,451</u> | <u>151,341</u> |
| | | |
| Change in Net Position | 7,723 | 6,658 |
| | | |
| Beginning Net Position | <u>153,546</u> | <u>146,888</u> |
| | | |
| Ending Net Position | <u>\$ 161,269</u> | <u>\$ 153,546</u> |

The Town's total revenues (excluding special items) were \$169,174. The total cost of all programs and services was \$161,451. Our analysis below considers the operations of governmental activities.

Governmental Activities

Property taxes were 78.0% of revenues and charges for services accounted for 7.9%. Capital grants of \$603 were primarily grants from the State of Connecticut for school construction projects and infrastructure. Operating grants and contributions increased by 49.6%. The 2016-17 property tax collection rate was 99.73%. Charges for Services increased by 0.9%. Intergovernmental revenue increased primarily due to an increase in the on-behalf contributions to the Connecticut State Teachers Retirement System. 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 increased slightly due to slight increases in interest rates available on certain investments.

On the expense side, Board of Education increased due to an increase in State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System. Education expenses continue to be the most significant component accounting for 74.5%. Board of Education increased because of increased enrollment, negotiated wage increases, increased medical expenses and increased Special Education expenses.

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

| | Total Cost of Services | | Net Cost of Services | |
|--------------------|-------------------------------|-------------------|-----------------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| General government | \$ 4,893 | \$ 4,825 | \$ 2,860 | \$ 2,848 |
| Public safety | 13,467 | 13,766 | 9,213 | 10,406 |
| Public works | 8,285 | 8,027 | 7,588 | 6,811 |
| Education | 120,351 | 110,911 | 96,877 | 93,894 |
| Library | 3,583 | 3,503 | 3,583 | 3,503 |
| Total | \$ 150,579 | \$ 141,032 | \$ 120,121 | \$ 117,462 |

Town Funds Financial Analysis

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$26,535, which is a decrease from last year's total of \$32,847. The most significant decrease occurred in the Capital Projects funds resulting from the purchase of 16.3 acres of land. Bonds were issued in August 2017 to finance the purchase. The deficit in the Internal Service Fund was eliminated in FY2017.

General Fund Budgetary Highlights

There were additional appropriations for the fiscal year ended June 30, 2017, in the amount of \$1,421. The additional appropriations included \$1,174 to eliminate a deficit in the 35 Leroy/Mather Community Center capital project, \$160 for engineering work at the intersection of Noroton and West Avenues, and \$87 for police body cameras. A contingency of \$568 was included in the original budget. This contingency covered items such as non-union wage increases and other unexpected expenses. The contingency was lower than the prior year due to settlement of outstanding union contracts.

Actual revenues were lower than budgetary estimates by approximately \$1,694. The final budget assumed that \$2,521 of fund balance would be used to offset expenses; however, only a portion of this amount was needed. Youth Commission fees were \$114 higher than budget due to an increase in program participation. Intergovernmental revenues were \$759 higher than budget due to conservative budgeting of State aid. Current year tax collections were \$434 lower than budget due to a stipulated assessment settlement reached in July 2016. The settlement required credits for prior year payments and reduced current year taxes. The total impact of the settlement was \$1,145.

Actual expenditures were less than budgetary estimates by \$1,914. The budget included \$568 for Contingency. At year end, \$301 remained unused. Board of Education expenditures were \$493 lower than budget due to higher than anticipated State reimbursement of special education expenses. Police Department expenditures were \$352 lower than budget primarily due to retirements and vacancies. Waste Management expenditures were \$177 lower than budgeted due to renegotiation of the waste hauling contract.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2017, the Town had \$186,643 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 \$5,612, or 3.1%, from last year.

| | Governmental Activities | |
|--------------------------|----------------------------|-------------------|
| | 2017 | 2016 |
| Land | \$ 19,634 | \$ 13,067 |
| Buildings | 142,857 | 145,761 |
| Land improvement | 1,818 | 1,826 |
| Machinery and equipment | 8,083 | 7,921 |
| Infrastructure | 12,796 | 10,958 |
| Construction in progress | 1,455 | 1,498 |
| Totals | <u>\$ 186,643</u> | <u>\$ 181,031</u> |

The Town's fiscal-year 2017-18 capital budget calls for it to spend another \$7,439 for capital and/or non-recurring projects, principally for capital equipment and replacement. More detailed information about the Town's capital assets is presented in Notes 1 and 5 to the financial statements.

Long-Term Debt

At June 30, 2017, the Town had \$66,875 in bonds and notes outstanding versus \$76,858 last year.

Debt decreased due to \$9,355 in annual principal payments. The Town did not issue any new debt in FY2017.

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 \$930,804 state-imposed limit.

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

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2018 budget tax rates, and fees that will be charged for services. One of those factors is the economy. Unemployment in the Town decreased to an average of 3.9% for the first six months of 2017, compared to 4.1% for 2016. This compares with the State's average unemployment rate of 5.0% and the national average rate of 4.4% for the same period.

Inflation in the Darien area was slightly less than the national Consumer Price Index (CPI).

These indicators were taken into account when adopting the General Fund budget for 2017-18. Amounts available for appropriation in the General Fund budget are \$145,304, an increase of 2.3% over the final 2016 budget of \$142,018. Property taxes (benefiting from the 2017 rate increases and growth in the grand list) are expected to lead this increase. The Town will use these increases in revenues to finance programs currently offered and to off-set the effect inflation is expected to have on program costs. Increased personnel costs and increased education expenses are the largest areas of expenditure increase. Fund balance will provide \$1,100 to support the budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to remain stable by June 30, 2018.

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 POSITION
JUNE 30, 2017**

| | Governmental Activities |
|---|------------------------------------|
| Assets: | |
| Cash and cash equivalents | \$ 30,682,948 |
| Investments | 852,009 |
| Receivables, net | 4,431,012 |
| Prepaid expenses | 53,037 |
| Net pension asset | 12,548,618 |
| Net OPEB asset | 38,863 |
| Capital assets not being depreciated | 21,089,087 |
| Capital assets being depreciated, net of accumulated depreciation | <u>165,553,390</u> |
| Total assets | <u>235,248,964</u> |
| Deferred Outflows of Resources: | |
| Deferred charges on refunding | 2,365,695 |
| Pension change in assumptions | <u>3,591,876</u> |
| Total deferred outflows of resources | <u>5,957,571</u> |
| Liabilities: | |
| Accounts and other payables | 7,053,768 |
| Unearned revenue | 219,676 |
| Noncurrent liabilities: | |
| Due within one year | 10,952,850 |
| Due in more than one year | <u>57,853,964</u> |
| Total liabilities | <u>76,080,258</u> |
| Deferred Inflows of Resources: | |
| Pension net difference between projected and actual investment earnings | 3,004,014 |
| Pension differences between expected and actual experience | <u>853,208</u> |
| Total deferred outflows of resources | <u>3,857,222</u> |
| Net Position: | |
| Net investment in capital assets | 122,132,793 |
| Restricted | 17,956,138 |
| Unrestricted | <u>21,180,124</u> |
| Total Net Position | <u>\$ 161,269,055</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, 2017**

| 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 | \$ 4,892,887 | \$ 1,542,901 | \$ 490,327 | \$ | \$ (2,859,659) |
| Community environment | 1,173,448 | 123,150 | | | (1,050,298) |
| Public safety | 13,466,982 | 3,998,625 | 21,486 | 233,843 | (9,213,028) |
| Health and social services | 2,003,924 | 180,672 | 355,213 | 43,061 | (1,424,978) |
| Library | 3,583,457 | | | | (3,583,457) |
| Parks and recreation | 2,502,363 | 592,121 | | 295,638 | (1,614,604) |
| Public works | 8,284,813 | 666,053 | | 30,800 | (7,587,960) |
| Board of Education | 120,350,653 | 2,241,689 | 21,231,584 | | (96,877,380) |
| Sewer operations | 3,321,439 | 3,957,442 | | | 636,003 |
| Interest on long-term debt | 1,871,411 | | | | (1,871,411) |
| Total Governmental Activities | \$ 161,451,377 | \$ 13,302,653 | \$ 22,098,610 | \$ 603,342 | (125,446,772) |
| General revenues: | | | | | |
| Property taxes | | | | | 132,031,790 |
| Grants and contributions not restricted to specific programs | | | | | 278,091 |
| Unrestricted investment earnings | | | | | 235,424 |
| Miscellaneous | | | | | 624,461 |
| Total general revenues | | | | | <u>133,169,766</u> |
| Change in net position | | | | | 7,722,994 |
| Net Position at Beginning of Year | | | | | <u>153,546,061</u> |
| Net Position at End of Year | | | | | <u>\$ 161,269,055</u> |

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | <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 | \$ 15,691,981 | \$ 3,819,225 | \$ 718,238 | \$ 6,347,780 | \$ 4,074,944 | \$ 30,652,168 |
| Investments | 852,009 | | | | | 852,009 |
| Receivables, net | 1,577,262 | 166,581 | 2,417,596 | | 267,685 | 4,429,124 |
| Due from other funds | 7,937,279 | | | | | 7,937,279 |
| Prepaid expenditures | 50,537 | | | | 2,500 | 53,037 |
| Total Assets | <u>\$ 26,109,068</u> | <u>\$ 3,985,806</u> | <u>\$ 3,135,834</u> | <u>\$ 6,347,780</u> | <u>\$ 4,345,129</u> | <u>\$ 43,923,617</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts and other payables | \$ 5,580,728 | \$ 26,602 | | \$ 493,015 | \$ 119,198 | \$ 6,219,543 |
| Due to other funds | | | | 6,838,599 | 1,098,680 | 7,937,279 |
| Unearned revenue | 82,867 | | | | 136,809 | 219,676 |
| Total liabilities | <u>5,663,595</u> | <u>26,602</u> | <u>-</u> | <u>7,331,614</u> | <u>1,354,687</u> | <u>14,376,498</u> |
| Deferred Inflows of Resources: | | | | | | |
| Unavailable revenue - property taxes | 435,773 | | | | | 435,773 |
| Unavailable revenue - sewer use | | 160,249 | | | | 160,249 |
| Unavailable revenue - sewer assessment | | | 2,415,621 | | | 2,415,621 |
| Total deferred inflows of resources | <u>435,773</u> | <u>160,249</u> | <u>2,415,621</u> | <u>-</u> | <u>-</u> | <u>3,011,643</u> |
| Fund Balances: | | | | | | |
| Nonspendable | 50,537 | | | | 2,500 | 53,037 |
| Restricted | | | | 17,530,916 | 425,222 | 17,956,138 |
| Committed | 333,554 | 3,798,955 | 720,213 | | 2,562,720 | 7,415,442 |
| Assigned | 1,198,642 | | | | | 1,198,642 |
| Unassigned | 18,426,967 | | | (18,514,750) | | (87,783) |
| Total fund balances | <u>20,009,700</u> | <u>3,798,955</u> | <u>720,213</u> | <u>(983,834)</u> | <u>2,990,442</u> | <u>26,535,476</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 26,109,068</u> | <u>\$ 3,985,806</u> | <u>\$ 3,135,834</u> | <u>\$ 6,347,780</u> | <u>\$ 4,345,129</u> | <u>\$ 43,923,617</u> |

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2017

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

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

| | |
|--|---------------|
| Fund balances - total governmental funds (Exhibit III) | \$ 26,535,476 |
|--|---------------|

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

| | | |
|-------------------------------|----------------------|-------------|
| Governmental capital assets | \$ 300,121,394 | |
| Less accumulated depreciation | <u>(113,478,917)</u> | |
| Net capital assets | | 186,642,477 |

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 | 265,768 |
| Interest receivable on property taxes | 170,005 |
| Assessments receivable | 2,415,621 |
| Sewer use receivable | 160,249 |
| Deferred outflows related to pension changes in assumptions | 3,591,876 |

Pension and OPEB assets:

| | |
|-------------------|------------|
| Net pension asset | 12,548,618 |
| Net OPEB asset | 38,863 |

Internal service funds are used by management to charge the costs of
risk management to individual funds. The assets and liabilities of
the internal service funds are reported with governmental activities
in the statement of net position.

269

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 | (62,211,736) |
| Interest payable on bonds and notes | (801,826) |
| Compensated absences | (1,931,435) |
| Bond premium | (4,663,643) |
| Deferred charge on refunding | 2,365,695 |
| Deferred inflows related to the pension difference between projected and actual investment earnings | (3,004,014) |
| Deferred inflows related to pension differences between expected and actual experience | <u>(853,208)</u> |

| | |
|---|-----------------------|
| Net Position of Governmental Activities (Exhibit I) | <u>\$ 161,269,055</u> |
|---|-----------------------|

The accompanying notes are an integral part of the financial statements

TOWN OF DARIEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

| | <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 | \$ 132,390,847 | \$ | \$ | \$ | \$ | \$ 132,390,847 |
| Intergovernmental | 20,545,117 | | | 339,569 | 1,286,566 | 22,171,252 |
| Charges for services | 5,327,011 | 3,748,712 | 437,790 | | 4,354,949 | 13,868,462 |
| Income on investments | 192,997 | 7,982 | | 30,901 | 3,544 | 235,424 |
| Miscellaneous | 475,233 | | 42,844 | 29,242 | 99,250 | 646,569 |
| Total revenues | <u>158,931,205</u> | <u>3,756,694</u> | <u>480,634</u> | <u>399,712</u> | <u>5,744,309</u> | <u>169,312,554</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 3,300,418 | | | | 11,666 | 3,312,084 |
| Community environment | 771,258 | | | | | 771,258 |
| Public safety | 9,032,312 | | | | 1,082,253 | 10,114,565 |
| Health and social services | 1,337,334 | | | | 16,810 | 1,354,144 |
| Library | 3,583,457 | | | | | 3,583,457 |
| Parks and recreation | 1,262,470 | | | | | 1,262,470 |
| Public works | 3,923,274 | | | | 595,849 | 4,519,123 |
| Board of Education | 113,007,360 | | | | 3,466,887 | 116,474,247 |
| Sewer operations | | 3,321,439 | | | | 3,321,439 |
| General overhead | 6,039,923 | | | | | 6,039,923 |
| Capital outlay | | | | 13,326,391 | | 13,326,391 |
| Debt service | 11,545,372 | | | | | 11,545,372 |
| Total expenditures | <u>153,803,178</u> | <u>3,321,439</u> | <u>-</u> | <u>13,326,391</u> | <u>5,173,465</u> | <u>175,624,473</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>5,128,027</u> | <u>435,255</u> | <u>480,634</u> | <u>(12,926,679)</u> | <u>570,844</u> | <u>(6,311,919)</u> |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | 662,822 | | | 6,438,357 | | 7,101,179 |
| Transfers out | (6,066,957) | (240,207) | (550,000) | | (244,015) | (7,101,179) |
| Total other financing sources (uses) | <u>(5,404,135)</u> | <u>(240,207)</u> | <u>(550,000)</u> | <u>6,438,357</u> | <u>(244,015)</u> | <u>-</u> |
| Net Change in Fund Balances | (276,108) | 195,048 | (69,366) | (6,488,322) | 326,829 | (6,311,919) |
| Fund Balances at Beginning of Year | <u>20,285,808</u> | <u>3,603,907</u> | <u>789,579</u> | <u>5,504,488</u> | <u>2,663,613</u> | <u>32,847,395</u> |
| Fund Balances at End of Year | <u>\$ 20,009,700</u> | <u>\$ 3,798,955</u> | <u>\$ 720,213</u> | <u>\$ (983,834)</u> | <u>\$ 2,990,442</u> | <u>\$ 26,535,476</u> |

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

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) | \$ (6,311,919) |
| 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 | 10,423,479 |
| Depreciation expense | (5,301,676) |
| Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. | 561,281 |
| The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets. | (71,202) |
| 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 | (5,651) |
| Property tax receivable - accrual basis change | (312,686) |
| Property tax interest and lien revenue - accrual basis change | (46,371) |
| Sewer assessment receivable - accrual basis change | (287,669) |
| Sewer use receivable - accrual basis change | (46,087) |
| Change in deferred outflows related to pension changes in assumptions | (1,022,427) |
| Change in deferred outflows related to differences between projected and actual pension investment returns | (3,520,419) |
| Change in pension and OPEB assets: | |
| Net OPEB expense | (98,371) |
| Change in net pension asset | 6,563,304 |
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of 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 | 9,354,633 |
| Amortization of premiums on debt issuance | 627,627 |
| 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 | (25,431) |
| Accrued interest | 129,996 |
| Amortization of deferred charge on refunding | (438,295) |
| Change in deferred inflows related to pension differences between expected and actual pension investment returns | (3,004,014) |
| Change in deferred inflows related to pension differences between expected and actual experience | 429,335 |
| Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities. | 125,557 |
| Change in Net Position of Governmental Activities (Exhibit II) | \$ <u>7,722,994</u> |

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2017**

| | Governmental Activities Internal Service Fund |
|-----------------------------|--|
| | <hr/> |
| Assets: | |
| Cash and cash equivalents | \$ 30,780 |
| Accounts receivable, net | <hr/> 1,888 |
| Total assets | 32,668 |
| Liabilities: | |
| Accounts and other payables | <hr/> 32,399 |
| Net Position: | |
| Unrestricted | \$ <u><u>269</u></u> |

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017**

| | Governmental Activities |
|-----------------------------------|--------------------------------------|
| | Internal Service Fund |
| Operating Revenues: | |
| Charges for services | \$ 315,216 |
| Operating Expenses: | |
| Salaries, benefits and claims | <u>189,659</u> |
| Operating Income (Loss) | 125,557 |
| Net Position at Beginning of Year | <u>(125,288)</u> |
| Net Position at End of Year | \$ <u><u>269</u></u> |

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017**

| | Governmental Activities Internal Service Fund |
|---|--|
| Cash Flows from Operating Activities: | |
| Receipts from customers | \$ 316,711 |
| Payments to vendors | (285,931) |
| Net cash provided by (used in) operating activities | <u>30,780</u> |
| Net increase (decrease) in cash and cash equivalents | 30,780 |
| Cash and Cash Equivalents at Beginning of Year | <u>-</u> |
| Cash and Cash Equivalents at End of Year | \$ <u><u>30,780</u></u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | |
| Operating income (loss) | \$ <u>125,557</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | |
| Change in assets and liabilities: | |
| (Increase) decrease in accounts receivable | 1,495 |
| Increase (decrease) in due to other funds | (79,946) |
| Increase (decrease) in accounts payable | (16,326) |
| Total adjustments | <u>(94,777)</u> |
| Net Cash Provided by (Used in) Operating Activities | \$ <u><u>30,780</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF DARIEN, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2017

| | Pension and OPEB Trust Funds | Agency Funds |
|---|---|-----------------------------|
| | <u> </u> | <u> </u> |
| Assets: | | |
| Cash and cash equivalents | \$ 2,742,283 | \$ 318,396 |
| Investments: | | |
| Equity securities | 75,623,304 | |
| Equity mutual funds | 54,949,629 | |
| Receivables: | | |
| Interest and dividends | <u>124,967</u> | |
| Total assets | 133,440,183 | <u>\$ 318,396</u> |
| Liabilities: | | |
| Accounts and other payables | <u>51,189</u> | <u>\$ 318,396</u> |
| Net Position: | | |
| Restricted for Pensions and Postemployment Benefits | <u>\$ 133,388,994</u> | |

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

| | Pension and OPEB Trust Funds |
|---|---|
| | <u> </u> |
| Additions: | |
| Contributions: | |
| Employer | \$ 2,449,461 |
| Plan members | 1,447,069 |
| Total contributions | <u>3,896,530</u> |
| Investment income: | |
| Net change in fair value of investments | 12,457,000 |
| Interest and dividends | 2,481,044 |
| Net investment income | <u>14,938,044</u> |
| Total additions | <u>18,834,574</u> |
| Deductions: | |
| Benefits | 5,752,661 |
| Administration | 116,368 |
| Total deductions | <u>5,869,029</u> |
| Change in Net Position | 12,965,545 |
| Net Position at Beginning of Year | <u>120,423,449</u> |
| Net Position at End of Year | <u>\$ 133,388,994</u> |

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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 position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

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

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.

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 proprietary fund and 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.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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 fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, other post-employment benefits, and claims and judgments, are recorded only when payment is due.

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

The Town reports the following major governmental funds:

The *General Fund* is the 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.

The *Sewer Operating Fund* is a special revenue fund that accounts for the revenues collected by the Town and expenditures related to the Town's Sanitary Sewer System.

The *Sewer Assessment Fund* is a special revenue fund that 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 proprietary and fiduciary funds:

The *Internal Service Fund* is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost-reimbursement basis. It is used to account for the activities of the self-insured dental insurance program of the Town.

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

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

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

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.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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.

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, except for investments in 2a7-like pools, which are stated at amortized costs.

E. Interfunds

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

F. Property Taxes

The Town's property tax is levied each July 1, on the assessed value listed on the prior October 1, Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach the property does not exist until July 1. Therefore, taxes are due and payable in equal installments on July 1, and January 1, following the date of the Grand List. Interest of 1½% per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31, and are payable in one installment due January 1. An amount of \$119,153 has been established as an allowance for uncollectible taxes. At June 30, 2017, this represents approximately 15.0% of all property taxes receivable. All trade and property tax receivables are reported net of an allowance for uncollectibles.

G. Restricted Assets

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

H. Inventories and Prepaid Items

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

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

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

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

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

J. Allowance for Doubtful Accounts

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

K. 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 employees other than police, and unused vacation days up to one week for police.

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

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

The Board of Education liability for sick leave payments is incurred only upon retirement of custodians and maintenance workers who have been employed for over ten years. The liability represents the lower of 1.25 times the number of years employed times the employee's daily pay or the employee's accumulated sick leave balance. The Town accrued the amount that is probable for payment.

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). The Town reports in its governmental funds unavailable revenues, which arises only under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental funds report unavailable revenues from several sources: property taxes and interest on delinquent property taxes, sewer assessments, sewer use fees and interest on delinquent sewer use fees.

M. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

N. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts 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. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Principal payments are reported as debt service expenditures.

O. Net Pension Asset

The net pension asset is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension asset is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

P. Other Post-Employment Benefit (OPEB) Asset Accounting

OPEB Trust

Employer contributions are recognized in the period in which the contributions are due, and the Town has made a formal commitment to provide the contributions.

Governmental Funds and Governmental Activities

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

Funding Policy

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

Q. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

R. Net Position

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

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position

These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted Net Position

This category represents the net position of the Town that is not restricted for any project or other purpose. A deficit will require future funding.

S. Fund Balance

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

Nonspendable Fund Balance

These amounts cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

Restricted Fund Balance

These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Darien Representative Town Meeting). The Town of Darien Representative Town Meeting is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance

Amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Town of Darien Representative Town Meeting has by resolution authorized the finance director to assign fund balance. The Board of Finance may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or review a commitment.

Unassigned Fund Balance

The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 an RTM at which the budget is legally enacted through passage of a resolution by the RTM. The RTM has authority to either approve the recommended budget or reduce it; it is not permitted to vote an increase. The operating budget includes proposed expenditures and the means of financing them.
- The Board of Finance has the authority to transfer unexpended balances and to establish a process for transfer approval.
- Any subsequent appropriations that alter the total operating budget must be approved by the RTM.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- Except for the accounting for encumbrances, budgets are adopted on a modified accrual basis of accounting.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

- 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 its budget at its 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 RTM during the course of the year. Additional appropriations totaling \$1,421,261 were approved during the year.
- Generally, all unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward.
- The audited General Fund Balance at the end of the fiscal year should be no less than 10% of the audited General Fund Revenues for that fiscal year. It is the policy of the Board of Finance to keep the fund balance above the minimum level except under extraordinary events or in unanticipated situations.

The Sewer Operating Fund, a major fund, has an annual legally adopted budget. The Parking Operations Fund is a nonmajor fund with an annually adopted budget. 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 do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017**

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and is 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.

A. 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*, \$28,845,768 of the Town’s bank balance of \$32,159,333 was exposed to custodial credit risk as follows:

| | |
|---|---------------------------------|
| Uninsured and uncollateralized | \$ 25,755,235 |
| Collateralized, held by banks | <u>3,090,533</u> |
| Total Amount Subject to Custodial Credit Risk | <u><u>\$ 28,845,768</u></u> |

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

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, 2017, the Town’s cash equivalents amounted to \$3,068,995. The following table provides a summary of the Town’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

| | <u>Standard and Poor’s</u> |
|---|--------------------------------|
| State Short-Term Investment Fund (STIF) | AAAm |
| Fairfield County Bank Money Market | Not Rated |
| Chase Bank Money Market | Not Rated |

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

B. Investments

Investments as of June 30, 2017 in all funds are as follows:

| | <u>Fair Value</u> | <u>Maturity in Years</u> | | |
|-------------------------------|-----------------------|--------------------------|---------------|---------------------|
| | | <u>Less Than 1</u> | <u>1 - 10</u> | <u>More Than 10</u> |
| Interest-bearing investments: | | | | |
| Certificate of Deposit | \$ 852,009 | \$ 100,561 | \$ 751,448 | \$ - |
| Total | 852,009 | \$ 100,561 | \$ 751,448 | \$ - |
| Other investments: | | | | |
| Mutual Funds | 54,949,629 | | | |
| Common Stock | <u>75,623,304</u> | | | |
| Total Investments | \$ <u>131,424,942</u> | | | |

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2017:

| | <u>June 30, 2017</u> | <u>Fair Value Measurements Using</u> | | |
|---------------------------------------|--------------------------|--------------------------------------|----------------|----------------|
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Investments by fair value level: | | | | |
| Common stock | \$ 75,623,304 | \$ 75,623,304 | \$ - | \$ - |
| Mutual funds | <u>54,949,629</u> | <u>54,949,629</u> | | |
| Total investments by fair value level | 130,572,933 | \$ <u>130,572,933</u> | \$ - | \$ - |
| Certificates of Deposit | <u>852,009</u> | | | |
| Total Investments | \$ <u>131,424,942</u> | | | |

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

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.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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 that must be provided by financial institutions on an annual basis to become or remain qualified for investment transactions. At June 30, 2017, the Town had \$75,623,304 worth of uninsured and unregistered common stock that was held by Wells Fargo 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>Nonmajor and Other Funds</u> | <u>Total</u> |
|---|---------------------|----------------------------|-----------------------------|---|---------------------|
| Receivables: | | | | | |
| Interest on delinquent taxes | \$ 178,106 | \$ | \$ | \$ | \$ 178,106 |
| Taxes | 617,183 | | | | 617,183 |
| Accounts | 880,380 | 145,740 | | 269,193 | 1,295,313 |
| Special assessments | | | 2,417,596 | | 2,417,596 |
| Intergovernmental | 13,448 | | | 380 | 13,828 |
| Interest receivable | | 20,841 | | | 20,841 |
| Investment income | 7,298 | | | 124,967 | 132,265 |
| Gross receivables | <u>1,696,415</u> | <u>166,581</u> | <u>2,417,596</u> | <u>394,540</u> | <u>4,675,132</u> |
| Less allowance for property tax uncollectibles | <u>(119,153)</u> | | | | <u>(119,153)</u> |
| Net Total Receivables | <u>\$ 1,577,262</u> | <u>\$ 166,581</u> | <u>\$ 2,417,596</u> | <u>\$ 394,540</u> | <u>\$ 4,555,979</u> |

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|---------------------|---------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 13,067,304 | \$ 6,566,451 | \$ | \$ 19,633,755 |
| Construction in progress | 1,498,053 | 1,873,366 | 1,916,087 | 1,455,332 |
| Total capital assets not being depreciated | <u>14,565,357</u> | <u>8,439,817</u> | <u>1,916,087</u> | <u>21,089,087</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 216,851,752 | 787,917 | | 217,639,669 |
| Land improvements | 4,089,674 | | | 4,089,674 |
| Machinery and equipment | 15,944,601 | 1,357,826 | 516,790 | 16,785,637 |
| Infrastructure | 38,207,890 | 2,315,287 | 5,850 | 40,517,327 |
| Total capital assets being depreciated | <u>275,093,917</u> | <u>4,461,030</u> | <u>522,640</u> | <u>279,032,307</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 71,090,603 | 3,692,429 | | 74,783,032 |
| Land improvements | 2,263,762 | 7,592 | | 2,271,354 |
| Machinery and equipment | 8,023,757 | 1,130,595 | 451,438 | 8,702,914 |
| Infrastructure | 27,250,557 | 471,060 | | 27,721,617 |
| Total accumulated depreciation | <u>108,628,679</u> | <u>5,301,676</u> | <u>451,438</u> | <u>113,478,917</u> |
| Total capital assets being depreciated, net | <u>166,465,238</u> | <u>(840,646)</u> | <u>71,202</u> | <u>165,553,390</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 181,030,595</u> | <u>\$ 7,599,171</u> | <u>\$ 1,987,289</u> | <u>\$ 186,642,477</u> |

Depreciation expense was charged to functions/programs as follows:

| | |
|--|---------------------|
| General government | \$ 233,629 |
| Community development | 4,221 |
| Public Safety | 1,042,517 |
| Parks and recreation | 107,177 |
| Public works | 810,045 |
| Education | <u>3,104,087</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 5,301,676</u> |

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Construction Commitments

The Town has active construction projects as of June 30, 2017. A summary of capital projects is as follows:

| | Project Expenditures | | | | | | | |
|---------------------------------------|----------------------|------------------------|--------------------------------|------------|--------------------------|----------------------------|--------------|------------|
| | Project | Additions Deletions | Total Project Authorization | 2016-2017 | Prior Year Cumulative | Current Year Cumulative | Encumbrances | Balance |
| Sewer Capital | \$ 1,356,194 | \$ 186,400 | \$ 1,542,594 | \$ 205,840 | \$ 850,301 | \$ 1,056,141 | \$ | \$ 486,453 |
| Capital Non-Recurring Expenditures | 54,619,965 | 5,390,260 | 60,010,225 | 4,084,341 | 48,231,996 | 52,316,337 | 1,079,826 | 6,614,062 |
| Parking Capital | 2,048,603 | 185,000 | 2,233,603 | 61,551 | 706,612 | 768,163 | | 1,465,440 |
| 35 Leroy/Mather Center | 7,380,933 | 1,355,483 | 8,736,416 | 377,846 | 8,358,569 | 8,736,415 | | 1 |
| Intervale Rd Drainage | 1,800,000 | | 1,800,000 | 1,060,842 | 724,831 | 1,785,673 | | 14,327 |
| Short Lane Property | 1,925,000 | | 1,925,000 | | 1,841,902 | 1,841,902 | | 83,098 |
| BOE Paving Projects | 204,000 | 27,200 | 231,200 | 204,059 | | 204,059 | | 27,141 |
| Police Boat | 285,000 | | 285,000 | 288,266 | | 288,266 | | (3,266) |
| 35 Leroy Heating | 260,000 | 43,000 | 303,000 | 120,576 | 181,982 | 302,558 | | 442 |
| Parking Lot Improvements | 512,000 | (70,200) | 441,800 | 163,471 | 93,945 | 257,416 | | 184,384 |
| DPW Garage Renovation | 230,000 | 6,315,000 | 6,545,000 | 223,573 | | 223,573 | 7,546 | 6,313,881 |
| Clocks Lane Sewer Expansic | | 470,000 | 470,000 | 276,024 | | 276,024 | 118,380 | 75,596 |
| Ox Ridge Land Purchase | | 6,340,000 | 6,340,000 | 6,260,002 | | 6,260,002 | | 79,998 |
| DHS Cafeteria Expansion | | 1,689,359 | 1,689,359 | | | | | 1,689,359 |
| Town Hall Generator | | 250,000 | 250,000 | | | | | 250,000 |
| DHS Shed | | 250,000 | 250,000 | | | | | 250,000 |

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances at June 30, 2017 are as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------|-----------------------|--------------|
| General Fund | Nonmajor Governmental | \$ 1,098,680 |
| General Fund | Capital Projects | 6,838,599 |

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

Interfund Transfers:

| | Transfers In | | Total Transfers Out |
|-----------------------------|-----------------|---------------------|---------------------------|
| | General Fund | Capital Projects | |
| Transfers out: | | | |
| General Fund | \$ | \$ 6,066,957 | \$ 6,066,957 |
| Sewer Operating Fund | 53,807 | 186,400 | 240,207 |
| Sewer Assessment Fund | 550,000 | | 550,000 |
| Nonmajor governmental Funds | 59,015 | 185,000 | 244,015 |
| Total Transfers In | \$ 662,822 | \$ 6,438,357 | \$ 7,101,179 |

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017**

Interfund transfers are included in the annual budget to:

- Move revenues from the General Fund to the Reserve for Capital and Nonrecurring Expenditures to fund capital projects and purchases approved in the annual budget.
- Move revenues from the Sewer Operating Fund to reimburse the General Fund for principal and interest payments on sewer rehabilitation bonds.
- Move revenues from the Sewer Operating Fund to the Sewer Capital Fund for capital projects and purchases that were approved in the annual budget.
- Move revenues from the Sewer Assessment Fund to reimburse the General Fund for principal and interest payments on sewer construction bonds.
- Move revenues from the Police Private Duty Fund to reimburse the General Fund for administrative expenses.
- Move revenues from the Parking Operations Fund to the Parking Capital Fund for capital projects and purchases that were approved in the annual budget.

7. LEASES

Operating Leases

The Town leases some office equipment under operating leases. Total costs for such leases were \$366,011 for the year ended June 30, 2017. These leases are cancelable at any time before the expiration date of the year 2020. The future minimum lease payments for these leases are as follows:

| <u>Year Ending June 30</u> | |
|----------------------------|---------------------|
| 2018 | \$ 355,221 |
| 2019 | 342,227 |
| 2020 | 276,256 |
| 2021 | 272,741 |
| 2022 | 272,119 |
| thereafter | <u>135,624</u> |
| Total | <u>\$ 1,654,188</u> |

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2017 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 | \$ 71,335,000 | \$ | \$ 9,305,000 | \$ 62,030,000 | \$ 9,595,000 |
| Clean water notes | 231,369 | | 49,633 | 181,736 | 50,635 |
| Premiums on bonds | 5,291,270 | | 627,627 | 4,663,643 | |
| Total bonds and notes payable | <u>76,857,639</u> | <u>-</u> | <u>9,982,260</u> | <u>66,875,379</u> | <u>9,645,635</u> |
| Compensated absences | <u>1,906,004</u> | <u>1,690,500</u> | <u>1,665,069</u> | <u>1,931,435</u> | <u>1,307,215</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 78,763,643</u> | <u>\$ 1,690,500</u> | <u>\$ 11,647,329</u> | <u>\$ 68,806,814</u> | <u>\$ 10,952,850</u> |

Bonds and notes outstanding by issue at June 30, 2017 were:

| <u>Description</u> | <u>Year of Maturity</u> | <u>Interest Rate (%)</u> | <u>Balance Outstanding June 30, 2017</u> |
|--|-----------------------------|------------------------------|--|
| General Obligation Bonds: | | | |
| Refunding 2009 | 2018 | 2.00-5.00 | \$ 2,460,000 |
| Refunding 2010 | 2020 | 2.49-4.75 | 4,875,000 |
| Refunding 2012 | 2027 | 1.75-5.00 | 24,913,000 |
| General Purpose 2013 | 2028 | 2.00 | 1,825,000 |
| Refunding 2014 | 2024 | 2.00-4.00 | 14,181,000 |
| General Purpose 2016 | 2026 | 2.00-3.00 | 3,135,000 |
| Refunding 2016 | 2027 | 2.00-4.00 | 7,230,000 |
| Total general obligation bonds | | | <u>58,619,000</u> |
| Special Assessment Debt with Town Commitment: | | | |
| Refunding 2009 | 2018 | 2.00-5.00 | 170,000 |
| Refunding 2010 | 2020 | 2.31-4.00 | 1,295,000 |
| Refunding 2012 | 2028 | 1.75-5.00 | 602,000 |
| Refunding 2014 | 2024 | 2.00-4.00 | 1,119,000 |
| Refunding 2016 | 2027 | 2.00-4.00 | 225,000 |
| Total special assessment debt with Town commitment | | | <u>3,411,000</u> |
| State Loans: | | | |
| Clean Water | 2022 | 2 | 181,736 |
| Total State Loans | | | <u>181,736</u> |
| Total Outstanding | | | <u>\$ 62,211,736</u> |

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

During fiscal year 2017, 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 \$550,000, respectively, toward these payments. The Sewer Operating Fund is responsible for debt service of the sewer rehabilitation bonds, and the Sewer Assessment Fund is responsible for the majority of debt service for the sewer construction bonds. Payment of the principal and interest on Special Assessment Sewer Bonds is guaranteed by the full faith and credit of the Town.

The following is a summary of long-term debt principal and interest maturities.

| <u>Year Ended June 30</u> | <u>Principal</u> | <u>Interest</u> |
|---------------------------|----------------------|---------------------|
| 2018 | \$ 9,645,635 | \$ 1,881,585 |
| 2019 | 8,831,657 | 1,551,588 |
| 2020 | 8,427,699 | 1,232,515 |
| 2021 | 8,211,745 | 909,507 |
| 2022 | 7,540,000 | 644,906 |
| 2023-2027 | 18,610,000 | 1,116,683 |
| 2028 | <u>945,000</u> | <u>14,175</u> |
| Total | <u>\$ 62,211,736</u> | <u>\$ 7,350,959</u> |

Authorized Unissued Bonds

At June 30, 2017, the Town of Darien had \$2,670,000 of authorized, unissued bonds for sewer line extension projects, \$12,686,273 for the Darien High School Building Project, \$5,045,000 for the Tokeneke Elementary School Project, \$265,000 for the purchase of the 35 Leroy Building, \$1,555,000 for the Police Station Project, \$1,300,000 for the Weed Beach Project, \$79,000 for the 35 Leroy/MCC project, \$60,000 for Weed Beach Tennis Courts, \$120,000 for Intervale Road Drainage, \$6,545,000 for the DPW garage renovation, \$6,340,000 for Ox Ridge land acquisition, \$1,689,359 for the High School Cafeteria, \$250,000 for the High School Shed, and \$250,000 for a Town Hall Generator. The Darien High School and Tokeneke Elementary School projects are partially offset by State of Connecticut grants.

Debt Limit

The Town's total indebtedness does not exceed the limit of \$931 million allowed by State Statute.

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. The balance in escrow was \$3,498,312 at June 30, 2017. The outstanding balance of the defeased bonds as of June 30, 2017 is \$3,410,000.

Compensated Absences

The liability for compensated absences increased by \$25,431 this year. These liabilities are paid by the General Fund, Sewer Operating Fund and Parking Operations Fund.

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017**

9. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omission; 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, 2017, 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 CIRMA Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The premium paid in 2016/17 was \$1,010,922. 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.

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 dental plan and the Town Dental plan is recorded as a self insured fund within the Internal Service fund. A third party administers the Town's self-insurance program. There is no stop loss coverage.

The Town's General Fund accounts for the Board of Education dental plan. The plan is funded through annual General Fund appropriations and the claims liability of \$36,844 reported at June 30, 2017 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 indicated 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 the claim accrual is based on actual claims incurred prior to June 30, 2017 but paid in the next fiscal year. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

The Town's Internal Service Fund accounts for the Town dental plan. The plan is funded through annual General Fund appropriations and the claims liability of \$6,423 reported at June 30, 2017 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 indicated 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 the claim accrual is based on actual claims incurred prior to June 30, 2017 but paid in the next fiscal year. 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:

| | Claims Payable July 1, | Claims and Changes in Estimates | Claims Paid | Claims Payable June 30, |
|-----------|---------------------------------------|--|------------------------|--|
| 2015-2016 | \$ 48,795 | \$ 937,948 | \$ 947,556 | \$ 39,187 |
| 2016-2017 | 39,187 | 843,646 | 839,566 | 43,267 |

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

10. FUND BALANCE

The components of fund balance for the governmental funds as of June 30, 2017 are as follows:

| | Major Special Revenue Funds | | | Nonmajor Governmental Funds | Total |
|----------------------------|-----------------------------------|---------------------|---------------------|-----------------------------------|----------------------|
| | General Fund | Sewer Operating | Sewer Assessment | | |
| Fund balances: | | | | | |
| Nonspendable: | | | | | |
| Prepaid expenditures | \$ 50,537 | | | \$ 2,500 | \$ 53,037 |
| Restricted for: | | | | | |
| Unspent grant balances | | | | 311,549 | 311,549 |
| Capital projects | | | | 17,530,916 | 17,530,916 |
| Park Pals Play area | | | | 30,617 | 30,617 |
| Weed beach | | | | 4,289 | 4,289 |
| Trusts | | | | 78,767 | 78,767 |
| Committed to: | | | | | |
| Sewer operations | | 3,798,955 | | | 3,798,955 |
| Sewer assessment projects | | | 720,213 | | 720,213 |
| Animal control | 28,431 | | | | 28,431 |
| Land purchase | 39,002 | | | | 39,002 |
| Solid waste management | 76,270 | | | | 76,270 |
| Special education | 100,000 | | | | 100,000 |
| Waste disposal | 89,851 | | | | 89,851 |
| Food services | | | | 96,534 | 96,534 |
| Police services | | | | 460,121 | 460,121 |
| Fire services | | | | 24,163 | 24,163 |
| Parking operations | | | | 1,400,910 | 1,400,910 |
| Affordable housing | | | | 363,895 | 363,895 |
| Storm recovery | | | | 215,747 | 215,747 |
| Stadium field | | | | 1,350 | 1,350 |
| Assigned to: | | | | | |
| Purchases on order | 98,642 | | | | 98,642 |
| Future year budgets | 1,100,000 | | | | 1,100,000 |
| Unassigned | 18,426,967 | | | (18,514,750) | (87,783) |
| Total Fund Balances | \$ 20,009,700 | \$ 3,798,955 | \$ 720,213 | \$ (983,834) | \$ 26,535,476 |

Significant encumbrances of \$98,642 and \$1,205,752 are included in the above table in the assigned categories of the General Fund and the restricted category of the capital projects fund, respectively.

Deficits

The Capital Projects fund has a net position deficit of \$983,834. The deficit will be funded by future grants and bond proceeds.

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017**

11. OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

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

Other post employment benefits are established through State statute or the collective bargaining process. The Human Resources Director is the administrator of the plans. Investment authority is vested with the Town and Police Pension Boards.

Membership in the plans consisted of the following at June 30, 2015, the date of the latest actuarial valuation:

| | Police Post-Retirement Medical Program | Non-Police Post-Retirement Medical Program |
|--------------------------------|---|---|
| Plan membership: | | |
| Retirees and surviving spouses | 26 | 52 |
| Active plan members | 42 | 542 |
| Total Participants | 68 | 594 |

B. Funding Policy

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

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

C. Investments

Investment Policy

OPEB Benefits Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Town and Police Pension Boards by a majority vote of its members.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 7.41% and 10.5% for the Police and the Non-Police Retiree Benefit OPEB plans, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Town

During the year, the Town implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* (OPEB). This Statement requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. The components of the net OPEB liability of the Town at June 30, 2017, were as follows:

| | <u>Police Post-Retirement Medical Program</u> | <u>Non-Police Post-Retirement Medical Program</u> |
|--|---|---|
| Total OPEB liability | \$ 6,344,931 | \$ 5,158,227 |
| Plan fiduciary net position | <u>4,067,596</u> | <u>3,200,004</u> |
| Net OPEB Liability | <u>\$ 2,277,335</u> | <u>\$ 1,958,223</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 64.11% | 62.04% |

The Town's net OPEB liability will be required to be recorded on the government-wide financial statement of net position at June 30, 2018.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|---------------------------------------|
| Inflation | 3.00% |
| Salary increases | Graded based on service |
| Investment rate of return | 6.50% |
| Healthcare cost trend rates | 8.00% decreasing to 4.5% over 8 years |

Mortality for Non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality table projected with Mortality Improvement Scale MP-2015. For disabled participants mortality is based on RP-2014 Disabled Retiree Mortality Table projected with Mortality Improvement Scale MP-2015. The actuarial assumptions used in the valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2017 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------|--------------------------|---|
| U.S. Core Fixed Income | 50.00% | 2.52% |
| U.S. Large Caps | 50.00% | 3.61% |
| Total | 100.00% | |

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that the Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1 percentage point higher (7.5%) than the current discount rate:

| | 1% Decrease (5.50%) | Current Discount Rate (6.50%) | 1% Increase (7.50%) |
|---|--------------------------------|--|--------------------------------|
| Police Post-Retirement Medical Program | | | |
| Net OPEB liability | \$ 2,761,889 | \$ 2,277,335 | \$ 1,835,442 |
| Non-Police Post-Retirement Medical Program | | | |
| Net OPEB liability | 2,454,162 | 1,958,223 | 1,516,522 |

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 3.5%) or 1 percentage point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

| | <u>1% Decrease (7.0% Decreasing to 3.5%)</u> | <u>Healthcare Cost Trend Rates (8.0% Decreasing to 4.5%)</u> | <u>1% Increase (9.0% Decreasing to 5.5%)</u> |
|---|--|--|--|
| Police Post-Retirement Medical Program | | | |
| Net OPEB liability | \$ 1,602,894 | \$ 2,277,335 | \$ 3,062,823 |
| Non-Police Post-Retirement Medical Program | | | |
| Net OPEB liability | 1,306,008 | 1,958,223 | 2,735,083 |

Annual OPEB Cost and Net OPEB Obligations

The Town of Darien's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

| | <u>Police Post-Retirement Medical Program</u> | <u>Non-Police Post-Retirement Medical Program</u> |
|--|---|---|
| Annual required contribution (ARC) | \$ 488,165 | \$ 425,482 |
| Interest on net OPEB obligation | (8,920) | |
| Adjustment to annual required contribution | 17,291 | |
| Annual OPEB cost | <u>496,536</u> | <u>425,482</u> |
| Contributions made | <u>398,165</u> | <u>425,482</u> |
| Change in net OPEB asset | 98,371 | - |
| Net OPEB asset at beginning of year | <u>(137,234)</u> | <u>-</u> |
| Net OPEB Asset at End of Year | <u>\$ (38,863)</u> | <u>\$ -</u> |

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for the fiscal years ended June 30, 2017, 2016, and 2015 are presented below.

Police

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost (AOC)</u> | <u>Actual Contribution</u> | <u>Percentage of AOC Contributed</u> | <u>Net OPEB Obligation (Asset)</u> |
|--------------------------|-------------------------------|----------------------------|--------------------------------------|------------------------------------|
| 6/30/2017 | \$ 496,536 | \$ 398,165 | 80.19% | \$ (38,863) |
| 6/30/2016 | 752,140 | 643,556 | 85.56% | (137,234) |
| 6/30/2015 | 472,473 | 465,340 | 98.49% | (245,818) |

Non-Police

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost (AOC)</u> | <u>Actual Contribution</u> | <u>Percentage of AOC Contributed</u> | <u>Net OPEB Obligation (Asset)</u> |
|--------------------------|-------------------------------|----------------------------|--------------------------------------|------------------------------------|
| 6/30/2017 | \$ 425,482 | \$ 425,482 | 100.00% | \$ - |
| 6/30/2016 | 606,153 | 606,153 | 100.00% | - |
| 6/30/2015 | 566,010 | 566,010 | 100.00% | - |

12. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

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 police) and noncertified Board of Education employees.

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

At June 30, 2015 (date of the last valuation), membership in the Town Plan consisted of:

| | |
|--|-------------------|
| Retirees, disabled members and beneficiaries currently receiving benefits and terminated members entitled to benefits but not yet receiving them | 196 |
| Current active members | <u>373</u> |
| Total | <u><u>569</u></u> |

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

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017**

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 RTM for nonbargaining unit employees.

The general administration and management of the Town Pension Plan and the responsibility for carrying out the provision of the plan shall be placed in the Town Pension Board. This board shall be made up of not fewer than three or more than five electors appointed by the Board of Selectmen of the Town. An elector may be, but need not be, an elected official of the Town or a member of any other board or committee of the Town.

Town of Darien Police Pension Fund

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

At June 30, 2015, membership in the Police Plan consisted of:

| | |
|---|-------------------|
| Retirees, disabled members and beneficiaries currently receiving benefits | 55 |
| Current active members | <u>50</u> |
| Total | <u><u>105</u></u> |

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

The general administration and management of the Police Pension Plan and the responsibility for carrying out the provision of the plan shall be placed in the Police Pension Board. This board shall be made up of the members of the police commission, one member from the Town’s Board of Finance and one police officer.

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. Employee and employer contributions are recognized as revenue in the period in which the employee services are performed. All other revenues are recognized when they are earned and expenses are recognized when they are incurred.

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

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned.

Plan Description and Benefits Provided

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

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

C. Investments

The Town and Police Plans' policy in regard to the allocation of invested assets is established and may be amended.

The following was the Pension Committee's adopted asset allocation policy as of June 30, 2017:

| <u>Asset Class</u> | <u>Target Allocation</u> |
|-----------------------------|------------------------------|
| Domestic equity (large cap) | 50.00% |
| Fixed income | <u>50.00%</u> |
| Total | <u><u>100.00%</u></u> |

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on pension investments for the Town and Police Plans, net of pension plan investment expense, was 12.58% and 12.65%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net Pension Liability (Asset) of the Town

The Town's net pension asset was measured as of June 30, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date.

The components of the net pension liability (asset) of the Town at June 30, 2017 were as follows:

| | <u>Town Pension Plan</u> | <u>Police Pension Plan</u> |
|---|----------------------------------|------------------------------------|
| Total pension liability | \$ 69,594,674 | \$ 43,978,102 |
| Plan fiduciary net position | <u>(75,753,600)</u> | <u>(50,367,794)</u> |
| Town's Net Pension Liability (Asset) | <u><u>\$ (6,158,926)</u></u> | <u><u>\$ (6,389,692)</u></u> |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 108.85% | 114.53% |

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|-------|
| Inflation | 3.00% |
| Salary increases | 3.50% |
| Investment rate of return | 6.50% |

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Mortality rates were based on the RP-2014 combined mortality table with improvements projected with mortality improvement scale MP-2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|---|
| Domestic equity (large cap) | 3.61% |
| Fixed income | 2.52% |

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

| | <u>Town Pension Fund</u> | | |
|--|--|--|--|
| | <u>Total Pension Liability (a)</u> | <u>Increase (Decrease)</u> | |
| | | <u>Plan Fiduciary Net Position (b)</u> | <u>Net Pension Liability (Asset) (a)-(b)</u> |
| Balances as of June 30, 2017 | \$ 65,567,886 | \$ 67,754,671 | \$ (2,186,785) |
| Changes for the year: | | | |
| Service cost | 2,684,605 | | 2,684,605 |
| Interest on total pension liability | 4,340,501 | | 4,340,501 |
| Employer contributions | | 1,347,529 | (1,347,529) |
| Member contributions | | 1,149,812 | (1,149,812) |
| Net investment income | | 8,556,388 | (8,556,388) |
| Benefit payments, including refund to employee contributions | (2,998,318) | (2,998,318) | - |
| Administrative expenses | | (56,482) | 56,482 |
| Net changes | <u>4,026,788</u> | <u>7,998,929</u> | <u>(3,972,141)</u> |
| Balances as of June 30, 2017 | <u>\$ 69,594,674</u> | <u>\$ 75,753,600</u> | <u>\$ (6,158,926)</u> |

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Police Pension Fund

| | Increase (Decrease) | | |
|--|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a)-(b) |
| Balances as of June 30, 2017 | \$ 42,468,356 | \$ 46,266,885 | \$ (3,798,529) |
| Changes for the year: | | | |
| Service cost | 949,016 | | 949,016 |
| Interest on total pension liability | 2,752,033 | | 2,752,033 |
| Employer contributions | | 278,285 | (278,285) |
| Member contributions | | 297,257 | (297,257) |
| Net investment income | | 5,761,015 | (5,761,015) |
| Benefit payments, including refund to employee contributions | (2,191,303) | (2,191,303) | - |
| Administrative expenses | | (44,345) | 44,345 |
| Net changes | <u>1,509,746</u> | <u>4,100,909</u> | <u>(2,591,163)</u> |
| Balances as of June 30, 2017 | <u>\$ 43,978,102</u> | <u>\$ 50,367,794</u> | <u>\$ (6,389,692)</u> |

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Town, calculated using the discount rate of 6.50%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

| | 1% Decrease (5.50%) | Current Discount Rate (6.50%) | 1% Increase (7.50%) |
|---------------------|------------------------|-------------------------------------|------------------------|
| Town Pension Plan | \$ 2,333,992 | \$ (6,158,926) | \$ (13,327,930) |
| Police Pension Plan | (4,310,109) | (6,389,692) | (11,165,350) |

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the Town recognized pension expense of (\$2,180,034). At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | <u>Town Pension Plan</u> | |
|--|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Changes in assumptions | \$ 3,425,931 | \$ |
| Net difference between projected and actual earning on pension plan investments | | 1,791,451 |
| Difference between expected and actual experience | | <u>565,162</u> |
| Total | <u>\$ 3,425,931</u> | <u>\$ 2,356,613</u> |

| | <u>Police Pension Plan</u> | |
|--|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Changes in assumptions | \$ 165,945 | \$ |
| Net difference between projected and actual earning on pension plan investments | | 1,212,563 |
| Difference between expected and actual experience | | <u>288,046</u> |
| Total | <u>\$ 165,945</u> | <u>\$ 1,500,609</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30

| | | |
|------|----|-----------|
| 2018 | \$ | 139,484 |
| 2019 | | 261,585 |
| 2020 | | 14,000 |
| 2021 | | (680,415) |

Teachers Retirement

A. Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

B. Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

C. Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017**

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

| | | |
|---|----|--------------------|
| Town's proportionate share of the net pension liability | \$ | - |
| State's proportionate share of the net pension liability associated with the Town | | <u>151,913,587</u> |
| Total | \$ | <u>151,913,587</u> |

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2017, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2017, the Town recognized pension expense and revenue of \$16,566,723 in Exhibit II for on-behalf amounts for the benefits provided by the State.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 2.75% |
| Salary increase | 3.25-6.50%, including inflation |
| Investment rate of return | 8.00%, net of pension plan investment expense, including inflation |

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Large Cap U.S. equities | 21.0% | 5.8% |
| Developed non-U.S. equities | 18.0% | 6.6% |
| Emerging markets (non-U.S.) | 9.0% | 8.3% |
| Core fixed income | 8.0% | 1.3% |
| Inflation linked bond fund | 5.0% | 1.0% |
| Emerging market bond | 4.0% | 3.7% |
| High yield bonds | 5.0% | 3.9% |
| Real estate | 7.0% | 5.1% |
| Private equity | 11.0% | 7.6% |
| Alternative investments | 8.0% | 4.1% |
| Liquidity fund | 4.0% | 0.4% |
| Total | <u>100.0%</u> | |

F. Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Town's proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

H. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

Pension and OPEB Fund Financial Statements

| | <u>Police Pension Trust Fund</u> | <u>Town Pension Trust Fund</u> | <u>Police Retiree Medical Reserve Trust Fund</u> | <u>Non-Police Retiree Benefit Trust Fund</u> | <u>Total Trust Funds</u> |
|---|--|--|--|--|----------------------------------|
| Assets: | | | | | |
| Cash and cash equivalents | \$ 98,640 | \$ 489,680 | \$ 1,377,462 | \$ 776,501 | \$ 2,742,283 |
| Investments: | | | | | |
| Equity securities | 30,191,355 | 45,431,949 | | | 75,623,304 |
| Mutual funds | 20,048,914 | 29,788,430 | 2,689,295 | 2,422,990 | 54,949,629 |
| Receivables: | | | | | |
| Interest and dividends | <u>48,870</u> | <u>73,238</u> | <u>1,932</u> | <u>927</u> | <u>124,967</u> |
| Total assets | 50,387,779 | 75,783,297 | 4,068,689 | 3,200,418 | 133,440,183 |
| Liabilities: | | | | | |
| Accounts and other payables | <u>19,985</u> | <u>29,697</u> | <u>1,093</u> | <u>414</u> | <u>51,189</u> |
| Net Position: | | | | | |
| Restricted for Pension Benefits and Postemployment Benefits | <u>\$ 50,367,794</u> | <u>\$ 75,753,600</u> | <u>\$ 4,067,596</u> | <u>\$ 3,200,004</u> | <u>\$ 133,388,994</u> |
| Additions: | | | | | |
| Contributions: | | | | | |
| Employer | \$ 278,285 | \$ 1,347,529 | \$ 398,165 | \$ 425,482 | \$ 2,449,461 |
| Plan members | <u>297,257</u> | <u>1,149,812</u> | <u> </u> | <u> </u> | <u>1,447,069</u> |
| Total contributions | <u>575,542</u> | <u>2,497,341</u> | <u>398,165</u> | <u>425,482</u> | <u>3,896,530</u> |
| Investment income: | | | | | |
| Net change in fair value of investments | 4,801,694 | 7,132,855 | 239,242 | 283,209 | 12,457,000 |
| Interest and dividends | <u>959,321</u> | <u>1,423,533</u> | <u>51,665</u> | <u>46,525</u> | <u>2,481,044</u> |
| Net investment income | <u>5,761,015</u> | <u>8,556,388</u> | <u>290,907</u> | <u>329,734</u> | <u>14,938,044</u> |
| Total additions | <u>6,336,557</u> | <u>11,053,729</u> | <u>689,072</u> | <u>755,216</u> | <u>18,834,574</u> |
| Deductions: | | | | | |
| Benefits | 2,191,303 | 2,998,318 | 288,840 | 274,200 | 5,752,661 |
| Administration | <u>44,345</u> | <u>56,482</u> | <u>5,628</u> | <u>9,913</u> | <u>116,368</u> |
| Total deductions | <u>2,235,648</u> | <u>3,054,800</u> | <u>294,468</u> | <u>284,113</u> | <u>5,869,029</u> |
| Change in Net Position | 4,100,909 | 7,998,929 | 394,604 | 471,103 | 12,965,545 |
| Net Position at Beginning of Year | <u>46,266,885</u> | <u>67,754,671</u> | <u>3,672,992</u> | <u>2,728,901</u> | <u>120,423,449</u> |
| Net Position at End of Year | <u>\$ 50,367,794</u> | <u>\$ 75,753,600</u> | <u>\$ 4,067,596</u> | <u>\$ 3,200,004</u> | <u>\$ 133,388,994</u> |

13. CONTINGENT LIABILITIES

Amounts received or receivable from federal and state grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that 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.

14. SUBSEQUENT EVENTS

On August 29, 2017, the Town of Darien issued \$12,460,000 of general obligation bonds, maturing serially through February 2037, with interest rates from 2.0% to 5.0%.

**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, 2017**

| | Budgeted Amounts | | Actual | Variance Favorable (Unfavorable) |
|-----------------------------------|--------------------|--------------------|--------------------|--|
| | Original | Final | | |
| Property taxes: | | | | |
| Property taxes current | \$ 131,916,907 | \$ 131,916,907 | \$ 131,482,458 | \$ (434,449) |
| Property taxes prior | 600,000 | 600,000 | 433,496 | (166,504) |
| Suspense tax collections | 1,000 | 1,000 | 12,643 | 11,643 |
| Telecommunication property tax | 58,000 | 58,000 | 62,381 | 4,381 |
| Interest and liens | 400,000 | 400,000 | 399,869 | (131) |
| Total property taxes | <u>132,975,907</u> | <u>132,975,907</u> | <u>132,390,847</u> | <u>(585,060)</u> |
| Licenses and permits: | | | | |
| Town Clerk | 1,600,000 | 1,600,000 | 1,517,418 | (82,582) |
| Building, plumbing and other | 1,363,400 | 1,363,400 | 1,449,623 | 86,223 |
| Refuse disposal permits | 285,000 | 285,000 | 284,841 | (159) |
| Food establishment | 78,000 | 78,000 | 82,401 | 4,401 |
| Private disposal and water supply | 28,500 | 28,500 | 19,025 | (9,475) |
| Fire Marshal's revenue | 7,500 | 7,500 | 34,537 | 27,037 |
| Other | 34,150 | 34,150 | 39,061 | 4,911 |
| Total licenses and permits | <u>3,396,550</u> | <u>3,396,550</u> | <u>3,426,906</u> | <u>30,356</u> |
| Intergovernmental: | | | | |
| MRSA Sales Tax Sharing | 40,438 | 40,438 | 171,485 | 131,047 |
| Pequot distribution | 9,265 | 9,265 | 9,241 | (24) |
| Disabled persons | 185 | 185 | 186 | 1 |
| Circuit breaker | 70,000 | 70,000 | 62,757 | (7,243) |
| Veterans' exemption | 2,000 | 2,000 | 2,037 | 37 |
| Court fines | 30,000 | 30,000 | 23,972 | (6,028) |
| State school reimbursement | 3,083 | 3,083 | 3,083 | - |
| Education Cost Sharing Grant | | | 502,817 | 502,817 |
| Transportation | 246 | 246 | | (246) |
| Other | 65,000 | 65,000 | 203,870 | 138,870 |
| Total intergovernmental | <u>220,217</u> | <u>220,217</u> | <u>979,448</u> | <u>759,231</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, 2017

| | Budgeted Amounts | | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|--------------------|--------------------|--|
| | Original | Final | | |
| Charges for services: | | | | |
| Sale of codes, regulations, etc. | \$ 800 | \$ 800 | \$ 175 | \$ (625) |
| Planning and zoning application Authority | 167,724 | 167,724 | 123,150 | (44,574) |
| Solid Waste Fees | 58,609 | 58,609 | 58,609 | - |
| Services for Parking Fund | 400,000 | 400,000 | 425,611 | 25,611 |
| Parking Fees | 62,755 | 62,755 | 64,638 | 1,883 |
| Youth Commission fees | 259,000 | 259,000 | 241,085 | (17,915) |
| Parks and recreation | 216,000 | 216,000 | 330,262 | 114,262 |
| Beach parking permits | 202,400 | 202,400 | 221,414 | 19,014 |
| Senior Center Programs | 301,500 | 301,500 | 304,297 | 2,797 |
| Other | 50,337 | 50,337 | 55,251 | 4,914 |
| Other | 18,100 | 18,100 | 28,167 | 10,067 |
| Total charges for services | <u>1,737,225</u> | <u>1,737,225</u> | <u>1,852,659</u> | <u>115,434</u> |
| Fines and forfeits | <u>30,600</u> | <u>30,600</u> | <u>47,446</u> | <u>16,846</u> |
| Investment income | <u>100,000</u> | <u>100,000</u> | <u>192,991</u> | <u>92,991</u> |
| Miscellaneous: | | | | |
| Metro mobile rent | 121,000 | 121,000 | 146,910 | 25,910 |
| Coin operated Xerox machine | 16,000 | 16,000 | 16,112 | 112 |
| Commission on Aging - van | 50,763 | 50,763 | 43,061 | (7,702) |
| Sale of recyclables/metal/compost | 67,000 | 67,000 | 46,534 | (20,466) |
| Other rents | 92,439 | 92,439 | 94,436 | 1,997 |
| Sale of fixed assets | | | 32,500 | 32,500 |
| Insurance recoveries | 40,000 | 40,000 | 74,723 | 34,723 |
| Other | 10,000 | 10,000 | 316,677 | 306,677 |
| Total miscellaneous | <u>397,202</u> | <u>397,202</u> | <u>770,953</u> | <u>373,751</u> |
| Total revenues | <u>138,857,701</u> | <u>138,857,701</u> | <u>139,661,250</u> | <u>803,549</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, 2017

| | Budgeted Amounts | | Actual | Variance Favorable (Unfavorable) |
|---|-----------------------|-----------------------|----------------|--|
| | Original | Final | | |
| Other financing sources: | | | | |
| Transfers in: | | | | |
| Sewer Assessment Fund | \$ 550,000 | \$ 550,000 | \$ 550,000 | \$ - |
| Sewer Operating Fund | 53,807 | 53,807 | 53,807 | - |
| Other Funds | <u>35,000</u> | <u>35,000</u> | <u>59,015</u> | <u>24,015</u> |
| Total transfers in | 638,807 | 638,807 | 662,822 | 24,015 |
| Appropriation of fund balance | <u>1,100,000</u> | <u>2,521,261</u> | | <u>(2,521,261)</u> |
| Total other financing sources | <u>1,738,807</u> | <u>3,160,068</u> | <u>662,822</u> | <u>(2,497,246)</u> |
| Total Revenues and Other Financing Sources | \$ <u>140,596,508</u> | \$ <u>142,017,769</u> | 140,324,072 | \$ <u>(1,693,697)</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.

16,566,723

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

(295,720)

The Town does not budget for land purchase option fund revenues.

137,506

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.

2,861,446

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

\$ 159,594,027

TOWN OF DARIEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017

| | Budgeted Amounts | | Actual | Variance Favorable (Unfavorable) |
|---------------------------------------|------------------|------------------|------------------|--|
| | Original | Final | | |
| General government: | | | | |
| Selectmen's office | \$ 205,711 | \$ 220,154 | \$ 220,047 | \$ 107 |
| Administrative Officer | 383,100 | 400,800 | 388,833 | 11,967 |
| Human Resources | 151,299 | 151,299 | 136,670 | 14,629 |
| RTM | 2,300 | 2,300 | 2,003 | 297 |
| Financial management | 426,547 | 436,021 | 432,130 | 3,891 |
| Board of Finance | 52,360 | 52,360 | 37,565 | 14,795 |
| Tax Assessor | 320,400 | 325,688 | 324,133 | 1,555 |
| Tax Collector | 267,066 | 267,066 | 264,429 | 2,637 |
| Legal services | 550,955 | 550,955 | 534,723 | 16,232 |
| Town Clerk | 317,757 | 317,757 | 315,058 | 2,699 |
| Registrar of Voters | 145,466 | 145,466 | 140,336 | 5,130 |
| Information services | 322,057 | 361,601 | 359,745 | 1,856 |
| Probate court | 7,000 | 7,000 | 5,832 | 1,168 |
| Total general government | <u>3,152,018</u> | <u>3,238,467</u> | <u>3,161,504</u> | <u>76,963</u> |
| Community environment: | | | | |
| Development Planning | 693,885 | 698,086 | 684,232 | 13,854 |
| Planning and Zoning | 21,618 | 17,417 | 14,924 | 2,493 |
| Regional Planning | 7,003 | 7,003 | 7,003 | - |
| Beautification | 36,000 | 36,000 | 33,831 | 2,169 |
| Celebrations and observances | 34,248 | 34,248 | 30,211 | 4,037 |
| Harbor Master | 6,260 | 6,260 | 1,056 | 5,204 |
| Total community environment | <u>799,014</u> | <u>799,014</u> | <u>771,257</u> | <u>27,757</u> |
| Public safety: | | | | |
| Building Department | <u>403,888</u> | <u>419,911</u> | <u>403,288</u> | <u>16,623</u> |
| Police Department: | | | | |
| Administration | 732,131 | 754,584 | 726,334 | 28,250 |
| Criminal Investigation | 536,195 | 529,997 | 368,781 | 161,216 |
| Patrol | 4,563,493 | 4,562,277 | 4,456,806 | 105,471 |
| Records | 339,063 | 401,032 | 371,372 | 29,660 |
| Youth | 208,704 | 214,052 | 214,051 | 1 |
| Marine Patrol | 13,250 | 13,250 | 11,780 | 1,470 |
| Professional Standards | 179,997 | 175,179 | 170,782 | 4,397 |
| Traffic and School Crossing | 65,580 | 66,181 | 66,178 | 3 |
| Fleet Services | 127,223 | 127,420 | 114,026 | 13,394 |
| Traffic control | 7,984 | 8,411 | 8,410 | 1 |
| Station maintenance and communication | 396,614 | 389,071 | 382,812 | 6,259 |
| Animal Control | 79,347 | 78,402 | 76,459 | 1,943 |
| Total Police Department | <u>7,249,581</u> | <u>7,319,856</u> | <u>6,967,791</u> | <u>352,065</u> |

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|-----------|------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Fire service and emergency medical service: | | | | |
| Darien Fire Department | \$ 178,797 | 208,400 | \$ 206,472 | \$ 1,928 |
| Noroton Fire Department | 180,387 | 186,146 | 186,113 | 33 |
| Noroton Heights Fire Department | 188,861 | 190,011 | 189,923 | 88 |
| Board of Fire Commissioners | 101,337 | 152,337 | 140,029 | 12,308 |
| Fire Marshal | 340,765 | 343,086 | 339,454 | 3,632 |
| Hydrants and main rental | 460,000 | 460,000 | 429,817 | 30,183 |
| Disaster Preparedness | 86,590 | 86,590 | 80,824 | 5,766 |
| Emergency medical service | 110,755 | 114,729 | 114,728 | 1 |
| Total fire service and emergency medical service | 1,647,492 | 1,741,299 | 1,687,360 | 53,939 |
| Total public safety | 9,300,961 | 9,481,066 | 9,058,439 | 422,627 |
| Public works: | | | | |
| Administration | 362,993 | 372,337 | 359,715 | 12,622 |
| Roadway and walkway maintenance | 1,847,292 | 1,828,467 | 1,759,376 | 69,091 |
| Waste Management | 1,287,280 | 1,302,280 | 1,125,373 | 176,907 |
| Public building management | 592,623 | 646,304 | 628,660 | 17,644 |
| Parking facility | 61,867 | 61,867 | 50,156 | 11,711 |
| Total public works | 4,152,055 | 4,211,255 | 3,923,280 | 287,975 |
| Health and social services: | | | | |
| Social services | 205,446 | 204,266 | 189,776 | 14,490 |
| Social service - outside assistance | 29,650 | 30,830 | 20,255 | 10,575 |
| Senior Center | 404,337 | 407,905 | 383,184 | 24,721 |
| Senior transportation | 44,678 | 44,678 | 43,061 | 1,617 |
| Youth programs | 355,123 | 357,353 | 353,295 | 4,058 |
| Youth services grants | 58,075 | 58,075 | 53,075 | 5,000 |
| Other outreach services | 500 | 500 | | 500 |
| Health Department | 296,813 | 301,479 | 292,121 | 9,358 |
| Total health and social services | 1,394,622 | 1,405,086 | 1,334,767 | 70,319 |
| Parks and recreation: | | | | |
| Administration | 480,815 | 498,625 | 473,280 | 25,345 |
| Beach and court facilities | 199,914 | 199,914 | 189,244 | 10,670 |
| Maintenance and repair | 439,795 | 407,393 | 380,001 | 27,392 |
| Organized recreation activities | 32,966 | 36,105 | 34,680 | 1,425 |
| Grounds, fields, building | 243,274 | 222,325 | 187,279 | 35,046 |
| Total parks and recreation | 1,396,764 | 1,364,362 | 1,264,484 | 99,878 |
| Overhead and miscellaneous: | | | | |
| Employee benefits | 4,917,562 | 4,917,562 | 4,815,068 | 102,494 |
| Risk management | 1,238,388 | 1,238,388 | 1,215,442 | 22,946 |
| Contingency | 568,000 | 301,293 | | 301,293 |
| Total overhead and miscellaneous | 6,723,950 | 6,457,243 | 6,030,510 | 426,733 |

(Continued on next page)

**TOWN OF DARIEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual | Variance Favorable (Unfavorable) |
|-----------------------------------|-----------------------|-----------------------|--------------------|--|
| | Original | Final | | |
| Library | \$ 3,583,457 | \$ 3,583,457 | \$ 3,583,457 | \$ - |
| Board of Education - operations | 93,847,816 | 93,847,816 | 93,354,514 | 493,302 |
| Debt service: | | | | |
| Schools | 7,683,294 | 7,683,294 | 7,682,842 | 452 |
| Town | 3,058,591 | 3,058,591 | 3,058,527 | 64 |
| Sewer | 804,105 | 804,105 | 804,003 | 102 |
| Total debt service | <u>11,545,990</u> | <u>11,545,990</u> | <u>11,545,372</u> | <u>618</u> |
| Total expenditures | <u>135,896,647</u> | <u>135,933,756</u> | <u>134,027,584</u> | <u>1,906,172</u> |
| Other financing uses: | | | | |
| Transfers out: | | | | |
| Retiree Medical | 17,056 | 17,056 | 9,413 | 7,643 |
| Capital nonrecurring expenditures | <u>4,682,805</u> | <u>6,066,957</u> | <u>6,066,957</u> | <u>-</u> |
| Total other financing uses | <u>4,699,861</u> | <u>6,084,013</u> | <u>6,076,370</u> | <u>7,643</u> |
| Total | <u>\$ 140,596,508</u> | <u>\$ 142,017,769</u> | 140,103,954 | <u>\$ 1,913,815</u> |

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State

Teachers' Retirement System for Town teachers are not budgeted.

16,566,723

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.

179,666

The Town does not budget for land purchase option fund expenditures.

158,346

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.

2,861,446

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

\$ 159,870,135

**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, 2017**

| | Budgeted Amounts | | Actual | Variance Favorable (Unfavorable) |
|--|------------------|------------------|-------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Licenses and permits | \$ 10,000 | \$ 10,000 | \$ 14,000 | \$ 4,000 |
| Charges for services | 3,250,988 | 3,250,988 | 3,690,070 | 439,082 |
| Fines and forfeits | 35,000 | 35,000 | 44,642 | 9,642 |
| Investment income | 13,000 | 13,000 | 7,982 | (5,018) |
| Total revenues | <u>3,308,988</u> | <u>3,308,988</u> | <u>3,756,694</u> | <u>447,706</u> |
| Expenditures: | | | | |
| Sewer operations: | | | | |
| Administration | 341,765 | 344,765 | 331,280 | 13,485 |
| Collection and pumping | 478,757 | 478,757 | 451,252 | 27,505 |
| Treatment service | 2,206,320 | 2,206,320 | 2,315,422 | (109,102) |
| Overhead and miscellaneous | 291,939 | 288,939 | 223,485 | 65,454 |
| Total expenditures | <u>3,318,781</u> | <u>3,318,781</u> | <u>3,321,439</u> | <u>(2,658)</u> |
| Excess of revenues over expenditures | (9,793) | (9,793) | 435,255 | 445,048 |
| Other financing sources (uses): | | | | |
| Operating transfers out | (240,207) | (240,207) | (240,207) | - |
| Appropriation of fund balance | <u>250,000</u> | <u>250,000</u> | | <u>(250,000)</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses | <u>\$ -</u> | <u>\$ -</u> | 195,048 | <u>\$ 195,048</u> |
| GAAP Fund Balance Change, End of Year | | | <u>\$ 195,048</u> | |

TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
TOWN PENSION PLAN
LAST FOUR FISCAL YEARS*

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Total pension liability: | | | | |
| Service cost | \$ 2,684,605 | \$ 2,520,756 | \$ 2,187,552 | \$ 2,272,712 |
| Interest | 4,340,501 | 4,091,560 | 3,909,003 | 3,653,413 |
| Differences between expected and actual experience | | | (989,032) | |
| Changes of assumptions | | | 5,995,377 | |
| Benefit payments, including refunds of member contributions | <u>(2,998,318)</u> | <u>(2,895,921)</u> | <u>(2,694,202)</u> | <u>(2,348,549)</u> |
| Net change in total pension liability | 4,026,788 | 3,716,395 | 8,408,698 | 3,577,576 |
| Total pension liability - beginning | <u>65,567,886</u> | <u>61,851,491</u> | <u>53,442,793</u> | <u>49,865,217</u> |
| Total pension liability - ending | <u>69,594,674</u> | <u>65,567,886</u> | <u>61,851,491</u> | <u>53,442,793</u> |
| Plan fiduciary net position: | | | | |
| Contributions - employer | 1,347,529 | 1,628,802 | 1,716,498 | 1,667,416 |
| Contributions - employee | 1,149,812 | 1,108,161 | 1,041,347 | 1,000,728 |
| Net investment income | 8,556,388 | 2,236,389 | 3,925,756 | 8,969,636 |
| Benefit payments, including refunds of member contributions | <u>(2,998,318)</u> | <u>(2,895,921)</u> | <u>(2,694,202)</u> | <u>(2,348,549)</u> |
| Administrative expense | <u>(56,482)</u> | <u>(315,272)</u> | <u>(289,154)</u> | <u>(265,239)</u> |
| Net change in plan fiduciary net position | 7,998,929 | 1,762,159 | 3,700,245 | 9,023,992 |
| Plan fiduciary net position - beginning | <u>67,754,671</u> | <u>65,992,512</u> | <u>62,292,267</u> | <u>53,268,275</u> |
| Plan fiduciary net position - ending | <u>75,753,600</u> | <u>67,754,671</u> | <u>65,992,512</u> | <u>62,292,267</u> |
| Net Pension Asset - Ending | <u>\$ (6,158,926)</u> | <u>\$ (2,186,785)</u> | <u>\$ (4,141,021)</u> | <u>\$ (8,849,474)</u> |
| Plan fiduciary net position as a percentage of the total pension asset | 108.85% | 103.34% | 106.70% | 116.56% |
| Covered-employee payroll | \$ 19,953,035 | \$ 19,953,035 | \$ 19,045,747 | \$ 18,342,993 |
| Net pension asset as a percentage of covered-employee payroll | 30.87% | 10.96% | 21.74% | 48.24% |

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
POLICE PENSION PLAN
LAST FOUR FISCAL YEARS*

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Total pension liability: | | | | |
| Service cost | \$ 949,016 | \$ 891,095 | \$ 687,778 | \$ 738,659 |
| Interest | 2,752,033 | 2,646,463 | 2,889,227 | 2,761,581 |
| Differences between expected and actual experience | | | (1,152,181) | |
| Changes of assumptions | | | 663,780 | |
| Benefit payments, including refunds of member contributions | <u>(2,191,303)</u> | <u>(1,758,160)</u> | <u>(1,812,572)</u> | <u>(1,784,531)</u> |
| Net change in total pension liability | 1,509,746 | 1,779,398 | 1,276,032 | 1,715,709 |
| Total pension liability - beginning | <u>42,468,356</u> | <u>40,688,958</u> | <u>39,412,926</u> | <u>37,697,217</u> |
| Total pension liability - ending | <u>43,978,102</u> | <u>42,468,356</u> | <u>40,688,958</u> | <u>39,412,926</u> |
| Plan fiduciary net position: | | | | |
| Contributions - employer | 278,285 | 588,454 | 1,073,353 | 1,220,507 |
| Contributions - employee | 297,257 | 307,577 | 299,971 | 265,826 |
| Net investment income | 5,761,015 | 1,568,200 | 2,752,388 | 6,338,904 |
| Benefit payments, including refunds of member contributions | (2,191,303) | (1,758,160) | (1,812,572) | (1,784,531) |
| Administrative expense | <u>(44,345)</u> | <u>(230,849)</u> | <u>(202,504)</u> | <u>(194,924)</u> |
| Net change in plan fiduciary net position | 4,100,909 | 475,222 | 2,110,636 | 5,845,782 |
| Plan fiduciary net position - beginning | <u>46,266,885</u> | <u>45,791,663</u> | <u>43,681,027</u> | <u>37,835,245</u> |
| Plan fiduciary net position - ending | <u>50,367,794</u> | <u>46,266,885</u> | <u>45,791,663</u> | <u>43,681,027</u> |
| Net Pension Asset - Ending | <u>\$ (6,389,692)</u> | <u>\$ (3,798,529)</u> | <u>\$ (5,102,705)</u> | <u>\$ (4,268,101)</u> |
| Plan fiduciary net position as a percentage of the total pension asset | 114.53% | 108.94% | 112.54% | 110.83% |
| Covered-employee payroll | \$ 5,059,519 | \$ 5,059,519 | \$ 4,888,424 | \$ 3,710,557 |
| Net pension asset as a percentage of covered-employee payroll | -126.29% | -75.08% | -104.38% | -115.03% |

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TOWN PENSION PLAN
LAST TEN FISCAL YEARS**

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 1,197,070 | \$ 1,231,739 | \$ 1,330,023 | \$ 1,515,023 | \$ 1,671,289 | \$ 1,593,296 | \$ 1,667,416 | \$ 1,716,498 | \$ 1,628,802 | \$ 1,347,529 |
| Contributions in relation to the actuarially determined contribution | <u>1,141,561</u> | <u>1,231,739</u> | <u>1,330,023</u> | <u>1,515,023</u> | <u>1,671,289</u> | <u>1,601,430</u> | <u>1,667,416</u> | <u>1,716,498</u> | <u>1,628,802</u> | <u>1,347,529</u> |
| Contribution Deficiency (Excess) | <u>\$ 55,509</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (8,134)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 11,614,481 | \$ 13,158,898 | \$ 12,204,738 | \$ 15,026,004 | \$ 16,294,428 | \$ 16,869,398 | \$ 18,342,993 | \$ 19,045,747 | \$ 19,953,035 | \$ 19,953,035 |
| Contributions as a percentage of covered-employee payroll | 9.8% | 9.4% | 10.9% | 10.1% | 10.3% | 9.5% | 9.1% | 9.0% | 8.2% | 6.8% |

Notes to Schedule

Valuation date: July 1, 2015
Measurement date: June 30, 2017
Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

| | |
|---------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Aggregate funding method |
| Asset valuation method | Market value |
| Inflation | 3.00% |
| Salary increases | 3.50% |
| Investment rate of return | 6.50% |
| Retirement age | Assumptions related to age, and service are used for participants not yet receiving payments |
| Mortality | RP-2014 for non disabled participants projected with mortality improvement scale MP-2015. RP-2014 for disabled participants projected with mortality improvement scale MP-2015. |

**TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION PLAN
LAST TEN FISCAL YEARS**

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|----------------|----------------|----------------|------------------|------------------|-------------------|------------------|------------------|----------------|----------------|
| Actuarially determined contribution | \$ 807,655 | \$ 800,558 | \$ 866,685 | \$ 1,027,782 | \$ 1,133,728 | \$ 1,119,967 | \$ 1,220,507 | \$ 1,073,353 | \$ 588,454 | \$ 278,285 |
| Contributions in relation to the actuarially determined contribution | <u>807,655</u> | <u>800,558</u> | <u>866,685</u> | <u>1,027,782</u> | <u>1,133,728</u> | <u>1,125,594</u> | <u>1,220,507</u> | <u>1,073,353</u> | <u>588,454</u> | <u>278,285</u> |
| Contribution Deficiency (Excess) | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>(5,627)</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |
| Covered-employee payroll | \$ 4,186,479 | \$ 4,159,694 | \$ 4,344,424 | \$ 4,537,382 | \$ 4,660,227 | \$ 4,741,817 | \$ 3,710,557 | \$ 4,888,424 | \$ 5,059,519 | \$ 5,059,519 |
| Contributions as a percentage of covered-employee payroll | 19.3% | 19.2% | 19.9% | 22.7% | 24.3% | 23.7% | 32.9% | 22.0% | 11.6% | 5.5% |

Notes to Schedule

Valuation date: July 1, 2015
Measurement date: June 30, 2017
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

| | |
|---------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Aggregate funding method |
| Asset valuation method | Market value |
| Inflation | 3.00% |
| Salary increases | 3.50% |
| Investment rate of return | 6.50% |
| Retirement age | Assumptions related to age, and service are used for participants not yet receiving payments |
| Mortality | RP-2014 for non disabled participants projected with mortality improvement scale MP-2015. RP-2014 for disabled participants projected with mortality improvement scale MP-2015. |

TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS - TOWN PENSION PLAN
LAST FOUR FISCAL YEARS*

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 12.58% | 3.37% | 6.24% | 16.62% |

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS - POLICE PENSION PLAN
LAST FOUR FISCAL YEARS***

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 12.65% | 3.45% | 6.28% | 16.63% |

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST THREE FISCAL YEARS*

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--|-----------------------|-----------------------|
| Town's proportion of the net pension liability | 0.00% | 0.00% | 0.00% |
| Town's proportionate share of the net pension liability | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability associated with the Town | <u>151,913,587</u> | <u>116,930,465</u> | <u>108,078,782</u> |
| Total | <u>\$ 151,913,587</u> | <u>\$ 116,930,465</u> | <u>\$ 108,078,782</u> |
| Town's covered-employee payroll | \$ 44,253,946 | \$ 42,596,996 | \$ 41,007,425 |
| Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total pension liability | 52.26% | 59.50% | 61.51% |
| Changes in benefit terms | None | | |
| Changes of assumptions | <p>During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.</p> <p>During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.</p> | | |
| Actuarial cost method | Entry age | | |
| Amortization method | Level percent of salary, closed | | |
| Remaining amortization period | 20.4 years | | |
| Asset valuation method | 4-year smoothed market | | |
| Investment rate of return | 8.50%, net of investment related expense | | |

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
POLICE POST-RETIREMENT MEDICAL PROGRAM
LAST FISCAL YEAR***

| | <u>2017</u> |
|---|---------------------|
| Total OPEB liability: | |
| Service cost | \$ 213,204 |
| Interest | 396,202 |
| Benefit payments | <u>(288,840)</u> |
| Net change in total OPEB liability | 320,566 |
| Total OPEB liability - beginning | <u>6,024,365</u> |
| Total OPEB liability - ending | <u>6,344,931</u> |
| Plan fiduciary net position: | |
| Contributions - employer | 398,165 |
| Net investment income (loss) | 290,907 |
| Benefit payments | (288,840) |
| Administrative expense | <u>(5,628)</u> |
| Net change in plan fiduciary net position | 394,604 |
| Plan fiduciary net position - beginning | <u>3,672,992</u> |
| Plan fiduciary net position - ending | <u>4,067,596</u> |
| Net OPEB Liability - Ending | <u>\$ 2,277,335</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 64.11% |
| Covered-employee payroll | \$ 4,427,252 |
| Net OPEB liability as a percentage of covered-employee payroll | 51.44% |

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
NON-POLICE POST-RETIREMENT MEDICAL PROGRAM
LAST FISCAL YEAR***

| | <u>2017</u> |
|---|---------------------|
| Total OPEB liability: | |
| Service cost | \$ 250,303 |
| Interest | 323,329 |
| Benefit payments | <u>(274,200)</u> |
| Net change in total OPEB liability | 299,432 |
| Total OPEB liability - beginning | <u>4,858,795</u> |
| Total OPEB liability - ending | <u>5,158,227</u> |
| Plan fiduciary net position: | |
| Contributions - employer | 425,482 |
| Net investment income (loss) | 329,734 |
| Benefit payments | <u>(274,200)</u> |
| Administrative expense | <u>(9,913)</u> |
| Net change in plan fiduciary net position | 471,103 |
| Plan fiduciary net position - beginning | <u>2,728,901</u> |
| Plan fiduciary net position - ending | <u>3,200,004</u> |
| Net OPEB Liability - Ending | <u>\$ 1,958,223</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 62.04% |
| Covered-employee payroll | \$ 45,122,787 |
| Net OPEB liability as a percentage of covered-employee payroll | 4.34% |

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE POST-RETIREMENT MEDICAL PROGRAM
LAST NINE FISCAL YEARS***

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|-------------------|-----------------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|
| Actuarially determined contribution (1) | \$ 609,468 | \$ 604,678 | \$ 504,575 | \$ 528,363 | \$ 424,706 | \$ 444,733 | \$ 465,340 | \$ 733,556 | \$ 488,165 |
| Contributions in relation to the actuarially determined contribution | <u>142,018</u> | <u>1,787,862</u> | <u>405,871</u> | <u>429,659</u> | <u>329,796</u> | <u>354,733</u> | <u>465,340</u> | <u>643,556</u> | <u>398,165</u> |
| Contribution Deficiency (Excess) | <u>\$ 467,450</u> | <u>\$ (1,183,184)</u> | <u>\$ 98,704</u> | <u>\$ 98,704</u> | <u>\$ 94,910</u> | <u>\$ 90,000</u> | <u>\$ -</u> | <u>\$ 90,000</u> | <u>\$ 90,000</u> |
| Covered-employee payroll | \$ 4,129,118 | \$ 4,273,637 | \$ 3,818,581 | \$ 4,294,483 | \$ 4,187,283 | \$ 4,333,838 | \$ 4,277,538 | \$ 4,427,252 | \$ 4,427,252 |
| Contributions as a percentage of covered-employee payroll | 3.44% | 41.83% | 10.63% | 10.00% | 7.88% | 8.19% | 10.88% | 14.54% | 8.99% |

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date: July 1, 2015

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

| | |
|-----------------------------|--|
| Actuarial cost method | Aggregate Cost |
| Asset valuation method | Market value |
| Inflation | 3.00% |
| Healthcare cost trend rates | 8.0% initial, decreasing to an ultimate rate of 4.5% after 8 years |
| Salary increases | Graded based on service |
| Investment rate of return | 6.50%, net of plan investment expense, including inflation |
| Retirement age | Retirement rates of 10% for all years of eligibility, with 100% retirement at age 65. Upon attainment of 20 years of service, the retirement rate is increased by an additional 25% for that year. |
| Mortality | Mortality for Non-disabled participants - RP-2014 Total Employee and Healthy Annuitant Mortality table projected with Mortality improvement Scale MP-2015. For disabled participants mortality is based on RP-2014 Disable Retiree Mortality Table projected with Mortality Improvement Scale MP-2015. |

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
NON-POLICE POST-RETIREMENT MEDICAL PROGRAM
LAST NINE FISCAL YEARS***

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|-------------------|---------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Actuarially determined contribution (1) | \$ 595,699 | \$ 586,352 | \$ 399,078 | \$ 452,050 | \$ 361,200 | \$ 367,484 | \$ 566,010 | \$ 606,153 | \$ 425,482 |
| Contributions in relation to the actuarially determined contribution | <u>193,371</u> | <u>1,081,222</u> | <u>303,578</u> | <u>452,050</u> | <u>361,200</u> | <u>367,484</u> | <u>566,010</u> | <u>606,153</u> | <u>425,482</u> |
| Contribution Deficiency (Excess) | <u>\$ 402,328</u> | <u>\$ (494,870)</u> | <u>\$ 95,500</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 41,611,300 | \$ 41,611,300 | \$ 42,742,437 | \$ 42,742,437 | \$ 45,934,076 | \$ 44,403,093 | \$ 42,742,437 | \$ 45,122,787 | \$ 45,122,787 |
| Contributions as a percentage of covered-employee payroll | 0.46% | 2.60% | 0.71% | 1.06% | 0.79% | 0.83% | 1.32% | 1.34% | 0.94% |

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

| | |
|-----------------------------|---|
| Actuarial cost method | Projected Unit Credit |
| Amortization method | Level dollar amount of payroll, open |
| Amortization period | 30 years |
| Asset valuation method | Market value |
| Inflation | 3.00% |
| Healthcare cost trend rates | 8.00% initial, decreasing to an ultimate rate of 4.5% over 8 years |
| Salary increases | Graded based on service for teachers and administrators, 3.50% for all others |
| Investment rate of return | 6.50%, net of plan investment expense, including inflation |
| Retirement age | For Town employees, in accordance with the rates used in the Town's retirement plan valuation. For Board of Education employees, 25% per year upon attainment of age 60 and 10 years of service, with a one time decrement upon attainment of age 60 with 20 years of service, and a 100% assumption at age 70. |
| Mortality | Mortality for Non-disabled participants - RP-2014 Total Employee and Healthy Annuitant Mortality table projected with Mortality improvement Scale MP-2015. For disabled participants mortality is based on RP-2014 Disable Retiree Mortality Table projected with Mortality Improvement Scale MP-2015. |

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
POLICE POST-RETIREMENT MEDICAL PROGRAM
LAST FISCAL YEAR***

2017

Annual money-weighted rate of return,
net of investment expense

7.41%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
NON-POLICE POST-RETIREMENT MEDICAL PROGRAM
LAST FISCAL YEAR***

2017

Annual money-weighted rate of return,
net of investment expense

10.58%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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 that are not required to be accounted for in another fund.

**TOWN OF DARIEN, CONNECTICUT
COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2017**

| | <u>General Fund</u> | <u>Animal Control</u> | <u>Land Purchase Option</u> | <u>Solid Waste Management</u> | <u>Special Education Reserve</u> | <u>Waste Disposal</u> | <u>Total General Fund</u> |
|---|-------------------------|---------------------------|-------------------------------------|---------------------------------------|--|---------------------------|-----------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 15,347,674 | \$ 39,034 | \$ 39,152 | \$ 76,270 | \$ 100,000 | \$ 89,851 | \$ 15,691,981 |
| Investments | 852,009 | | | | | | 852,009 |
| Receivables, net | 1,577,262 | | | | | | 1,577,262 |
| Due from other funds | 7,937,279 | | | | | | 7,937,279 |
| Other assets | 50,537 | | | | | | 50,537 |
| Total Assets | <u>\$ 25,764,761</u> | <u>\$ 39,034</u> | <u>\$ 39,152</u> | <u>\$ 76,270</u> | <u>\$ 100,000</u> | <u>\$ 89,851</u> | <u>\$ 26,109,068</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts and other payables | \$ 5,569,975 | \$ 10,603 | \$ 150 | | | | \$ 5,580,728 |
| Deferred revenue | 82,867 | | | | | | 82,867 |
| Total liabilities | <u>5,652,842</u> | <u>10,603</u> | <u>150</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,663,595</u> |
| Deferred Inflows of Resources: | | | | | | | |
| Unavailable revenue - property taxes | 435,773 | | | | | | 435,773 |
| Fund balance: | | | | | | | |
| Nonspendable | 50,537 | | | | | | 50,537 |
| Committed | | 28,431 | 39,002 | 76,270 | 100,000 | 89,851 | 333,554 |
| Assigned | 1,198,642 | | | | | | 1,198,642 |
| Unassigned | 18,426,967 | | | | | | 18,426,967 |
| Total fund balance | <u>19,676,146</u> | <u>28,431</u> | <u>39,002</u> | <u>76,270</u> | <u>100,000</u> | <u>89,851</u> | <u>20,009,700</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 25,764,761</u> | <u>\$ 39,034</u> | <u>\$ 39,152</u> | <u>\$ 76,270</u> | <u>\$ 100,000</u> | <u>\$ 89,851</u> | <u>\$ 26,109,068</u> |

TOWN OF DARIEN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | <u>General Fund</u> | <u>Animal Control</u> | <u>Land Purchase Option</u> | <u>Solid Waste Management</u> | <u>Special Education Reserve</u> | <u>Waste Disposal</u> | <u>Total General Fund</u> |
|--|-------------------------|---------------------------|-------------------------------------|---------------------------------------|--|---------------------------|-----------------------------------|
| Revenues: | | | | | | | |
| Property taxes | \$ 132,390,847 | \$ | \$ | \$ | \$ | \$ | \$ 132,390,847 |
| Intergovernmental | 20,407,617 | | 137,500 | | | | 20,545,117 |
| Charges for services | 5,327,011 | | | | | | 5,327,011 |
| Income on investments | 192,991 | | 6 | | | | 192,997 |
| Miscellaneous | 475,233 | | | | | | 475,233 |
| Total revenues | <u>158,793,699</u> | <u>-</u> | <u>137,506</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>158,931,205</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | 3,142,072 | | 158,346 | | | | 3,300,418 |
| Community environment | 771,258 | | | | | | 771,258 |
| Public safety | 9,032,312 | | | | | | 9,032,312 |
| Health and social services | 1,337,334 | | | | | | 1,337,334 |
| Library | 3,583,457 | | | | | | 3,583,457 |
| Parks and recreation | 1,262,470 | | | | | | 1,262,470 |
| Public works | 3,923,274 | | | | | | 3,923,274 |
| Board of Education | 113,007,360 | | | | | | 113,007,360 |
| General overhead | 6,039,923 | | | | | | 6,039,923 |
| Debt service | 11,545,372 | | | | | | 11,545,372 |
| Total expenditures | <u>153,644,832</u> | <u>-</u> | <u>158,346</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>153,803,178</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>5,148,867</u> | <u>-</u> | <u>(20,840)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,128,027</u> |
| Other Financing Sources (Uses): | | | | | | | |
| Transfers in | 662,822 | | | | | | 662,822 |
| Transfers out | (6,066,957) | | | | | | (6,066,957) |
| Total other financing sources (uses) | <u>(5,404,135)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(5,404,135)</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses | <u>(255,268)</u> | <u>-</u> | <u>(20,840)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(276,108)</u> |
| Fund Balance at Beginning of Year | <u>19,931,414</u> | <u>28,431</u> | <u>59,842</u> | <u>76,270</u> | <u>100,000</u> | <u>89,851</u> | <u>20,285,808</u> |
| Fund Balance at End of Year | <u>\$ 19,676,146</u> | <u>\$ 28,431</u> | <u>\$ 39,002</u> | <u>\$ 76,270</u> | <u>\$ 100,000</u> | <u>\$ 89,851</u> | <u>\$ 20,009,700</u> |

**TOWN OF DARIEN, CONNECTICUT
REPORT OF PROPERTY TAX COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2017**

| Grand List Year | Uncollected Taxes June 30, 2016 | Current Levy | Corrections | | Transfers to Suspense | Adjusted Taxes Collectible | Collections | | | | Uncollected Taxes June 30, 2017 |
|-------------------|---------------------------------|----------------|-------------|--------------|-----------------------|----------------------------|----------------|------------|----------|----------------|---------------------------------|
| | | | Additions | Deductions | | | Taxes | Interest | Liens | Total | |
| 2001 | \$ 2,090 | \$ | \$ | \$ | \$ | \$ 2,090 | \$ | \$ 668 | \$ | \$ 668 | \$ 2,090 |
| 2002 | 2,592 | | | | | 2,592 | | | | - | 2,592 |
| 2003 | 544 | | | | | 544 | | | | - | 544 |
| 2004 | 977 | | | | | 977 | | | | - | 977 |
| 2005 | 183 | | | | | 183 | | | | - | 183 |
| 2006 | 4,523 | | | | | 4,523 | 4,149 | 7,157 | 24 | 11,330 | 374 |
| 2007 | 5,479 | | | | | 5,479 | 4,353 | 6,725 | 24 | 11,102 | 1,126 |
| 2008 | 4,142 | | | | | 4,142 | 3,912 | 5,340 | 24 | 9,276 | 230 |
| 2009 | 6,675 | | | | | 6,675 | 4,040 | 4,787 | 24 | 8,851 | 2,635 |
| 2010 | 6,745 | | | | | 6,745 | 4,198 | 4,219 | 24 | 8,441 | 2,547 |
| 2011 | 16,697 | | | | | 16,697 | 8,479 | 4,093 | 48 | 12,620 | 8,218 |
| 2012 | 72,929 | | | 3 | 20,588 | 52,338 | 16,495 | 10,071 | 48 | 26,614 | 35,843 |
| 2013 | 271,496 | | 5,724 | 408,885 | * | (131,665) | (208,796) * | 27,883 | 192 | (180,721) | 77,131 |
| 2014 | 524,696 | | 10,215 | 436,853 | * | 98,058 | (21,676) * | 60,431 | 648 | 39,403 | 119,734 |
| Total prior years | 919,768 | - | 15,939 | 845,741 | 20,588 | 69,378 | (184,846) | 131,374 | 1,056 | (52,416) | 254,224 |
| 2015 | - | 133,182,942 | 81,948 | 754,881 | - | 132,510,009 | 132,147,050 | 270,541 | - | 132,417,591 | 362,959 |
| Total | \$ 919,768 | \$ 133,182,942 | \$ 97,887 | \$ 1,600,622 | \$ 20,588 | \$ 132,579,387 | \$ 131,962,204 | \$ 401,915 | \$ 1,056 | \$ 132,365,175 | \$ 617,183 |

* The town settled assessment lawsuits with town golf courses during the year ended June 30, 2017, those deductions and refunds of prior year over-payments are included in the above exhibit.

**Nonmajor Governmental
Funds**

SPECIAL REVENUE FUNDS

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

| Fund | Funding Source | Function |
|---------------------------|-----------------------------------|---|
| Cafeteria | Sale of lunches and state grants | Operations of the school lunch program |
| Special Education Grants | Federal and state grants | Finance education programs |
| Police Extra Duty | User fees | Police coverage for private purposes |
| False Police Alarm | Receipt of fines for false alarms | Improve police services |
| Fire Alarm | Receipt of fines for false alarms | Improve fire services |
| State and Federal Grants | State and federal grants | Various grant programs |
| Parking Operations | Parking fees | Provide and maintain parking facilities |
| Affordable Housing Trust | Fees | Accounts for fees received from developers in lieu of building affordable units in multi-unit housing projects and other sources as may be available. Funds are to be used to provide affordable housing in Darien. |
| Storm Recovery Fund | Federal and state grants | Accounts for expenses and reimbursement and grants related to Storm Sandy |
| Park Pals Play Area Trust | Contributions | Provide and maintain parks |
| Weed Beach Donations | Contributions | Provide amenities |
| Miscellaneous Trusts | Contributions | Various trust activities |

CAPITAL PROJECT FUNDS

| | | |
|---------------|---------------|---|
| Stadium Field | Contributions | Fundraising for an artificial playing surface |
|---------------|---------------|---|

**TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017**

| | <u>Special Revenue</u> | | | | | | |
|--|------------------------|---|----------------------------------|-----------------------------------|-----------------------|---|-------------------------------|
| | <u>Cafeteria</u> | <u>Special Education Grants</u> | <u>Police Extra Duty</u> | <u>False Police Alarm</u> | <u>Fire Alarm</u> | <u>State and Federal Grants</u> | <u>Parking Operations</u> |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 1,333,834 | \$ 58,560 | \$ 281,288 | \$ 45,962 | \$ 24,938 | \$ 259,526 | \$ 1,375,134 |
| Receivables: | | | | | | | |
| Other | | 1,599 | 194,734 | 29,872 | 833 | | 40,223 |
| Intergovernmental | | | | | | 380 | |
| Prepaid expenditures | | | | | | | 2,500 |
| Total Assets | \$ 1,333,834 | \$ 60,159 | \$ 476,022 | \$ 75,834 | \$ 25,771 | \$ 259,906 | \$ 1,417,857 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts and other payables | \$ 2,184 | \$ 4,447 | \$ 78,704 | \$ 12,658 | \$ 1,608 | \$ 4,069 | \$ 14,447 |
| Due to other funds | 1,098,680 | | | | | | |
| Deferred revenue | 136,436 | | | 373 | | | |
| Total liabilities | 1,237,300 | 4,447 | 78,704 | 13,031 | 1,608 | 4,069 | 14,447 |
| Fund balances: | | | | | | | |
| Nonspendable | | | | | | | 2,500 |
| Restricted | | 55,712 | | | | 255,837 | |
| Committed | 96,534 | | 397,318 | 62,803 | 24,163 | | 1,400,910 |
| Total fund balances | 96,534 | 55,712 | 397,318 | 62,803 | 24,163 | 255,837 | 1,403,410 |
| Total Liabilities and Fund Balances | \$ 1,333,834 | \$ 60,159 | \$ 476,022 | \$ 75,834 | \$ 25,771 | \$ 259,906 | \$ 1,417,857 |

(Continued on next page)

**TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2017**

| | Special Revenue | | | | | Capital Projects | Total Nonmajor Governmental Funds |
|--|--------------------------|---------------------|---------------------------|----------------------|----------------------|------------------|-----------------------------------|
| | Affordable Housing Trust | Storm Recovery Fund | Park Pals Play Area Trust | Weed Beach Donations | Miscellaneous Trusts | Stadium Field | |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 363,851 | \$ 215,747 | \$ 30,617 | \$ 4,289 | \$ 79,848 | \$ 1,350 | \$ 4,074,944 |
| Receivables: | | | | | | | |
| Other | 44 | | | | | | 267,305 |
| Intergovernmental | | | | | | | 380 |
| Prepaid expenditures | | | | | | | 2,500 |
| Total Assets | \$ 363,895 | \$ 215,747 | \$ 30,617 | \$ 4,289 | \$ 79,848 | \$ 1,350 | \$ 4,345,129 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts and other payables | \$ | \$ | \$ | \$ | \$ 1,081 | \$ | \$ 119,198 |
| Due to other funds | | | | | | | 1,098,680 |
| Deferred revenue | | | | | | | 136,809 |
| Total liabilities | - | - | - | - | 1,081 | - | 1,354,687 |
| Fund balances: | | | | | | | |
| Nonspendable | | | | | | | 2,500 |
| Restricted | | | 30,617 | 4,289 | 78,767 | | 425,222 |
| Committed | 363,895 | 215,747 | | | | 1,350 | 2,562,720 |
| Total fund balances | 363,895 | 215,747 | 30,617 | 4,289 | 78,767 | 1,350 | 2,990,442 |
| Total Liabilities and Fund Balances | \$ 363,895 | \$ 215,747 | \$ 30,617 | \$ 4,289 | \$ 79,848 | \$ 1,350 | \$ 4,345,129 |

**TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

| | Special Revenue | | | | | | |
|--|------------------------|---------------------------------|--------------------------|---------------------------|-------------------|---------------------------------|---------------------------|
| | <u>Cafeteria</u> | <u>Special Education Grants</u> | <u>Police Extra Duty</u> | <u>False Police Alarm</u> | <u>Fire Alarm</u> | <u>State and Federal Grants</u> | <u>Parking Operations</u> |
| Revenues: | | | | | | | |
| Intergovernmental | \$ | \$ 1,247,386 | \$ | \$ | \$ | \$ 39,180 | \$ |
| Licenses and permits | | | | | | | 883,520 |
| Charges for services | 2,218,646 | | 1,001,291 | | | | |
| Fines and forfeits | | | | 84,506 | 22,150 | | 144,836 |
| Investment income | 3,490 | | | | | | |
| Contributions | | 55,780 | | | | | |
| Miscellaneous | 23,043 | | | | | | 10,525 |
| Total revenues | <u>2,245,179</u> | <u>1,303,166</u> | <u>1,001,291</u> | <u>84,506</u> | <u>22,150</u> | <u>39,180</u> | <u>1,038,881</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | | | | | | 11,666 | |
| Public safety | | | 973,870 | 85,328 | 19,055 | 4,000 | |
| Public health | | | | | | 12,804 | |
| Public works | | | | | | 17,365 | 578,484 |
| Board of Education | 2,186,431 | 1,278,456 | | | | | |
| Total expenditures | <u>2,186,431</u> | <u>1,278,456</u> | <u>973,870</u> | <u>85,328</u> | <u>19,055</u> | <u>45,835</u> | <u>578,484</u> |
| Excess (Deficiency) of Revenues over Expenditures | 58,748 | 24,710 | 27,421 | (822) | 3,095 | (6,655) | 460,397 |
| Other Financing Sources (Uses): | | | | | | | |
| Transfers out | | | (59,015) | | | | (185,000) |
| Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses | 58,748 | 24,710 | (31,594) | (822) | 3,095 | (6,655) | 275,397 |
| Fund Balance at Beginning of Year | <u>37,786</u> | <u>31,002</u> | <u>428,912</u> | <u>63,625</u> | <u>21,068</u> | <u>262,492</u> | <u>1,128,013</u> |
| Fund Balance at End of Year | <u>\$ 96,534</u> | <u>\$ 55,712</u> | <u>\$ 397,318</u> | <u>\$ 62,803</u> | <u>\$ 24,163</u> | <u>\$ 255,837</u> | <u>\$ 1,403,410</u> |

(Continued on next page)

**TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

| | Special Revenue | | | | | Capital Projects | Total Nonmajor Governmental Funds |
|--|--------------------------|---------------------|---------------------------|----------------------|----------------------|------------------|-----------------------------------|
| | Affordable Housing Trust | Storm Recovery Fund | Park Pals Play Area Trust | Weed Beach Donations | Miscellaneous Trusts | Stadium Field | |
| Revenues: | | | | | | | |
| Intergovernmental | \$ | \$ | \$ | \$ | \$ | \$ | \$ 1,286,566 |
| Licenses and permits | | | | | | | 883,520 |
| Charges for services | | | | | | | 3,219,937 |
| Fines and forfeits | | | | | | | 251,492 |
| Investment income | | | | | 54 | | 3,544 |
| Contributions | | | | | 9,902 | | 65,682 |
| Miscellaneous | | | | | | | 33,568 |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,956</u> | <u>-</u> | <u>5,744,309</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | | | | | | | 11,666 |
| Public safety | | | | | | | 1,082,253 |
| Public health | | | | | 4,006 | | 16,810 |
| Public works | | | | | | | 595,849 |
| Board of Education | | | | | 2,000 | | 3,466,887 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,006</u> | <u>-</u> | <u>5,173,465</u> |
| Excess (Deficiency) of Revenues over Expenditures | - | - | - | - | 3,950 | - | 570,844 |
| Other Financing Sources (Uses): | | | | | | | |
| Transfers out | | | | | | | (244,015) |
| Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses | - | - | - | - | 3,950 | - | 326,829 |
| Fund Balance at Beginning of Year | <u>363,895</u> | <u>215,747</u> | <u>30,617</u> | <u>4,289</u> | <u>74,817</u> | <u>1,350</u> | <u>2,663,613</u> |
| Fund Balance at End of Year | <u>\$ 363,895</u> | <u>\$ 215,747</u> | <u>\$ 30,617</u> | <u>\$ 4,289</u> | <u>\$ 78,767</u> | <u>\$ 1,350</u> | <u>\$ 2,990,442</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, 2017**

| | Budgeted Amounts | | Actual | Variance Favorable (Unfavorable) |
|--|------------------|----------------|---------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Licenses and permits | \$ 658,016 | \$ 658,016 | \$ 883,520 | \$ 225,504 |
| Fines and forfeits | 81,200 | 81,200 | 144,836 | 63,636 |
| Investment income | 651 | 651 | | (651) |
| Miscellaneous income | 18,000 | 18,000 | 10,525 | (7,475) |
| Total revenues | <u>757,867</u> | <u>757,867</u> | 1,038,881 | 281,014 |
| Expenditures: | | | | |
| Parking operations | <u>572,867</u> | <u>572,867</u> | <u>567,164</u> | <u>5,703</u> |
| Excess of Revenues over Expenditures | 185,000 | 185,000 | 471,717 | 286,717 |
| Other Financing Uses: | | | | |
| Transfers out | <u>185,000</u> | <u>185,000</u> | <u>185,000</u> | <u>-</u> |
| Excess of Revenues over Expenditures and Other Financing Uses | \$ <u>-</u> | \$ <u>-</u> | 286,717 | \$ <u>286,717</u> |
| Fund Balance at Beginning of Year | | | <u>1,128,013</u> | |
| Fund Balance at End of Year | | | 1,414,730 | |
| 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>(11,320)</u> | |
| GAAP Fund Balance at End of Year | | | \$ <u>1,403,410</u> | |

Fiduciary Funds

FIDUCIARY FUNDS

TRUST FUNDS

The Police Pension Trust Fund accounts for the activities of the Darien Retirement System, which accumulates resources for pension benefit payments to qualified Town employees.

The Town Pension Trust Fund accounts for the activities of the Darien Retirement System, which accumulates resources for pension benefit payments to qualified police officers.

The Police Retiree Medical Reserve Trust Fund accounts for the activities of the Town's other post-employment benefit trust, which accumulates resources for other post-employment benefits payments to qualified police officers and retirees.

The Non-Police Retiree Benefit Trust Fund accounts for the activities of the Town's other post-employment benefit trust, which accumulates resources for other post-employment benefits payments to qualified town employees and retirees.

AGENCY FUND

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

TOWN OF DARIEN, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION - TRUST FUNDS
JUNE 30, 2017

| | Police Pension Trust Fund | Town Pension Trust Fund | Police Retiree Medical Reserve Trust Fund | Non-Police Retiree Benefit Trust Fund | Total Trust Funds |
|--|--|--|--|--|----------------------------------|
| Assets: | | | | | |
| Cash and cash equivalents | \$ 98,640 | \$ 489,680 | \$ 1,377,462 | \$ 776,501 | \$ 2,742,283 |
| Investments: | | | | | |
| Equity securities | 30,191,355 | 45,431,949 | | | 75,623,304 |
| Mutual funds | 20,048,914 | 29,788,430 | 2,689,295 | 2,422,990 | 54,949,629 |
| Receivables: | | | | | |
| Interest and dividends | <u>48,870</u> | <u>73,238</u> | <u>1,932</u> | <u>927</u> | <u>124,967</u> |
| Total assets | 50,387,779 | 75,783,297 | 4,068,689 | 3,200,418 | 133,440,183 |
| Liabilities: | | | | | |
| Accounts and other payables | <u>19,985</u> | <u>29,697</u> | <u>1,093</u> | <u>414</u> | <u>51,189</u> |
| Net Position: | | | | | |
| Restricted for Pension Benefits and Postemployment Benefits | <u>\$ 50,367,794</u> | <u>\$ 75,753,600</u> | <u>\$ 4,067,596</u> | <u>\$ 3,200,004</u> | <u>\$ 133,388,994</u> |

TOWN OF DARIEN, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

| | <u>Police Pension Trust Fund</u> | <u>Town Pension Trust Fund</u> | <u>Police Retiree Medical Reserve Trust Fund</u> | <u>Non-Police Retiree Benefit Trust Fund</u> | <u>Total Trust Funds</u> |
|--|--|--|--|--|----------------------------------|
| Additions: | | | | | |
| Contributions: | | | | | |
| Employer | \$ 278,285 | \$ 1,347,529 | \$ 398,165 | \$ 425,482 | \$ 2,449,461 |
| Plan members | 297,257 | 1,149,812 | | | 1,447,069 |
| Total contributions | <u>575,542</u> | <u>2,497,341</u> | <u>398,165</u> | <u>425,482</u> | <u>3,896,530</u> |
| Investment income: | | | | | |
| Net change in fair value of investments | 4,801,694 | 7,132,855 | 239,242 | 283,209 | 12,457,000 |
| Interest and dividends | 959,321 | 1,423,533 | 51,665 | 46,525 | 2,481,044 |
| Net investment income | <u>5,761,015</u> | <u>8,556,388</u> | <u>290,907</u> | <u>329,734</u> | <u>14,938,044</u> |
| Total additions | <u>6,336,557</u> | <u>11,053,729</u> | <u>689,072</u> | <u>755,216</u> | <u>18,834,574</u> |
| Deductions: | | | | | |
| Benefits | 2,191,303 | 2,998,318 | 288,840 | 274,200 | 5,752,661 |
| Administration | 44,345 | 56,482 | 5,628 | 9,913 | 116,368 |
| Total deductions | <u>2,235,648</u> | <u>3,054,800</u> | <u>294,468</u> | <u>284,113</u> | <u>5,869,029</u> |
| Change in Net Position | 4,100,909 | 7,998,929 | 394,604 | 471,103 | 12,965,545 |
| Net Position at Beginning of Year | <u>46,266,885</u> | <u>67,754,671</u> | <u>3,672,992</u> | <u>2,728,901</u> | <u>120,423,449</u> |
| Net Position at End of Year | <u>\$ 50,367,794</u> | <u>\$ 75,753,600</u> | <u>\$ 4,067,596</u> | <u>\$ 3,200,004</u> | <u>\$ 133,388,994</u> |

**TOWN OF DARIEN, CONNECTICUT
 AGENCY FUND
 STUDENT ACTIVITIES
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2017**

| | <u>Balance</u> <u>July 1, 2016</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2017</u> |
|-----------------------------|---------------------------------------|---------------------|---------------------|--|
| ASSETS | | | | |
| Cash and cash equivalents | \$ <u>463,971</u> | \$ <u>1,395,402</u> | \$ <u>1,540,977</u> | \$ <u>318,396</u> |
| LIABILITIES | | | | |
| Accounts and other payables | \$ <u>463,971</u> | \$ <u>1,395,402</u> | \$ <u>1,540,977</u> | \$ <u>318,396</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.

TOWN OF DARIEN, CONNECTICUT
NET POSITION BY COMPONENT (UNAUDITED)
LAST TEN FISCAL YEARS
(In Thousands)

| | Fiscal Year | | | | | | | | | |
|----------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Governmental Activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 122,133 | \$ 106,977 | \$ 101,619 | \$ 96,371 | \$ 97,749 | \$ 89,762 | \$ 88,823 | \$ 89,614 | \$ 93,214 | \$ 84,591 |
| Restricted | 17,956 | | | 1,942 | 1,469 | 5,616 | 1,102 | | | |
| Unrestricted | 21,180 | 46,569 | 45,269 | 41,969 | 26,101 | 23,629 | 28,719 | 27,522 | 24,183 | 32,028 |
| Total Governmental Activities | | | | | | | | | | |
| Net Position | \$ 161,269 | \$ 153,546 | \$ 146,888 | \$ 140,282 | \$ 125,319 | \$ 119,007 | \$ 118,644 | \$ 117,136 | \$ 117,397 | \$ 116,619 |

Notes:

-Schedule prepared on the accrual basis of accounting.

TOWN OF DARIEN, CONNECTICUT
CHANGES IN NET POSITION (UNAUDITED)
LAST TEN FISCAL YEARS
(In Thousands)

| | Fiscal Year | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 4,893 | \$ 4,825 | \$ 4,716 | \$ 4,493 | \$ 4,329 | \$ 4,116 | \$ 4,117 | \$ 3,715 | \$ 3,989 | \$ 3,977 |
| Community environment | 1,174 | 1,124 | 894 | 873 | 846 | 838 | 841 | 910 | 939 | 902 |
| Public safety | 13,467 | 13,766 | 14,775 | 13,886 | 12,695 | 12,026 | 12,059 | 11,339 | 11,410 | 11,433 |
| Health and social services | 2,004 | 1,809 | 1,625 | 1,971 | 2,373 | 1,652 | 1,447 | 1,395 | 1,341 | 1,354 |
| Library | 3,583 | 3,503 | 3,479 | 3,401 | 3,264 | 3,186 | 3,131 | 3,061 | 2,944 | 2,516 |
| Parks and recreation | 2,502 | 2,024 | 2,258 | 2,188 | 1,715 | 2,901 | 1,715 | 1,522 | 1,811 | 1,776 |
| Public works | 8,285 | 8,027 | 7,225 | 7,194 | 6,444 | 7,143 | 5,872 | 6,904 | 5,290 | 5,489 |
| Board of Education | 120,351 | 110,911 | 105,076 | 104,235 | 97,796 | 94,266 | 88,077 | 85,558 | 84,964 | 96,894 |
| Sewer operations | 3,321 | 3,146 | 3,269 | 3,585 | 3,065 | 2,739 | 3,312 | 3,656 | 3,044 | 4,315 |
| Solid waste | | | | | | | 1,207 | 1,223 | 1,293 | 1,198 |
| Interest on long-term debt | 1,871 | 2,206 | 2,338 | 2,836 | 2,765 | 4,118 | 3,703 | 4,193 | 1,731 | 4,329 |
| Total governmental activities expenses | <u>161,451</u> | <u>151,341</u> | <u>145,655</u> | <u>144,662</u> | <u>135,292</u> | <u>132,985</u> | <u>125,481</u> | <u>123,476</u> | <u>118,756</u> | <u>134,183</u> |
| Program Revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 1,543 | 1,958 | 1,876 | 1,762 | 1,779 | 1,392 | 1,448 | 1,361 | 782 | 1,779 |
| Community environment | 123 | 108 | 109 | 104 | 98 | 87 | 70 | 57 | 56 | 80 |
| Public safety | 3,999 | 3,330 | 3,349 | 2,476 | 2,517 | 1,793 | 1,678 | 1,830 | 2,755 | 3,695 |
| Health and social services | 181 | 175 | 166 | 295 | 665 | 325 | 291 | 207 | 94 | 118 |
| Parks and recreation | 592 | 582 | 563 | 479 | 480 | 516 | 416 | 388 | 320 | 321 |
| Public works | 666 | 767 | 728 | 1,628 | 1,636 | 2,019 | 1,135 | 1,115 | 254 | 504 |
| Board of Education | 2,242 | 2,346 | 2,257 | 2,304 | 2,208 | 2,176 | 2,050 | 2,131 | 1,940 | 1,835 |
| Sewer operations | 3,957 | 3,923 | 3,747 | 3,621 | 5,335 | 3,088 | 2,592 | 2,485 | 2,824 | 3,436 |
| Solid waste | | | | | | | 767 | 999 | 940 | 972 |
| Operating grants and contributions: | | | | | | | | | | |
| General government | 490 | 19 | 13 | 56 | 32 | | | | 22 | 25 |
| Public safety | 21 | 31 | 30 | | | 42 | 42 | 27 | 69 | 62 |
| Health and social services | 355 | 238 | 227 | 163 | 149 | 68 | 74 | 203 | 384 | 229 |
| Parks and recreation | | | | | | | | | | 6 |
| Public works | | | | | | | | | | |
| Board of Education | 21,232 | 14,484 | 13,387 | 14,901 | 13,443 | 13,260 | 11,909 | 10,964 | 10,992 | 29,883 |
| Interest on long-term debt | | | | | | | | | 77 | 77 |
| Capital grants and contributions: | | | | | | | | | | |
| General government | | | | 146 | 324 | 110 | 109 | | | |
| Public safety | 234 | | | | | 34 | 278 | 345 | 5 | 93 |
| Health and social services | 43 | 41 | 39 | | | | 2 | 10 | 35 | 35 |
| Parks and recreation | 296 | | 25 | | | 4 | 10 | 67 | 165 | |
| Public works | 31 | 449 | 557 | 1,130 | 83 | 167 | 393 | 604 | 297 | 2,098 |
| Board of Education | | 187 | 14 | | | 1 | 34 | 191 | 26 | 2,270 |
| Total governmental activities program revenues | <u>36,005</u> | <u>28,638</u> | <u>27,087</u> | <u>29,065</u> | <u>28,749</u> | <u>25,082</u> | <u>23,298</u> | <u>22,984</u> | <u>22,037</u> | <u>47,518</u> |
| Net (expense) revenue - | | | | | | | | | | |
| Governmental activities | <u>(125,446)</u> | <u>(122,703)</u> | <u>(118,568)</u> | <u>(115,597)</u> | <u>(106,543)</u> | <u>(107,903)</u> | <u>(102,183)</u> | <u>(100,492)</u> | <u>(96,719)</u> | <u>(86,665)</u> |
| Total primary government net expense | <u>(125,446)</u> | <u>(122,703)</u> | <u>(118,568)</u> | <u>(115,597)</u> | <u>(106,543)</u> | <u>(107,903)</u> | <u>(102,183)</u> | <u>(100,492)</u> | <u>(96,719)</u> | <u>(86,665)</u> |

**TOWN OF DARIEN, CONNECTICUT
CHANGES IN NET POSITION (UNAUDITED) (CONTINUED)
LAST TEN FISCAL YEARS
(In Thousands)**

| | Fiscal Year | | | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|---------------|---------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| General revenues and other changes in net expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ 132,032 | \$ 128,172 | \$ 124,174 | \$ 116,634 | \$ 111,719 | \$ 106,666 | \$ 102,220 | \$ 99,221 | \$ 96,462 | \$ 90,508 |
| Grants and contributions not restricted to specific purposes | 278 | 484 | 192 | 177 | 241 | 332 | 341 | 214 | 162 | 227 |
| Unrestricted investment earnings | 235 | 198 | 164 | 154 | 211 | 848 | 655 | 218 | 585 | 1,924 |
| Other general revenues | 624 | 507 | 644 | 489 | 685 | 420 | 475 | 578 | 288 | 252 |
| Total governmental activities | <u>133,169</u> | <u>129,361</u> | <u>125,174</u> | <u>117,454</u> | <u>112,856</u> | <u>108,266</u> | <u>103,691</u> | <u>100,231</u> | <u>97,497</u> | <u>92,911</u> |
| Special items | - | - | - | - | - | - | - | - | - | (6,207) |
| Changes in Net Position - Governmental Activities | <u>\$ 7,723</u> | <u>\$ 6,658</u> | <u>\$ 6,606</u> | <u>\$ 1,857</u> | <u>\$ 6,313</u> | <u>\$ 363</u> | <u>\$ 1,508</u> | <u>\$ (261)</u> | <u>\$ 778</u> | <u>\$ 39</u> |

Notes:

-Schedule prepared on the accrual basis of accounting.

-On-behalf payments from the State of Connecticut for Darien teachers decreased by \$19.2 million in 2009. These amounts are reflected in Board of Education expenses and Operating Grants and Contributions.

TOWN OF DARIEN, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)
LAST TEN FISCAL YEARS
(In Thousands)

| | Fiscal Year | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| General fund: | | | | | | | | | | |
| Nonspendable | \$ 50 | \$ 42 | \$ 32 | \$ 575 | \$ 659 | \$ 598 | \$ 47 | \$ | \$ | \$ |
| Committed | 334 | 354 | 356 | | | | | | | |
| Assigned | 1,199 | 1,646 | 1,971 | 1,409 | 1,410 | 930 | 522 | | | |
| Unassigned | 18,427 | 18,244 | 16,693 | 16,482 | 17,404 | 17,008 | 17,160 | | | |
| Reserved | | | | | | | | 130 | 81 | 178 |
| Unreserved | | | | | | | | 16,645 | 15,999 | 17,410 |
| Total General Fund | \$ 20,010 | \$ 20,286 | \$ 19,473 | \$ 19,473 | \$ 19,473 | \$ 18,536 | \$ 17,729 | \$ 16,775 | \$ 16,080 | \$ 17,588 |
| All other governmental funds: | | | | | | | | | | |
| Nonspendable | \$ 3 | \$ | \$ | \$ 10 | \$ 10 | \$ 10 | \$ 22 | \$ | \$ | \$ |
| Restricted | 17,956 | 5,908 | 2,001 | 4,148 | 4,609 | 5,594 | 5,435 | | | |
| Committed | 7,082 | 6,654 | 6,314 | 5,273 | 5,566 | 7,205 | 6,765 | | | |
| Unassigned | (18,515) | | (38) | (3) | (709) | | | | | |
| Reserved | | | | | | | | 1,848 | 2,895 | 7,636 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | | | | | | | | 5,974 | 7,416 | 8,482 |
| Capital project funds | | | | | | | | (2,561) | (6,535) | (8,365) |
| Total All Other Governmental Funds | \$ 6,526 | \$ 12,562 | \$ 9,476 | \$ 9,476 | \$ 9,476 | \$ 12,809 | \$ 12,222 | \$ 5,261 | \$ 3,776 | \$ 7,753 |

Notes:

- Schedule prepared on the modified accrual basis of accounting.
- Information for years prior to the implementation of GASB Statement No. 54 has not been restated.

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

| | Fiscal Year | | | | | | | | | |
|--|-------------------|-----------------|-----------------|-------------------|-------------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Revenues: | | | | | | | | | | |
| Property taxes | \$ 132,391 | \$ 128,493 | \$ 124,755 | \$ 116,638 | \$ 112,058 | \$ 106,518 | \$ 102,076 | \$ 98,968 | \$ 96,223 | \$ 90,533 |
| Intergovernmental revenues | 22,171 | 15,657 | 14,383 | 16,796 | 14,859 | 14,415 | 13,258 | 12,852 | 11,893 | 32,803 |
| Charges for services | 13,868 | 13,794 | 13,357 | 13,230 | 13,216 | 11,827 | 11,096 | 10,966 | 8,530 | 9,072 |
| Income on investments | 235 | 199 | 164 | 154 | 211 | 240 | 258 | 218 | 585 | 1,924 |
| Miscellaneous | 647 | 722 | 863 | 489 | 685 | 420 | 475 | 578 | 2,543 | 4,245 |
| Total revenues | <u>169,312</u> | <u>158,865</u> | <u>153,522</u> | <u>147,307</u> | <u>141,029</u> | <u>133,420</u> | <u>127,163</u> | <u>123,582</u> | <u>119,774</u> | <u>138,577</u> |
| Expenditures: | | | | | | | | | | |
| General government | 3,312 | 3,163 | 3,289 | 3,400 | 2,951 | 3,071 | 3,014 | 3,924 | 2,796 | 2,887 |
| Community environment | 771 | 692 | 645 | 627 | 598 | 591 | 595 | 658 | 650 | 637 |
| Public safety | 10,115 | 9,518 | 9,296 | 9,561 | 8,953 | 8,259 | 8,098 | 9,332 | 8,139 | 8,293 |
| Health and social services | 1,354 | 1,298 | 1,320 | 1,379 | 1,217 | 1,232 | 1,098 | 1,088 | 1,086 | 1,086 |
| Library | 3,584 | 3,503 | 3,479 | 3,401 | 3,264 | 3,186 | 3,132 | 3,061 | 2,944 | 2,516 |
| Parks and recreation | 1,263 | 1,286 | 1,334 | 1,226 | 1,337 | 1,127 | 1,099 | 1,100 | 1,091 | 1,011 |
| Public works | 4,519 | 5,179 | 5,220 | 5,522 | 5,087 | 4,547 | 3,538 | 3,084 | 3,340 | 3,085 |
| Schools | 116,474 | 105,769 | 102,668 | 100,977 | 93,369 | 89,696 | 84,091 | 80,551 | 77,693 | 92,358 |
| Sewer operations | 3,321 | 3,146 | 3,269 | 3,585 | 3,065 | 2,739 | 3,312 | 3,656 | 3,044 | 4,315 |
| Solid waste | | | | | | | 5,701 | 5,126 | 1,293 | 1,198 |
| General overhead | 6,040 | 6,714 | 6,764 | 6,449 | 5,897 | 5,719 | 1,207 | 1,222 | 4,417 | 4,426 |
| Capital outlay | 13,326 | 4,960 | 5,320 | 6,670 | 6,984 | 15,906 | 7,321 | 2,572 | 8,212 | 18,299 |
| Debt service: | | | | | | | | | | |
| Principal | 9,355 | 8,893 | 8,893 | 8,022 | 7,954 | 7,145 | 6,264 | 6,838 | 7,112 | 6,112 |
| Interest | 2,190 | 2,569 | 2,748 | 3,043 | 2,925 | 2,950 | 3,177 | 3,337 | 3,552 | 3,869 |
| Total expenditures | <u>175,624</u> | <u>156,690</u> | <u>154,245</u> | <u>153,862</u> | <u>143,601</u> | <u>146,168</u> | <u>131,647</u> | <u>125,549</u> | <u>125,369</u> | <u>150,092</u> |
| Excess of Revenues over (Under) Expenditures | <u>(6,312)</u> | <u>2,175</u> | <u>(723)</u> | <u>(6,555)</u> | <u>(2,572)</u> | <u>(12,748)</u> | <u>(4,484)</u> | <u>(1,967)</u> | <u>(5,595)</u> | <u>(11,515)</u> |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Transfers in | 7,101 | 6,141 | 5,069 | 3,894 | 3,907 | 2,400 | 3,044 | 4,405 | 6,977 | 8,240 |
| Transfers out | (7,101) | (6,141) | (5,069) | (3,894) | (3,907) | (2,400) | (3,044) | (4,405) | (6,977) | (8,240) |
| Issuance of debt | | 10,665 | 16,310 | 5,500 | 33,610 | 14,000 | 12,000 | 11,305 | 30,344 | 19,500 |
| Payment to escrow agent | | (8,088) | (17,862) | | (36,512) | | | (12,308) | (30,234) | |
| Bond premium | | 766 | 1,710 | | 3,078 | 608 | 398 | 1,151 | | 175 |
| Issuance of BAN | | | | | | | | 4,000 | | |
| Total other financing sources (uses) | <u>-</u> | <u>3,343</u> | <u>158</u> | <u>5,500</u> | <u>176</u> | <u>14,608</u> | <u>12,398</u> | <u>4,148</u> | <u>110</u> | <u>19,675</u> |
| Net Change in Fund Balances | <u>\$ (6,312)</u> | <u>\$ 5,518</u> | <u>\$ (565)</u> | <u>\$ (1,055)</u> | <u>\$ (2,396)</u> | <u>\$ 1,860</u> | <u>\$ 7,914</u> | <u>\$ 2,181</u> | <u>\$ (5,485)</u> | <u>\$ 8,160</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 6.99% | 7.45% | 7.73% | 7.49% | 7.91% | 8.40% | 7.59% | 8.26% | 8.10% | 7.55% |

Notes:

-Schedule prepared on the modified accrual basis of accounting.

TABLE 5

TOWN OF DARIEN, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY (UNAUDITED)
LAST TEN FISCAL YEARS
(In Thousands)

| Fiscal Year | Real Property | | | Personal Property | Motor Vehicle | Less Tax Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Taxable Assessed Value as a Percentage of Actual Taxable Value |
|-------------|---------------|------------|------------|-------------------|---------------|--------------------------|------------------------------|-----------------------|--------------------------------|--|
| | Residential | Commercial | Other | | | | | | | |
| 2017 | \$ 7,229,541 | \$ 647,323 | \$ 171,462 | \$ 164,356 | \$ 241,230 | \$ 2,400 | \$ 8,451,512 | 15.77% | \$ 12,073,589 | 70.00% |
| 2016 | 7,172,564 | 648,915 | 141,269 | 168,385 | 237,377 | 2,514 | 8,365,996 | 15.35% | 11,951,423 | 70.00% |
| 2015 | 7,047,408 | 646,124 | 158,818 | 166,468 | 232,985 | 1,158 | 8,250,645 | 15.01% | 11,786,636 | 70.00% |
| 2014 | 7,661,274 | 645,553 | 199,516 | 163,002 | 228,337 | 1,224 | 8,896,458 | 13.17% | 12,709,226 | 70.00% |
| 2013 | 7,617,128 | 660,314 | 192,464 | 160,293 | 233,014 | 1,188 | 8,862,025 | 12.68% | 12,660,036 | 70.00% |
| 2012 | 7,564,758 | 666,677 | 192,373 | 156,415 | 216,654 | 1,474 | 8,795,403 | 12.20% | 12,651,744 | 69.52% |
| 2011 | 7,553,873 | 686,405 | 149,514 | 150,120 | 201,218 | 1,547 | 8,739,583 | 11.74% | 12,485,120 | 70.00% |
| 2010 | 7,553,526 | 711,520 | 150,714 | 122,305 | 204,330 | 1,493 | 8,740,902 | 11.37% | 12,487,003 | 70.00% |
| 2009 | 5,738,476 | 414,230 | 153,584 | 78,793 | 218,603 | 1,448 | 6,602,238 | 14.55% | 9,431,769 | 70.00% |
| 2008 | 5,668,729 | 402,720 | 148,978 | 75,743 | 209,534 | 1,540 | 6,504,164 | 13.87% | 9,291,663 | 70.00% |

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

TABLE 6

TOWN OF DARIEN, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
(In Thousands)
OCTOBER 1, 2015 AND OCTOBER 1, 2006

| Taxpayer | October 1, 2015 ⁽¹⁾ | | | October 1, 2006 | | |
|---------------------------------|--------------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Eversource | \$ 86,515,240 | 1 | 1.03% | \$ 19,098,950 | 4 | 0.29% |
| Darien Financing LLC | 38,365,180 | 2 | 0.46% | | | |
| Steinkraus Estate | 31,637,760 | 3 | 0.38% | | | |
| Wee Burn Country Club (2) | 23,025,960 | 4 | 0.28% | 28,429,680 | 1 | 0.44% |
| Country Club of Darien (2) | 21,476,484 | 5 | 0.26% | 21,790,830 | 2 | 0.34% |
| Woodway Country Club (2) | 18,934,605 | 6 | 0.23% | 18,315,690 | 5 | 0.28% |
| Contentamiento LLC | 18,565,400 | 7 | 0.22% | | | |
| U.B. Darien Inc. | 17,876,390 | 8 | 0.21% | 14,002,800 | 6 | 0.22% |
| Walsh, Kevin, et al | 17,117,800 | 9 | 0.20% | | | |
| Zotos International | 16,557,394 | 10 | 0.20% | 11,345,950 | 7 | 0.17% |
| Avalon Bay Communities | | | | 19,845,000 | 3 | 0.31% |
| 9 Old Kings Highway, LLC | | | | 10,353,340 | 8 | 0.16% |
| William Ziegler III TR et al | | | | 10,208,520 | 9 | 0.16% |
| Parkland Limited Partnership | | | | 10,067,330 | 10 | 0.15% |
| Total Taxable Grand List | \$ 290,072,213 | | 3.47% | \$ 163,458,090 | | 2.52% |

Source: Town of Darien, Office of Tax Assessor

⁽¹⁾ Fiscal year is July 1, 2016-June 30, 2017

⁽²⁾ Amount shown reflects reduction in value resulting from a July 19, 2016 stipulated assessment settlement.

TABLE 7

**TOWN OF DARIEN, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)
LAST TEN FISCAL YEARS
(In Thousands)**

| Fiscal Year Ended June 30, | Tax Rate In Mills | Taxes Levied for the Fiscal Year | Collected Within The Fiscal Year of Levy | | Tax Collections in Subsequent Years | Total Collections to Date | |
|----------------------------|-------------------|----------------------------------|--|--------------------|-------------------------------------|---------------------------|--------------------|
| | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2017 | \$ 15.77 | \$ 132,510 | \$ 132,147 | 99.73% | \$ | \$ | |
| 2016 | 15.35 | 128,189 | 127,664 | 99.59% | (22) | 127,642 | 99.57% |
| 2015 | 15.01 | 123,644 | 123,136 | 99.59% | (107) | 123,029 | 99.50% |
| 2014 | 13.17 | 116,477 | 115,663 | 99.30% | 700 | 116,363 | 99.90% |
| 2013 | 12.68 | 111,676 | 111,114 | 99.50% | 438 | 111,552 | 99.89% |
| 2012 | 12.20 | 106,578 | 106,074 | 99.53% | 368 | 106,442 | 99.87% |
| 2011 | 11.74 | 102,098 | 101,469 | 99.38% | 172 | 101,641 | 99.55% |
| 2010 | 11.37 | 98,640 | 97,917 | 99.27% | 113 | 98,030 | 99.38% |
| 2009 | 14.55 | 96,010 | 95,204 | 99.16% | 747 | 95,951 | 99.94% |
| 2008 | 13.87 | 90,030 | 89,494 | 99.40% | 463 | 89,957 | 99.92% |

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

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

| Fiscal Year | Governmental Activities General Obligation Bonds⁽¹⁾ | Ratio of Debt to Taxable Assessed Value | Debt Per Capita | Estimated Personal Income (in thousands) | Debt as Percent of Estimated Personal Income |
|--------------------|---|--|----------------------------|---|---|
| 2017 | \$ 66,875 | 0.79% | \$ 3.13 | \$ 2,070,040 | 3.23% |
| 2016 | 76,858 | 0.92% | 3.54 | 2,073,620 | 3.71% |
| 2015 | 82,583 | 0.94% | 3.81 | 2,056,551 | 4.02% |
| 2014 | 90,922 | 1.01% | 4.26 | 2,011,440 | 4.52% |
| 2013 | 93,868 | 1.03% | 4.33 | 1,992,655 | 4.59% |
| 2012 | 100,614 | 1.13% | 4.77 | 2,001,574 | 4.99% |
| 2011 | 93,285 | 1.05% | 4.44 | 2,011,978 | 4.58% |
| 2010 | 87,662 | 1.00% | 4.30 | 1,969,278 | 4.43% |
| 2009 | 89,722 | 0.95% | 4.43 | 1,964,814 | 4.57% |
| 2008 | 97,940 | 1.51% | 4.84 | 1,569,450 | 6.24% |

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

⁽¹⁾This is the general bonded debt, net of original issuance discounts and premiums

TOWN OF DARIEN, CONNECTICUT
COMPUTATION OF LEGAL DEBT MARGIN (UNAUDITED)
JUNE 30, 2017
(In Thousands)

Total tax collections (including interest and lien fees):

For the year ended June 30, 2016

| | |
|------------------|------------|
| Town of Darien | \$ 132,365 |
| Taxing districts | 605 |

Reimbursement for revenue loss:

| | |
|-------------------------------|----------|
| Tax relief for elderly freeze | <u>2</u> |
|-------------------------------|----------|

| | |
|----------------------------------|-------------------|
| Base for establishing debt limit | <u>\$ 132,972</u> |
|----------------------------------|-------------------|

| | <u>General Purpose</u> | <u>Schools</u> | <u>Sewers</u> | <u>Urban Renewal</u> | <u>Pension Funding</u> | <u>Total</u> |
|--|----------------------------|-------------------|-------------------|--------------------------|----------------------------|---------------------|
| Debt Limitation | | | | | | |
| 2 1/4 times base | \$ 299,187 | \$ | \$ | \$ | \$ | \$ 299,187 |
| 4 1/2 times base | | 598,374 | | | | 598,374 |
| 3 3/4 times base | | | 498,645 | | | 498,645 |
| 3 1/4 times base | | | | 432,159 | | 432,159 |
| 3 times base | | | | | 398,916 | 398,916 |
| Total debt limitation | <u>299,187</u> | <u>598,374</u> | <u>498,645</u> | <u>432,159</u> | <u>398,916</u> | <u>2,227,281</u> |
| Debt, as defined by Statute: | | | | | | |
| Bonds payable ⁽¹⁾ | 23,993 | 34,626 | 3,593 | | | 62,212 |
| Bonds authorized but unissued | 16,514 | 3,647 | 2,670 | | | 22,831 |
| Less: School building grants receivable | | (3) | | | | (3) |
| Total indebtedness | <u>40,507</u> | <u>38,276</u> | <u>6,263</u> | <u>-</u> | <u>-</u> | <u>85,046</u> |
| Debt Limitation in Excess of Indebtedness | <u>\$ 258,680</u> | <u>\$ 560,098</u> | <u>\$ 492,382</u> | <u>\$ 432,159</u> | <u>\$ 398,916</u> | <u>\$ 2,142,235</u> |

Note 1: Total net indebtedness above amounts of \$85,046 but in no event shall total indebtedness exceed \$930,804 (seven times the base for debt limitation).

Note 2: There is no overlapping debt.

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

**TOWN OF DARIEN, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION (UNAUDITED)
LAST TEN FISCAL YEARS
(In Thousands)**

| | Fiscal Year | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Debt limitation | \$ 930,804 | \$ 902,895 | \$ 875,826 | \$ 819,826 | \$ 784,105 | \$ 749,266 | \$ 719,201 | \$ 696,444 | \$ 675,052 | \$ 632,758 |
| Total net debt applicable to limit | <u>85,046</u> | <u>94,914</u> | <u>101,560</u> | <u>110,451</u> | <u>117,617</u> | <u>124,678</u> | <u>124,982</u> | <u>128,739</u> | <u>138,234</u> | <u>149,470</u> |
| Legal Debt Margin | <u>\$ 845,758</u> | <u>\$ 807,981</u> | <u>\$ 774,266</u> | <u>\$ 709,375</u> | <u>\$ 666,488</u> | <u>\$ 624,588</u> | <u>\$ 594,219</u> | <u>\$ 567,705</u> | <u>\$ 536,818</u> | <u>\$ 483,288</u> |
| Total net debt applicable to the limit as percentage of debt limit | 9.14% | 10.51% | 11.60% | 13.47% | 15.00% | 16.64% | 17.38% | 18.49% | 20.48% | 23.62% |

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 (UNAUDITED)
 LAST TEN CALENDAR YEARS**

| Calendar Year | Population⁽¹⁾ | Estimated Personal Income (In Thousands) | Per Capita Income⁽¹⁾ | Median Age⁽¹⁾ | School Enrollment⁽²⁾ | Unemployment Rate⁽³⁾ |
|----------------------|---------------------------------|---|--|---------------------------------|--|--|
| 2017 | 21,392 | \$ 2,070,040 | \$ 96,767 | 38.7 | 4,781 | 4.5% |
| 2016 | 21,689 | 2,073,620 | 95,607 | 39.1 | 4,799 | 5.0% |
| 2015 | 21,689 | 2,056,551 | 94,820 | 39.1 | 4,899 | 4.3% |
| 2014 | 21,330 | 2,011,440 | 94,301 | 39.1 | 4,895 | 4.3% |
| 2013 | 21,114 | 1,992,655 | 94,376 | 39.1 | 4,846 | 5.7% |
| 2012 | 20,942 | 2,001,574 | 95,577 | 39.0 | 4,817 | 6.4% |
| 2011 | 20,732 | 2,011,978 | 97,047 | 38.0 | 4,841 | 6.0% |
| 2010 | 20,292 | 1,969,278 | 97,047 | 38.0 | 4,778 | 5.9% |
| 2009 | 20,246 | 1,964,814 | 97,047 | 38.0 | 4,727 | 6.2% |
| 2008 | 20,246 | 1,569,450 | 77,519 | 38.0 | 4,653 | 4.0% |

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

⁽²⁾ Darien Board of Education.

⁽³⁾ State of CT Department of Labor.

TABLE 12

**TOWN OF DARIEN, CONNECTICUT
PRINCIPAL EMPLOYERS (UNAUDITED)
2017 AND 2008**

| <u>Employer</u> | <u>Nature of Business</u> | <u>2017</u> | | | <u>2008</u> | | |
|----------------------------------|---------------------------|------------------|-------------|--|------------------|-------------|--|
| | | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Town Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Town Employment</u> |
| Town of Darien | Municipality | 945 | 1 | 11.59% | 887 | 1 | 9.87% |
| Zoto's International | Hair Care Products | 240 | 2 | 2.94% | 120 | 4 | 1.34% |
| Colangelo Synergy Marketing | Marketing | 160 | 3 | 1.96% | 178 | 2 | 1.98% |
| Wee Burn Country Club | Country Club | 150 | 4 | 1.84% | | | |
| Ring's End, Inc. | Building Supplies | 124 | 5 | 1.52% | 140 | 3 | 1.56% |
| Woodway Country Club | Country Club | 110 | 6 | 1.35% | | | |
| BMW of Darien | Automotive Sales | 94 | 7 | 1.15% | 85 | 5 | 0.95% |
| Country Club of Darien | Country Club | 70 | 8 | 0.86% | | | |
| Atria | Assisted Living Center | 68 | 9 | 0.83% | | | |
| Maplewood | Assisted Living Center | 41 | 10 | 0.50% | | | |
| U.S. Postal Service | Mail Delivery | | | | 48 | 9 | 0.53% |
| CRA Rogers Casey | Investment Consulting | | | | 80 | 6 | 0.89% |
| Jet Blue | Commercial Airline | | | | 78 | 7 | 0.87% |
| Land Rover of Darien | Automotive Sales | | | | 70 | 8 | 0.78% |
| Life Study Fellowship Foundation | Publishing | | | | 43 | 10 | 0.48% |
| | | <u>2,002</u> | | <u>24.6%</u> | <u>1,729</u> | | <u>19.25%</u> |

Source: Town of Darien survey.
Connecticut Economic Resource Center

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

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General government | 41 | 39 | 40 | 42 | 42 | 43 | 42 | 44 | 44 | 41 |
| Police | 59 | 59 | 58 | 58 | 58 | 58 | 57 | 57 | 57 | 57 |
| Public Works | 29 | 29 | 25 | 26 | 26 | 26 | 26 | 28 | 28 | 26 |
| Sewer Authority | 5 | 4 | 3 | 3 | 3 | 3 | 2 | 4 | 4 | 4 |
| Parks and Recreation | 9 | 10 | 10 | 9 | 9 | 9 | 9 | 9 | 9 | 8 |
| Education | <u>802</u> | <u>799</u> | <u>797</u> | <u>790</u> | <u>760</u> | <u>760</u> | <u>785</u> | <u>791</u> | <u>790</u> | <u>751</u> |
| Total | <u><u>945</u></u> | <u><u>940</u></u> | <u><u>933</u></u> | <u><u>928</u></u> | <u><u>898</u></u> | <u><u>899</u></u> | <u><u>921</u></u> | <u><u>933</u></u> | <u><u>932</u></u> | <u><u>887</u></u> |

**TOWN OF DARIEN, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS**

| Function/Program | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government: | | | | | | | | | | |
| Building permits issued | 814 | 824 | 733 | 811 | 806 | 607 | 700 | 619 | 555 | 820 |
| Building inspections conducted | 3,515 | 3,850 | 3,932 | 4,155 | 3,435 | 2,533 | 2,859 | 2,692 | 2,903 | 3,871 |
| Police: | | | | | | | | | | |
| Calls Answered | 18,341 | 17,798 | 16,809 | 17,546 | 18,288 | 19,621 | 19,156 | 20,261 | 16,309 | 21,076 |
| Criminal Arrests | 168 | 191 | 169 | 136 | 205 | 261 | 287 | 295 | 287 | 375 |
| Motor Vehicle Arrests | 1,588 | 1,233 | 1,414 | 2,129 | 2,355 | 3,280 | 3,081 | 3,903 | 3,168 | 3,463 |
| DWI Arrests | 46 | 30 | 21 | 60 | 73 | 56 | 51 | 76 | 84 | 101 |
| Motor Vehicle Warnings | 405 | 506 | 372 | 500 | 525 | 759 | 634 | 755 | 265 | 910 |
| Accidents | 517 | 665 | 603 | 519 | 551 | 589 | 550 | 558 | 585 | 606 |
| Fire: | | | | | | | | | | |
| Emergency responses | 1,348 | 1,226 | 1,199 | 1,262 | 1,259 | 1,454 | 1,295 | 1,248 | 1,245 | 1,189 |
| Fires extinguished | 70 | 65 | 31 | 32 | 42 | 85 | 67 | 35 | 63 | 67 |
| Inspections | 293 | 282 | 254 | 192 | 189 | 319 | 371 | 367 | 386 | 677 |
| Other Public Works: | | | | | | | | | | |
| Street resurfacing (miles) | 4.01 | 3.6 | 3.7 | 3 | 3.1 | 3.1 | 3.00 | 1.90 | 2.89 | 3.30 |
| Parks and Recreation: | | | | | | | | | | |
| Facility permits issued | 3079 | 1666 | 1675 | 1,565 | 489 | 496 | 484 | 697 | 784 | 770 |
| Beach permits issued | 8243 | 8060 | 7939 | 7,846 | 7,365 | 7,137 | 7,129 | 6,769 | 6,605 | 6,660 |
| Boat permits issued | 122 | 135 | 140 | 153 | 168 | 171 | 195 | 183 | 191 | 188 |
| Program registrations | 3539 | 3960 | 3512 | 3,370 | 4,355 | 3,930 | 4,052 | 3,787 | 2,730 | 2,895 |
| Youth Programs: | | | | | | | | | | |
| Summer camp registrations | 465 | 444 | 411 | 297 | 344 | 371 | 330 | 400 | 430 | 489 |
| Teen program registrations | 1,041 | 1,079 | 1,093 | 1,142 | 1,147 | 1,121 | 1,054 | 1,226 | 1,231 | 1,343 |

TABLE 15

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

| Function/Program | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 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 | 842 | 842 | 834 | 834 | 834 | 828 | 828 | 828 | 828 | 827 |
| Traffic signals | 13 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 11 | 11 |
| Parks and recreation: | | | | | | | | | | |
| Acreage | 207.6 | 207.6 | 207.6 | 207 | 207 | 207 | 207 | 207 | 207 | 207 |
| Parks | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Tennis courts | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Paddle tennis courts | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Water: | | | | | | | | | | |
| Fire hydrants | 616 | 606 | 608 | 605 | 560 | 550 | 545 | 512 | 512 | 512 |
| Wastewater: | | | | | | | | | | |
| Sanitary sewers (miles) | 81.9 | 81.2 | 81.2 | 81.2 | 81.2 | 81.2 | 79.2 | 79.2 | 79.2 | 79.2 |
| Pump stations | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |