

TOWN OF DARIEN, CONNECTICUT



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2014

Comprehensive Annual Financial Report

of the

**Town of Darien,
Connecticut**

Fiscal Year Ended June 30, 2014

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

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Introductory Section

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



KATHLEEN CLARKE BUCH, CPFO
FINANCE DIRECTOR

December 15, 2014

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Town of Darien, Connecticut for the year ended June 30, 2014. This report was prepared by the Town's Finance Department, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. We believe the data, as presented, is accurate in all material aspects and that it is presented in a manner designed to illustrate fairly the financial position and results of operations of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

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

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

Management assumes full responsibility for the completeness and reliability of the information contained in this report. Internal control policies and procedures are recognized as important elements of the Town's accounting system. Such controls are designed to establish reasonable, but not absolute, assurance that assets are protected against loss from unauthorized use or disposition and to provide the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits to be derived; and (2) the valuation of these costs and benefits requires estimates and judgments by management. Management believes that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Board of Finance appointed the accounting firm of McGladrey LLP as the Town's independent auditor for the year 2013-2014. In addition to meeting the requirements set forth in State Statutes, the audit as 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, a 7 member Board of Finance and a 9 member Board of Education. The Town operates under the State of Connecticut General Statutes and the Charter and Code of Ordinances of the Town of Darien. The Charter was originally adopted in 1959 and the Code of Ordinances was adopted in 1972. Both are subject to revision on an ongoing basis. The 100 member RTM is the legislative body for the Town. The First Selectman, elected biennially, is the Chief Executive Officer of the Town. The Board of Finance, elected quadrennially to overlapping terms, serves as the Town's fiscal policy maker. Services provided by the Town to residents and taxpayers include general administrative services, public safety, education, public works, parks and recreation, health, social service, planning and zoning, and sewer services.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

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

All annual budgets are recommended by the Board of Selectmen and Board of Education to the Board of Finance, which, following careful review, recommends final budgets for approval by the RTM. The Board of Finance, by charter, has the right to transfer unexpended balances and to establish a transfer approval process. The Board of Education has freedom of transfer within the approved Education budget, according to State law. Necessary and justified additional appropriations are recommended by the Board of Finance for RTM approval.

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

ECONOMIC CONDITION AND OUTLOOK

Darien is a community with high per capita income and housing values. Unemployment in Darien is lower than the state and national averages, standing at 4.3 percent compared to 6.5 and 6.1 for the state and nation. This is down from a year ago and continuing to trend lower than the state and 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 increased to \$145,353,000, up 12.4% over the previous year. A total of 811 building permits were issued. This is on a par with 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 92.7% of Town General Fund revenues and the current property tax collection rate remains strong at 99.3%. Delinquent collections also remain strong.

Intergovernmental revenues represent a small portion of Town revenues, reflecting only 2.1% in the current year. As a result of the Town's heavy reliance on property taxes and continually increasing student enrollment projections, the Board of Finance is preparing a five year financial plan that assumes property tax increases averaging more than 3.1% for the period. The property tax mill rate enacted for 2014-2015, 15.01, represented an increase, in part due to a reduction in the Grand List after the 10/1/13 revaluation.

LONG-TERM FINANCIAL PLANNING

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

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

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

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

MAJOR INITIATIVES

In fiscal year 2013-2014 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 2013-2014, over \$490,000 was expended in these programs.

School projects continued including security upgrades and oil tank replacement as well as numerous smaller projects. The combined cost of these projects is over \$950,000.

Renovations of the space formerly occupied by the Board of Education at Town Hall to serve as a Community Center, with the Senior Center being the primary activity began in FY 2012-2013 and were nearing completion at the end of FY 2013-2014. The existing Senior Center is expected to be demolished. During FY 2014, the Town purchased a piece of privately owned property that was situated within one of the Town's existing parks.

CERTIFICATE OF ACHIEVEMENT

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

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

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,

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

Kathleen Clarke Buch
Finance Director



Government Finance Officers Association

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

Presented to

**Town of Darien
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

TOWN OF DARIEN
PRINCIPAL OFFICIALS
AS OF JUNE 30, 2014

BOARD OF SELECTMEN:

Jayne Stevenson, First Selectman
Christopher P. (Kip) Hall
Susan J. Marks
Gerald A. Nielsen, Jr.
E. Reilly Tierney

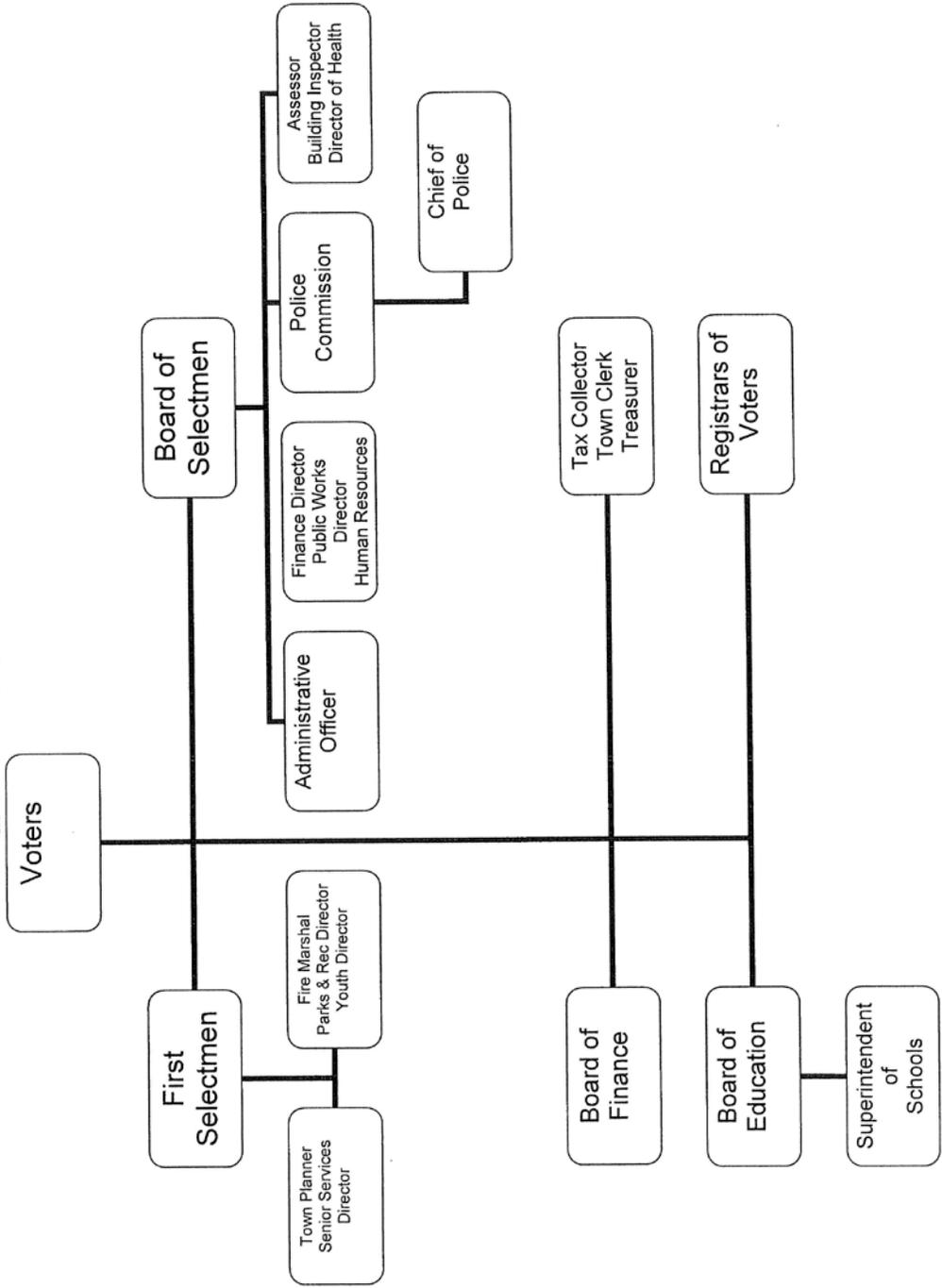
BOARD OF FINANCE:

Elizabeth Smith Mao, Chairman
Jon Zagrodzky, Vice Chairman
Frank Huck
David Lopiano
James McLaughlin
Gwen Mogenson
Bruce Orr

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

Karl Kilduff
Kathleen Clarke Buch
Joan Hendrickson
Lynne B. Pierson
Kathleen Larkins
Anthony Homicki
Donna E. Rajczewski

Town of Darien Organization Chart



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Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut (the "Town") as of and for the fiscal year ended June 30, 2014, and the related notes thereto which collectively comprise the Town'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.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



New Haven, Connecticut
December 15, 2014

Town of Darien, Connecticut
Management's Discussion and Analysis (MD&A) - unaudited
June 30, 2014
(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, 2014. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to VI. All amounts are expressed in thousands unless otherwise noted.

Financial Highlights

- Net position of our governmental activities increased by \$1,859 or 1.5%.
- During the year, the Town had expenses that were \$1,859 less than the \$146,521 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$144,662 with no new programs added this year.
- The General Fund reported a fund balance this year of \$18,466.
- The resources available for appropriation were \$1,244 less than budgeted for the General Fund. Expenditures were \$792 less than budgeted.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Government-Wide Financial Analysis

The Town's combined net position increased from a year ago increasing from \$125,351 to \$127,178. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

Table 1

Governmental Activities

Net Position (In Thousands)	2014	2013
Current assets	\$ 39,928	\$ 46,689
Capital assets, net of accumulated depreciation	185,769	184,708
Total assets	225,697	231,397
Deferred charges on refunding	2,002	-
Total deferred inflows of resources	2,002	-
Long-term liabilities outstanding	93,365	94,025
Other liabilities	7,156	12,053
Total liabilities	100,521	106,078
Net Position:		
Net investment in capital assets	96,371	97,749
Restricted	1,942	1,469
Unrestricted	28,865	26,101
Total net position	\$ 127,178	\$ 125,319

The net position of the Town's governmental activities increased by 1.5%. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - changed from \$26,101 at June 30, 2013 to \$28,865 at the end of this year.

This change in unrestricted governmental net position resulted primarily because of continuing investments in capital assets. The Town's investment in capital assets is \$96,371. This amount represents the original cost of assets, less accumulated depreciation and is net of any debt outstanding that was used to acquire those assets.

Table 2
Governmental Activities
Statement of Activity (In Thousands)

	2014	2013
Revenues:		
Program Revenues:		
Charges for Services	\$ 12,670	\$ 14,717
Operating Grants and Contributions	15,120	13,624
Capital Grants and Contributions	1,277	407
General Revenues:		
Property Taxes	116,634	111,719
Grants and Contributions not Restricted to Specific Purposes	177	241
Unrestricted Investment Earnings	154	211
Other General Revenues	489	685
Total revenues	146,521	141,604
Program Expenses:		
General Government	4,493	4,329
Community Environment	873	846
Public Safety, Health and Social Services	15,857	15,068
Library	3,401	3,264
Parks and Recreation	2,188	1,715
Public Works	7,194	6,444
Board of Education	104,235	97,796
Sewer Operations	3,585	3,065
Interest on Long-Term Debt	2,836	2,765
Total program expenses	144,662	135,292
Increase in net position	1,859	6,312
Net position – beginning	125,319	119,007
Net position - ending	\$ 127,178	\$ 125,319

The Town's total revenues (excluding special items) were \$146,521. The total cost of all programs and services was \$144,662. Our analysis below considers the operations of governmental activities.

Governmental Activities

Property taxes were 80% of revenues and charges for services accounted for 9%. Capital grants of \$1,277 were primarily grants from the State of Connecticut for school construction projects and infrastructure. Operating grants and contributions increased by 11%. The 2013-14 property tax collection rate was 99.3%. Charges for Services decreased by \$2,047 or 14% due to increased tipping fees, sewer service charges and recreation fees. Intergovernmental revenue increased primarily due to increased operating grants. School principal and interest subsidy grants on pre-1996 construction projects continue

to decline, which corresponds to the decline in the debt service for older school projects. Investment income decreased due to decreases in interest rates.

On the expense side, public works increase, primarily due to more storm related expenses compared to FY 2013. Education expenses continue to be the most significant component accounting for 72%. Board of Education increased because of increased enrollment, negotiated wage increases, increased medical expenses and increased Special Education expenses. Debt service increased slightly as a result of payment schedules from prior year debt issuances.

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

Table 3
Governmental Activities
(In Thousands)

	Total Cost of Service		Net Cost of Services	
	2014	2013	2014	2013
General government	\$ 4,493	\$ 4,329	\$ 2,528	\$ 2,193
Public safety	13,886	12,695	11,409	10,178
Public works	7,194	6,444	4,436	4,725
Education	104,235	97,796	87,030	82,146
Library	3,401	3,264	3,401	3,264

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 \$27,894 which is a decrease from last year's total of \$28,949. This was due to the additional appropriations made during the year for capital projects and for the Board of Education Operations. The General Fund fund balance decreased by \$1,007.

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

General Fund Budgetary Highlights

There were additional appropriations for the fiscal year ended June 30, 2014, in the amount of \$1,394. These were for Education operating expenses as well as a capital project to update the Town's emergency radio system. A contingency of \$554 was included in the original budget. This contingency covered items such as non-union wage increases and other unexpected expenses. The contingency was slightly reduced from the prior year.

Actual revenues were lower than budgetary estimates by approximately \$1,244. The budget assumed that \$2,494 of fund balance would be used to offset expenses; however the full amount was not needed. Town Clerk fees were \$361 higher than budget, an indication of increased conveyance tax collections. Building Permit revenue was \$385 higher than budget due to increased construction in the area. Investment income was \$21 lower than budget, due to lower interest rates. Other revenue accounts exceeded the budget estimates, such as Property Tax collections and Intergovernmental Revenue. Actual expenditures were less than budgetary estimates by \$792. The largest single contributor to this was the Board of Education budget.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2014, the Town had \$185,769 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 \$1,061, or 0.06%, over last year.

Table 4
Capital Assets at Year End (Net of Depreciation)
(In Thousands)

	Governmental Activities	
	2014	2013
Land	\$ 12,502	\$ 11,277
Buildings	147,434	151,757
Land improvement	2,005	2,154
Machinery and equipment	6,107	5,978
Infrastructure	11,904	12,387
Construction in progress	5,817	1,155
Totals	\$ 185,769	\$ 184,708

The Town's fiscal-year 2014-15 capital budget calls for it to spend another \$2,510 for capital and/or non-recurring projects, principally for capital equipment and replacement. Land increased due to the Town's acquisition of property during the fiscal year. The increase in construction in progress is primarily related to renovations at the Mather Community Center. More detailed information about the Town's capital assets is presented in Notes 1 and 4 to the financial statements.

Long-Term Debt

At June 30, 2014, the Town had \$90,922 in bonds and notes outstanding versus \$93,868 last year.

Debt decreased due to \$8,021 in annual principal payments. The Town issued \$5,500 in new general obligation bonds during the year.

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 \$816,165 state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2015 budget tax rates, and fees that will be charged for services. One of those factors is the economy. Unemployment in the Town now stands at 4.3% versus 5.7% a year ago. This compares with the State's unemployment rate of 6.5% and the national rate of 6.1%.

The increase in inflation in the Darien area was slightly less than the national Consumer Price Index (CPI). The Town's CPI increase was 1.7% for fiscal year 2014 while the average U.S. rate increase was 2.1%.

These indicators were taken into account when adopting the General Fund budget for 2014-15. Amounts available for appropriation in the General Fund budget are \$133,093, an increase of 4.7% over the final 2013 budget of \$127,086. Property taxes (benefiting from the 2014 rate increases and growth in the grand list) are expected to lead this increase. The Town will use these increases in revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Increased personnel costs and increased education expenses are the largest areas of expenditure increase. Fund balance will provide \$1,100 to support the budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to remain stable by June 30, 2015.

Contacting the Town's Financial Management

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

Basic Financial Statements

Statement of Net Position
June 30, 2014

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 24,353,998
Investments	7,776,978
Receivables, net	6,919,824
Prepaid expenses	584,688
Restricted cash and cash equivalents	25,021
Net Pension and OPEB asset	266,712
Capital assets not being depreciated	18,319,010
Capital assets being depreciated, net of accumulated depreciation	167,450,388
Total assets	<u>225,696,619</u>
Deferred outflows of resources	
Deferred charges on refunding	2,002,090
Total deferred outflows of resources	<u>2,002,090</u>
Liabilities	
Accounts and other payables	5,913,906
Accrued interest payable	1,122,493
Unearned revenue	119,690
Long-term liabilities:	
Due within one year	9,965,649
Due in more than one year	83,399,037
Total liabilities	<u>100,520,775</u>
Net Position	
Net Investment in capital assets	96,371,246
Restricted for:	
Social services	304,379
Public works	1,244,930
Education	357,672
Recreation	34,906
Unrestricted	28,864,801
Total Net Position	<u>\$ 127,177,934</u>

See Notes to Financial Statements.

Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					Governmental Activities
General government	\$ (4,492,539)	\$ 1,762,320	\$ 55,653	\$ 146,381	\$ (2,528,185)
Community environment	(872,869)	103,631	-	-	(769,238)
Public safety	(13,885,695)	2,476,490	-	-	(11,409,205)
Health and social services	(1,971,462)	295,448	163,099	-	(1,512,915)
Library	(3,400,566)	-	-	-	(3,400,566)
Parks and recreation	(2,187,547)	479,132	-	-	(1,708,415)
Public works	(7,194,156)	1,627,567	-	1,130,402	(4,436,187)
Board of Education	(104,235,074)	2,304,024	14,900,766	-	(87,030,284)
Sewer operations	(3,584,836)	3,621,272	-	-	36,436
Interest on long-term debt	(2,835,782)	-	-	-	(2,835,782)
Total primary government	\$ (144,660,526)	\$ 12,669,884	\$ 15,119,518	\$ 1,276,783	(115,594,341)
General revenues:					
Property taxes					116,633,894
Grants and contributions not restricted to specific programs					176,692
Unrestricted investment earnings					154,180
Miscellaneous					488,986
Total general revenues					117,453,752
Change in net position					1,859,411
Net position - beginning					125,318,523
Net position - ending					\$ 127,177,934

See Notes to Financial Statements.

**Balance Sheet - Governmental Funds
June 30, 2014**

	General	Sewer Operating	Sewer Assessment	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 18,341,222	\$ 1,437,753	\$ 1,297,883	\$ -	\$ 3,302,161	\$ 24,379,019
Investments	4,847,344	2,566,609	-	-	363,025	7,776,978
Receivables, net	2,819,201	310,546	3,625,048	-	165,029	6,919,824
Due from other funds	2,113,027	2,338	-	5,639,557	8,541	7,763,463
Prepays	574,718	-	-	9,970	-	584,688
Total assets	\$ 28,695,512	\$ 4,317,246	\$ 4,922,931	\$ 5,649,527	\$ 3,838,756	\$ 47,423,972
Liabilities						
Accounts and other payables	\$ 2,797,935	\$ 38,416	\$ 42,844	\$ 2,601,995	\$ 280,777	\$ 5,761,967
Due to other funds	5,530,058	423,737	550,000	616,013	692,064	7,811,872
Unearned revenue	-	-	-	-	119,690	119,690
Total liabilities	8,327,993	462,153	592,844	3,218,008	1,092,531	13,693,529
Deferred Inflows of Resources						
Unavailable revenue	1,901,832	309,722	3,625,048	-	-	5,836,602
Total deferred inflows of resources	1,901,832	309,722	3,625,048	-	-	5,836,602
Fund Balances						
No spendable	574,718	-	-	9,970	-	584,688
Restricted	-	-	-	2,421,549	1,726,139	4,147,688
Committed	-	3,545,371	705,039	-	1,022,675	5,273,085
Assigned	1,408,502	-	-	-	-	1,408,502
Unassigned	16,482,467	-	-	-	(2,589)	16,479,878
Total fund balances	18,465,687	3,545,371	705,039	2,431,519	2,746,225	27,893,841
Total liabilities and fund balances	\$ 28,695,512	\$ 4,317,246	\$ 4,922,931	\$ 5,649,527	\$ 3,838,756	

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

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the Town as a whole.	185,769,398
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	5,836,602
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(89,355,076)
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(103,530)
Deferred outflows of resources	2,002,090
Certain other liabilities reported in governmental activities are not due or payable in the current period, and therefore not reported in the funds:	
Net OPEB asset	252,951
Net pension asset	13,761
Bond premiums	(4,009,610)
Accrued interest payable.	(1,122,493)
Net position of governmental activities	\$ 127,177,934

See Notes to Financial Statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2014**

	General	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 116,637,973	\$ -	\$ -	\$ -	\$ -	\$ 116,637,973
Intergovernmental	14,737,968	-	-	165,711	1,892,149	16,795,828
Charges for services	5,320,306	3,482,498	699,285	-	3,728,306	13,230,395
Income on investments	129,212	12,108	6,692	331	5,837	154,180
Miscellaneous	423,239	-	-	24,611	41,136	488,986
Total revenues	137,248,698	3,494,606	705,977	190,653	5,667,428	147,307,362
Expenditures						
Current:						
General government	3,046,149	-	-	259,167	94,651	3,399,967
Community environment	618,838	-	-	8,367	-	627,205
Public safety	8,298,509	-	-	575,810	686,487	9,560,806
Health and social services	1,273,798	-	-	-	105,423	1,379,221
Library	3,400,566	-	-	-	-	3,400,566
Parks and recreation	1,226,178	-	-	-	-	1,226,178
Public works	4,790,208	-	-	301,939	429,569	5,521,716
Board of Education	96,322,274	-	-	1,320,376	3,334,552	100,977,202
Sewer operations	-	3,584,836	-	-	-	3,584,836
General overhead	6,449,274	-	-	-	-	6,449,274
Capital outlay	-	-	-	6,670,465	-	6,670,465
Debt service	10,802,073	-	-	70,616	192,517	11,065,206
Total expenditures	136,227,867	3,584,836	-	9,206,740	4,843,199	153,862,642
Excess (deficiency) of revenues over expenditures	1,020,831	(90,230)	705,977	(9,016,087)	824,229	(6,555,280)
Other Financing Sources (Uses)						
Transfers in	637,593	5,890	-	3,250,502	-	3,893,985
Transfers (out)	(2,665,674)	(344,807)	(550,000)	-	(333,504)	(3,893,985)
Issuance of bonds	-	-	-	5,500,000	-	5,500,000
Bond premium	-	-	-	-	-	-
Total other financing sources (uses)	(2,028,081)	(338,917)	(550,000)	8,750,502	(333,504)	5,500,000
Change in fund balances	(1,007,250)	(429,147)	155,977	(265,585)	490,725	(1,055,280)
Fund Balances, beginning	19,472,937	3,974,518	549,062	2,697,104	2,255,500	28,949,121
Fund Balances, ending	\$ 18,465,687	\$ 3,545,371	\$ 705,039	\$ 2,431,519	\$ 2,746,225	\$ 27,893,841

See Notes to Financial Statements.

(Continued)

**Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds (Continued)
For the Year Ended June 30, 2014**

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) \$ (1,055,280)

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

Capital outlay	6,552,053
Loss on disposals	757,293
Depreciation expense	(6,248,121)

Change in net OPEB asset (99,184)

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

School building grant receipts	(222,835)
Property tax receivable - accrual basis change	156,084
Property tax interest and lien revenue - accrual basis change	(160,163)
Sewer use - accrual basis change	(548,102)
Sewer assessment receivable - accrual basis change	(12,409)

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:

Issuance of bonds payable	(5,500,000)
Bond and note principal payments	8,021,745
Amortization of deferred charge on refunding	(351,175)
Amortization of premiums	423,953

The change in net position of certain activities of internal service fund is reported with
governmental activities (57,054)

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

Compensated absences	67,705
Claims and judgements	-
Retainage payable	-
Accrued interest	134,901

Change in Net Position of Governmental Activities (Exhibit II) \$ 1,859,411

See Notes to Financial Statements.

Statement of Net Position - Proprietary Funds
June 30, 2014

	Governmental Activities <hr/> Internal Service Funds
<hr/>	
Assets	
Receivables:	
Due from other funds	\$ 51,065
	<hr/>
Total assets	51,065
	<hr/>
Liabilities	
Current liabilities:	
Due to other funds	2,656
Accounts payable	138,039
Claims incurred but not reported	13,900
	<hr/>
Total liabilities	154,595
	<hr/>
Net Position (Deficit)	
Unrestricted (deficit)	(103,530)
	<hr/>
Total net position (deficit)	\$ (103,530)
	<hr/> <hr/>

See Notes to Financial Statements.

**Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) -
Proprietary Funds
For the Year Ended June 30, 2014**

	Governmental Activities
	Internal Service Funds
<hr/>	
Operating Revenues	
Charges for services	\$ 130,413
Total operating revenues	<u>130,413</u>
 Operating Expenses	
Salaries, benefits and claims	187,467
Total operating expenses	<u>187,467</u>
 Operating loss	(57,054)
 Net Position (Deficit), beginning	<u>(46,476)</u>
 Net Position (Deficit), ending	<u><u>\$ (103,530)</u></u>

See Notes to Financial Statements.

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2014**

	Governmental Activities
	Internal Service Funds
Cash Flows From Operating Activities	
Cash received from charges for services	\$ 130,413
Cash paid to vendors and beneficiaries	(130,413)
Net cash provided by operating activities	<u>-</u>
Net increase in cash and cash equivalents	-
Cash and Cash Equivalents	
Beginning	<u>-</u>
Ending	<u><u>\$ -</u></u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	\$ (57,054)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in due from other funds	148,303
Increase in accounts payable	(77,814)
Increase in claims incurred but not reported	(13,435)
Net cash provided by operating activities	<u><u>\$ -</u></u>

See Notes to Financial Statements.

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2014

	Trust Funds	Agency Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,515,984	\$ 408,474
Investments:		
Equity securities	63,939,181	-
Equity mutual funds	3,046,240	-
Fixed income funds	43,039,615	-
Receivables:		
Interest and dividends	83,807	-
Total assets	<u>111,624,827</u>	<u>408,474</u>
Liabilities		
Accounts and other payables	<u>116,611</u>	<u>408,474</u>
Net Position		
Restricted for pension benefits and postemployment benefits	<u>\$ 111,508,214</u>	<u>\$ -</u>

See Notes to Financial Statements.

**Combined Statement of Changes in Plan Net Position
For the Year Ended June 30, 2014**

	Trust Funds
Additions	
Contributions	
Employer	\$ 3,700,140
Plan members	<u>1,266,554</u>
Total contributions	<u>4,966,694</u>
Investment Income	
Net appreciation in fair value of investments	13,912,760
Interest and dividends	2,020,445
Other	<u>4,857</u>
Net investment income	<u>15,938,062</u>
Total additions	<u>20,904,756</u>
Deductions	
Benefits	4,460,200
Administration	<u>482,832</u>
	<u>4,943,032</u>
Change in net position	15,961,724
Restricted Net Position	
Beginning of year	<u>95,546,490</u>
End of year	<u>\$ 111,508,214</u>

See Notes to Financial Statements.

Town of Darien, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

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

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

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

Accounting Standards Adopted in the Current Year:

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, was implemented as July 1, 2013. This statement clarified the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. As a result of the adoption of this standard, deferred amounts on refunding were reclassified to Deferred Outflows of Resources.

GASB Statement No. 67, Financial Reporting for Pension Plans an amendment of GASB Statement No. 25, issued in June 2012, was effective for the Town as of July 1, 2013. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The implementation of this statement did not have a material impact on the Town's financial statements.

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

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Governmental Funds

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

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

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

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

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

Fiduciary Funds

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

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

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

Proprietary Fund

Additionally, the Town reports the following proprietary fund types:

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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 postemployment benefits, and claims and judgments, are recorded only when payment is due.

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

The Town reports the following major governmental funds:

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

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

The Sewer Assessment Fund is a special revenue fund. It used to account for receipt and assessment functions for sewers.

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

Additionally, the Town reports the following Proprietary and Fiduciary funds:

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

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 2.

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

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

Property Taxes: The Town's property tax is levied each July 1, on the assessed value listed on the prior October 1, Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach the property does not exist until July 1. Therefore, taxes are due and payable in equal installments on July 1, and January 1, following the date of the Grand List. Interest of 1½% per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31, and are payable in one installment due January 1. An amount of \$104,332 has been established as an allowance for uncollectible taxes. At June 30, 2014, this represents approximately 7% of all property taxes receivable. All trade and property tax receivables are reported net of an allowance for uncollectibles.

Restricted Assets: The restricted assets for the Town are restricted for capital project purposes.

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

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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:

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

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

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

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

The Town and Board of Education liability for vacation pay is based upon the 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.

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.

Town of Darien, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 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.

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's 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, interest on delinquent property taxes, school building grants, special assessments, sewer use fees and interest in delinquent sewer use fees.

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

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts 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.

Pension Accounting:

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Governmental Funds and Governmental Activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net pension obligation (asset), the cumulative difference between annual pension cost and the Town's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. The pension obligation (asset) is recorded as a noncurrent liability (asset) in the government-wide financial statements.

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

Other Post-Employment Benefit Obligations (OPEB) Accounting:

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

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

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

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

Net Position: In the government-wide and proprietary fund financial statements, net position 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 reduces this category.
- Restricted Net Position – These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose. A deficit will require future funding.

Town of Darien, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

Note 2. Cash, Cash Equivalents and Investments

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 2. Cash, Cash Equivalents and Investments (Continued)

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

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

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$18,947,026 of the Town's bank balance of \$25,581,880 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	15,046,099
Collateralized, held by banks	<u>3,900,927</u>
Total amount subject to custodial credit risk	<u><u>\$ 18,947,026</u></u>

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 2. Cash, Cash Equivalents and Investments (Continued)

Cash Equivalents: Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within three months of maturity. At June 30, 2014, the Town's cash equivalents amounted to \$6,634,753. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

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

Investments: Investments as of June 30, 2014, in all funds are as follows:

	<u>Fair Value</u>
Common stock - trust funds	\$ 63,939,181
Fixed income funds fund account:	
Trust funds	43,039,615
Equity Mutual Funds	3,046,240
Governmental funds - certificates of deposit	<u>7,776,978</u>
Total	<u><u>\$ 117,802,014</u></u>

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

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

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

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 2. Cash, Cash Equivalents and Investments (Continued)

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

Type of Investment	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Fixed income funds	\$ 43,039,615	\$ -	\$ 19,062,529	\$ 8,971,461	\$ 15,005,625
Certificate of deposits	7,779,046	7,548,853	230,193	-	-
Pooled fixed income	6,634,753	6,634,753	-	-	-
Average Rating	Fixed Income Funds	Pooled Fixed Income	Certificate of Deposits	Common Stock	
AAA	\$ 30,015,270	\$ 6,634,753	\$ -	\$ -	
AA	1,656,715	-	-	-	
A	5,033,290	-	-	-	
BBB	5,669,458	-	-	-	
Unrated	664,882	-	7,779,046	63,939,181	
	<u>\$ 43,039,615</u>	<u>\$ 6,634,753</u>	<u>\$ 7,779,046</u>	<u>\$ 63,939,181</u>	

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town maintains a listing of financial institutions approved to provide custody based on their creditworthiness in accordance with the Town's investment policy. The investment policy details the information which must be provided by financial institutions on an annual basis to become or remain qualified for investment transactions. At June 30, 2014, the Town had \$63,939,181 worth of uninsured common stock that was held by the Wells Fargo or by its trust department or agent that was in the Trust's name.

Town of Darien, Connecticut

Notes to Financial Statements

Note 3. Receivables

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

	General	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor and Other Funds	Total
Receivables:						
Interest on delinquent taxes	\$ 539,831	\$ -	\$ -	\$ -	\$ -	\$ 539,831
Taxes	1,498,573	211,215	-	-	-	1,709,788
Accounts	702,188	-	-	-	164,730	866,918
Special assessments	-	-	3,625,048	-	-	3,625,048
Intergovernmental	204,670	-	-	-	299	204,969
Interest receivable	-	98,508	-	-	-	98,508
Investment income	-	823	-	-	-	823
Gross receivables	2,945,262	310,546	3,625,048	-	165,029	7,045,885
Less allowance for property tax uncollectibles	(104,332)	-	-	-	-	(104,332)
Net Receivables	\$ 2,840,930	\$ 310,546	\$ 3,625,048	\$ -	\$ 165,029	\$ 6,941,553

Note 4. Deferred Inflows of Resources/Unearned Revenue

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

	Unavailable	Unearned
General Fund		
Delinquent property taxes	\$ 1,169,507	\$ -
Interest and delinquent property tax	527,655	-
Grant drawdowns prior to meeting all eligibility requirements	-	-
School building grants	204,670	-
Sewer Assessment Fund		
Special assessments not yet due	3,625,048	-
Sewer Operating Fund		
Sewer use receivables	211,214	-
Interest on sewer use	98,508	-
Other Non-major funds		
Fees collected in advance	-	119,690
Total deferred inflows/unearned revenue for governmental funds	\$ 5,836,602	\$ 119,690

Town of Darien, Connecticut

Notes to Financial Statements

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Total
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 11,276,777	\$ 1,224,777	\$ -	\$ -	\$ 12,501,554
Construction in progress	1,155,227	4,662,229	-	-	5,817,456
Total capital assets not being depreciated	12,432,004	5,887,006	-	-	18,319,010
Capital assets being depreciated:					
Buildings	211,293,141	524,905	-	-	211,818,046
Land improvements	4,089,674	-	-	-	4,089,674
Machinery and equipment	14,276,418	140,142	(632,400)	-	13,784,160
Infrastructure	38,207,890	-	-	-	38,207,890
Total capital assets being depreciated	267,867,123	665,047	(632,400)	-	267,899,770
Less accumulated depreciation for:					
Buildings	59,536,118	4,847,452	-	-	64,383,570
Land improvements	1,936,091	148,208	-	-	2,084,299
Machinery and equipment	8,298,255	768,756	(1,389,693)	-	7,677,318
Infrastructure	25,820,490	483,705	-	-	26,304,195
Total accumulated depreciation	95,590,954	6,248,121	(1,389,693)	-	100,449,382
Total capital assets being depreciated, net	172,276,169	(5,583,074)	757,293	-	167,450,388
Governmental Activities Capital Assets, Net	\$ 184,708,173	\$ 303,932	\$ 757,293	\$ -	\$ 185,769,398

Depreciation expense was charged to functions/programs as follows:

General government	\$ 222,342
Community environment	6,881
Public safety	757,279
Public works	717,153
Health and social services	159
Parks and recreation	149,411
Education	4,394,896
Total depreciation expense - governmental activities	\$ 6,248,121

Town of Darien, Connecticut

Notes to Financial Statements

Note 5. Capital Assets (Continued)

Construction Commitments: The Town has active construction projects as of June 30, 2014. A summary of capital projects is as follows:

Project	Additions Deletions	Total Project Authorization	Project Expenditures			Encumbrances	Balance	
			2013-2014	Prior Year Cumulative	Current Year Cumulative			
Clean Water Fund	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ 1,093,433	\$ 1,093,433	\$ -	\$ 406,567
Sewer Line Expansion	9,515,000	-	9,515,000	-	6,892,772	6,892,772	-	2,622,228
Sewer Capital	154,889	-	154,889	-	85,598	85,598	-	69,291
High School Building	75,799,440	-	75,799,440	-	74,994,974	74,994,974	-	804,466
Capital Non-Recurring Expenditures	15,685,528	-	15,685,528	3,104,662	10,280,154	13,384,816	163,335	2,137,377
Parking Capital	1,096,193	-	1,096,193	32,430	462,848	495,278	821	600,094
35 Leroy	4,125,000	-	4,125,000	-	3,909,979	3,909,979	-	215,021
Weed Beach	3,600,000	-	3,600,000	2,901	3,130,641	3,133,542	172,823	293,635
Police Station Addition	17,680,000	-	17,680,000	4,431	15,913,415	15,917,846	-	1,762,154
Tokeneke School Building	23,170,000	-	23,170,000	-	22,717,899	22,717,899	-	452,101
35 Leroy/Mather Center	6,797,000	-	6,797,000	3,944,851	3,580,881	7,525,732	17,003	(745,735)
Weed Beach Tennis Courts	460,000	-	460,000	459,542	-	459,542	-	458
Intervale Rd Drainage	1,500,000	-	1,500,000	23,740	-	23,740	-	1,476,260
Sewer Capital	-	291,000	291,000	14,637	-	14,637	-	276,363
Short Lane Property	-	1,925,000	1,925,000	1,829,546	-	1,829,546	-	95,454

Note 6. Interfund Receivables, Payables and Transfers

Individual fund interfund receivable and payable balances at June 30, 2014, are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 2,113,027	\$ 5,530,058
Sewer Operating	2,338	423,737
Sewer Assessment	-	550,000
Capital Projects	5,639,557	616,013
Non-Major Governmental Funds	8,541	692,064
Internal Service Fund	51,065	2,656
Total	\$ 7,814,528	\$ 7,814,528

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 6. Interfund Receivables, Payables and Transfers (Continued)

Interfund transfers during the year ended June 30, 2014, were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 637,593	\$ 2,665,674
Sewer Operating Fund	5,890	344,807
Sewer Assessment Fund	-	550,000
Capital Projects	3,250,502	-
Non-Major Governmental Funds	-	333,504
Total	\$ 3,893,985	\$ 3,893,985

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

Note 7. Leases

Operating Leases: The Town leases some office equipment under operating leases. Total expense for such leases was \$374,527 for the year ended June 30, 2014. These leases are cancelable at any time before the expiration date of the year 2018. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2015	\$ 374,527
2016	331,844
2017	319,841
2018	9,204
Total	\$ 1,035,416

Town of Darien, Connecticut

Notes to Financial Statements

Note 8. Long-Term Debt

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 89,060,000	\$ 5,500,000	\$ (7,975,000)	\$ 86,585,000	\$ 8,590,000
Clean water notes	374,453	-	(46,745)	327,708	47,688
Premium on bonds	4,433,563	-	(423,953)	4,009,610	-
Total bonds and notes payable	93,868,016	5,500,000	(8,445,698)	90,922,318	8,637,688
		-			
Compensated absences	2,082,927	1,528,348	(1,596,053)	2,015,222	1,327,961
Claims and judgments	313,641	-	-	313,641	-
Retainage payable	113,505	-	-	113,505	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 96,378,089</u>	<u>\$ 7,028,348</u>	<u>\$ (10,041,751)</u>	<u>\$ 93,364,686</u>	<u>\$ 9,965,649</u>

Town of Darien, Connecticut

Notes to Financial Statements

Note 8. Long-Term Debt (Continued)

Bonds and notes outstanding by issue at June 30, 2014, were:

Description	Year of Maturity	Interest Rate (%)	Balance Outstanding June 30, 2014
General Obligation Bonds:			
DHS & Tokeneke	2028	3.25-5.00	\$ 931,250
Library	2028	3.25-5.00	43,750
Refunding 2009	2018	2.00-5.00	10,035,000
DHS 2010	2028	2.39	2,930,000
Police Station 2010	2020	2.39	195,000
Refunding 2010	2020	2.55	8,700,000
PD/35 Leroy 2011	2024	2.75	10,035,000
PD/35 Leroy 2012	2027	2.52	13,230,000
Refunding 2012	2027	1.7-5.0	29,930,000
General Purpose 2013	2028	2.0-3.125	5,500,000
Total general obligation bonds			<u>81,530,000</u>
Special Assessment Debt with Town Commitment:			
Refunding 2009	2018	2.00-5.00	640,000
Refunding 2010	2020	2.55	1,790,000
Goodwives River Road 2011	2024	2.75	1,065,000
Goodwives River Road 2012	2027	2.52	770,000
Refunding 2012	2027	1.7-5.0	790,000
Total special assessment debt with town commitment			<u>5,055,000</u>
Total bonds			<u>86,585,000</u>
State Loans:			
Clean Water	2022	2.00	327,708
Total state loans			<u>327,708</u>
Total bonds and notes outstanding			<u>\$ 86,912,708</u>

During fiscal year 2014, principal and interest payments were funded principally by the General Fund. The Sewer Operating Fund and Sewer Assessment Fund reimbursed the General Fund \$344,807 and \$550,000, respectively, toward these payments. The Sewer Operating Fund is responsible for debt service of the sewer rehabilitation bonds, and the Sewer Assessment Fund is responsible for the majority of debt service for the sewer construction bonds. Payment of the principal and interest on Special Assessment Sewer Bonds is guaranteed by the full faith and credit of the Town.

Town of Darien, Connecticut

Notes to Financial Statements

Note 8. Long-Term Debt (Continued)

The following is a summary of long-term debt principal and interest maturities. The State of Connecticut will provide future payments to subsidize the debt cost. Principal debt subsidies of \$205,000 and interest subsidies of \$10,000 will be received over the life of the outstanding debt.

Year Ending June 30,	Principal	Interest
2015	\$ 8,637,688	\$ 2,845,437
2016	8,968,651	2,508,162
2017	9,324,633	2,145,862
2018	9,090,635	1,811,810
2019	8,596,657	1,491,882
2020-2024	33,299,446	3,565,911
2025-2029	8,994,998	564,644
Total	<u>\$ 86,912,708</u>	<u>\$ 14,933,708</u>

Authorized Unissued Bonds: At June 30, 2014, the Town had \$2,200,000 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, \$1,000,000 for the Weed Beach Project, \$79,000 for the 35L/MCC project, \$60,000 for the Weed Beach Tennis Court project, \$220,000 for the Intervale Drainage project and \$1,925,000 for Short Lane Project. The Darien High School and Tokeneke Elementary School Projects are partially offset by State of Connecticut grants.

Debt Limit: The Town's total indebtedness does not exceed the limit of \$819,826,000 allowed by State Statute.

Prior Year Refundings: In prior year, the Town defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2014, \$3,900,000 of the defeased debt is outstanding.

Compensated Absences: The liability for compensated absences increased by \$67,705 this year. These liabilities will be paid by the General Fund, Sewer Operating Fund, and Parking Operations Fund.

Note 9. Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or natural disasters. The Town purchases commercial insurance for all risks of loss, except dental claims as discussed below. During the year ended June 30, 2014, deductibles paid by the Town were insignificant. Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

Risk Pooling: The Town is a member of the CIRMA Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The premium paid in 2013/14 was \$1,306,332. 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.

Town of Darien, Connecticut

Notes to Financial Statements

Note 9. Risk Management (Continued)

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

A third party administers the Town's self-insurance program. There is no stop loss coverage. The Town's General Fund liquidates the claims through annual appropriations. The claims liability of \$31,547 reported at June 30, 2014, is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The claims liability of \$17,647 and \$13,900 are reported in the General Fund and Internal Service Fund, respectively. The amount of claim accrual is based on the ultimate costs of settling the claim which includes past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

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,
2012-2013	\$ 43,014	\$ 2,152,232	\$ 2,157,677	\$ 37,569
2013-2014	37,569	1,549,357	1,555,379	31,547

Note 10. Other Post-Employment Benefits

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

Membership in the Plans consisted of the following at June 30, 2013, the date of the latest actuarial valuation:

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program
Plan memberships:		
Retirees and surviving spouses	23	46
Active plan members	44	537
Total participants	67	583

Town of Darien, Connecticut

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (Continued)

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

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

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program
Annual required contribution (ARC)	\$ 444,733	\$ 367,484
Interest on net OPEB obligation	(26,410)	-
Adjustment to annual required contribution	35,594	-
Annual OPEB cost	453,917	367,484
Contributions made	354,733	367,484
Change in net OPEB asset	99,184	-
Net OPEB (asset), beginning of year	(352,135)	-
Net OPEB (asset), end of year	<u>\$ (252,951)</u>	<u>\$ -</u>

Town of Darien, Connecticut

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (Continued)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2014, 2013 and 2012 are presented below.

Police

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/14	\$ 453,917	\$ 354,733	78.15%	\$ (252,951)
6/30/13	436,678	329,796	75.52%	(352,135)
6/30/12	543,919	429,569	78.98%	(459,017)

Non-Police

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/14	\$ 367,484	\$ 367,484	100.00%	\$ -
6/30/13	361,200	361,200	100.00%	-
6/30/12	452,050	452,050	100.00%	-

Funding Status and Funding Progress

Schedule of Funding Progress - OPEB

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police						
06/30/13	\$ 2,365,805	\$ 5,387,763	\$ 3,021,958	43.9%	\$ 4,294,463	70.37%
Non-Police						
06/30/13	\$ 1,508,244	\$ 3,899,220	\$ 2,390,976	38.7%	N/A	N/A

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

Additional information as of the latest actuarial valuations follows:

	Police	Non-Police
Valuation date	June 30, 2013	June 30, 2013
Actuarial cost method	Aggregate	Projected Unit Credit
Amortization method	Level Percent	Level Percent

Town of Darien, Connecticut

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (Continued)

	Police	Non-Police
Remaining amortization period	30 years Closed	30 years Closed
Asset valuation method	Market Value	Market Value
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Inflation rate	5%	5%
<u>Health Care Trend</u>	<u>Increase</u>	<u>Increase</u>
2014-2015	8.5%	7.50%-8.50%
2015-2016	8.0%	7.25%-8.00%
2016-2017	7.5%	7.00%-7.50%
2017-2018	7.0%	6.75%-7.00%
2018-2019	6.5%	6.50%
2019-2020	6.0%	6.00%
2020-2021	5.5%	5.50%
2021-2022	5.0%	5.00%
2022-2023 and later	4.5%	4.5%

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

Note 11. Employee Retirement Systems and Pension Plans

Plan Description

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

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

At June 30, 2013, (date of the last valuation), membership in the Town Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	184
Current active members	351
Total	535

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Systems and Pension Plans (Continued)

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

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 Policemen (the Police Plan).

At June 30, 2013, 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 with 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.

Summary of Significant Accounting Policies and Plan Asset Matters

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

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

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

Contributions

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Systems and Pension Plans (Continued)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Town		Covered Payroll	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
			Under (Over) Funded AAL (OAAL)	Percentage Funded (a/b)		
June 30,	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
2013	\$ 40,313,620	\$ 48,026,347	\$ 7,712,727	83.94%	\$ 17,271,448	45.0%

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Police		Covered Payroll	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
			Under (Over) Funded AAL (OAAL)	Percentage Funded (a/b)		
June 30,	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
2013	\$ 28,920,370	\$ 36,100,388	\$ 7,180,018	80.00%	\$ 4,660,227	154.0%

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

Schedule of Employer Contributions

Actuarial Assumptions (GASB 27): The data presented in the schedule of funding progress and schedule of employer contributions were determined as part of the actuarial valuation at the date indicated.

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	June 30, 2013
Actuarial cost method	Aggregate (Entry Age method used for Schedule of Funding Progress)
Asset valuation method	5 Years at a rate of 20% a year
Actuarial assumptions:	
Rate of return	7.5%
Projected salary increases	4.5%
Inflation rate	None
COLA	None

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Systems and Pension Plans (Continued)

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

	Town Plan	Police Plan
Annual required contribution (ARC)	\$ 1,667,416	\$ 1,220,507
Adjustment to annual required contribution	-	-
Annual pension cost	1,667,416	1,220,507
Contributions made	1,667,416	1,220,507
Change in net pension asset	-	-
Net pension obligation (asset), beginning of year	(8,134)	(5,627)
Net pension asset, end of year	\$ (8,134)	\$ (5,627)

Trend Information

Town			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2014	\$ 1,667,416	100.0%	\$ (8,134)
2013	1,593,296	100.5%	(8,134)
2012	1,671,289	100.0%	(8,134)

Police			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2014	\$ 1,220,507	100.0%	\$ (5,627)
2013	1,119,967	100.5%	(5,627)
2012	1,133,728	100.0%	(5,627)

Town of Darien, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Systems and Pension Plans (Continued)

Separate Plan Financial Information

Schedule of Plan Net Position - Trust Funds For the Year Ended June 30, 2014					
	Police	Town	Police Retiree Medical Reserve	Non-Police Retiree Benefit	Total Trust Funds
Assets:					
Cash and cash equivalents	\$ 205,492	\$ 620,230	\$ 203,979	\$ 486,283	\$ 1,515,984
Investments, at fair value:					
Equity securities	26,371,163	37,568,018	-	-	63,939,181
Equity mutual funds			1,421,397	1,624,843	3,046,240
Fixed income funds	17,117,794	24,123,409	1,391,147	407,265	43,039,615
Receivables:					
Investment income	34,682	49,118	2	5	83,807
Total assets	43,729,131	62,360,775	3,016,525	2,518,396	111,624,827
Liabilities:					
Accounts payable	48,104	68,507	-	-	116,611
Total liabilities	48,104	68,507	-	-	116,611
Net Position:					
Net position held in trust	\$ 43,681,027	\$ 62,292,267	\$ 3,016,525	\$ 2,518,395	\$ 111,508,214

Schedule of Changes in Plan Net Position - Trust Funds For the Year Ended June 30, 2014					
	Police	Town	Police Retiree Medical Benefit	Non-Police Retiree Benefit	Total Trust Funds
Additions:					
Contributions:					
Employer	\$ 1,220,507	\$ 1,667,416	\$ 444,733	\$ 367,484	\$ 3,700,140
Plan members	265,826	1,000,728	-	-	1,266,554
Total contributions	1,486,333	2,668,144	444,733	367,484	4,966,694
Investment income:					
Net appreciation in fair value investments	5,528,588	7,817,098	266,171	300,903	13,912,760
Interest and dividends	810,888	1,148,609	31,513	29,435	2,020,445
Other Income	-	4,857	-	-	4,857
Total investment income	6,339,476	8,970,564	297,684	330,338	15,938,062
Total additions	7,825,809	11,638,708	742,417	697,822	20,904,756
Deductions:					
Benefits	1,784,531	2,348,549	327,120	-	4,460,200
Administration	195,496	266,167	6,889	14,280	482,832
Total deductions	1,980,027	2,614,716	334,009	14,280	4,943,032
Net increase	5,845,782	9,023,992	408,408	683,542	15,961,724
Net position, beginning of year	37,835,245	53,268,275	2,608,117	1,834,853	95,546,490
Net position, end of year	\$ 43,681,027	\$ 62,292,267	\$ 3,016,525	\$ 2,518,395	\$ 111,508,214

Town of Darien, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Systems and Pension Plans (Continued)

Investments

Investment policy: The Town and Police Plans' policy in regards to the allocation of invested assets is established and may be amended:

Concentrations: There were no investments in any one organization that represents 5 % or more of the Town and Police Plan's net position.

<u>Asset Class</u>	<u>Targeted Allocation</u>
Domestic Equity (large cap)	60.00%
Fixed Income	40.00%

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments for Town and Police, net of pension plan investment expense, was 16.62% and 16.63% percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset): The components of the net pension liability (asset) of the Town and Police at June 30, 2014 were as follows:

<u>Net Pension Liability (Asset)</u>	<u>Town June 30, 2014</u>	<u>Police June 30, 2014</u>
Total Pension Liability	\$ 53,442,793	\$ 39,412,926
Plan Fiduciary Net Position	\$ 62,292,268	\$ 43,681,027
Net Pension Liability (Asset)	\$ (8,849,475)	\$ (4,268,101)
Plan Fiduciary Net Position as a percentage of Total Pension Liability (Asset)	116.56%	110.83%

Actuarial assumptions (GASB 67): The total pension liability for Town and Police was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 3.00%
- Salary Increases: 4.50% + service based increases
- Investment Return: 7.50%, comprised on average inflation of 3.00% and a real rate of return of 4.50%
- Mortality table RP-2000 Combined Mortality Table with improvements projected to 2023 with Scale AA.

Census data was collected as of July 1, 2013. Liabilities measured as of the census date were projected to June 30, 2014 assuming no demographic gains or losses.

Actuarial Method (GASB 67): The Entry Age Normal method is used to determine plan liabilities.

Town of Darien, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Systems and Pension Plans (Continued)

Assumed Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each 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. Based on the limited information available, it was assumed that the Plans' strategic asset allocation as of June 30, 2014 would be 60% Equities (US Large Cap) and 40% Fixed Income (with composition similar to the Barclay's Aggregate Index). Rates of return for each major asset class are summarized in the following table (note that the rates shown below include the inflation component):

Asset Class	Long-Term Expected Real Return - Portfolio
Domestic Equity (large cap)	9.48%
Fixed Income	4.56%

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. 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 rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town, calculated using the discount rate of 7.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Plan Net Position - Town	\$ (3,024,529)	\$ (8,849,475)	\$ (13,845,479)
Plan Net Position - Police	\$ 395,714	\$ (4,268,101)	\$ (8,164,550)

Teachers' Retirement Plan:

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

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

Town of Darien, Connecticut

Notes to Financial Statements

Note 11. Employee Retirement Systems and Pension Plans (Continued)

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$10,042,000.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2014, the Town has recorded in the General Fund intergovernmental revenue schools and Board of Education expenditures in the amount of \$10,042,000 as payments made by the State of Connecticut on behalf of the Town.

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

Note 12. Contingent Liabilities

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

Various litigation, principally involving claims for personal injury and contested tax assessment, is pending against the Town. For certain cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the government-wide statement of approximately \$314,000. Based upon the advice of the Town Counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the Town.

Note 13. Fund Deficits

The following fund had fund deficits as of June 30, 2014:

Cafeteria	\$ 2,589
Internal Service Funds	103,530

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

Note 14. Subsequent Events

On August 12, 2014, the Town issued \$16,610,000 of General Obligation Refunding Bonds, with an interest rate of 2.0%-4.0% and mature yearly from January 15, 2015 through July 15, 2023. On September 10, 2014, the Town also issued \$1,925,000 of General Obligation Bond Anticipation Notes, with an interest rate of 1.0% and mature on September 9, 2015.

Town of Darien, Connecticut

Notes to Financial Statements

Note 15. Fund Balances

Below is a table of fund balance categories and classifications as defined by GASB No. 54 for the Town's governmental funds as of June 30, 2014:

	General Fund	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor Governmental Funds
Fund Balances (deficits):					
Non-spendable:					
Prepays	\$ 574,718	\$ -	\$ -	\$ 9,970	\$ -
Total non-spendable	574,718	-	-	9,970	-
Restricted:					
Social services	-	-	-	-	304,379
Public works	-	-	-	-	1,244,930
Education	-	-	-	-	357,672
Recreation	-	-	-	-	34,906
Capital outlay	-	-	-	2,421,549	-
Total restricted	-	-	-	2,421,549	1,941,887
Committed:					
Public works	-	3,545,371	705,039	-	442,407
Public health and social services	-	-	-	-	363,170
Capital outlay	-	-	-	-	1,350
Total committed	-	3,545,371	705,039	-	806,927
Assigned:					
General government	1,045,531	-	-	-	-
Public safety	28,431	-	-	-	-
Public works	166,121	-	-	-	-
Education	100,000	-	-	-	-
Capital outlay	68,419	-	-	-	-
Total assigned	1,408,502	-	-	-	-
Unassigned:					
General government	16,482,467	-	-	-	(2,589)
Total unassigned	16,482,467	-	-	-	(2,589)
Total fund balances	\$ 18,465,687	\$ 3,545,371	\$ 705,039	\$ 2,431,519	\$ 2,746,225

Significant encumbrances at June 30, 2014, are contained in the above table in the assigned categories of the General Fund.

Town of Darien, Connecticut

Notes to Financial Statements

Note 16. Governmental Accounting Standards Board (GASB) Statements

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

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 68, for which there will be an effect due to the net pension liability:

- ***GASB Statement No. 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27***, was issued in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement are effective for fiscal years beginning after June 15, 2014.
- ***GASB Statement No. 69, Government Combinations and Disposals of Government Operations***, was issued in January 2013. This Statement provides guidance for:
 - Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations.
 - Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations.
 - Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based on their acquisition values in a government acquisition.
 - Reporting the disposal of government operations that have been transferred or sold.

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

- ***GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68***. The objective of this Statement is to address an issue regarding application of the transition provisions of *Statement No. 68, Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of *Statement 68*.

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**Required Supplementary
Information**

Required Supplementary Information (Unaudited)
Schedule of Revenues and Other Financing Sources - Budget And Actual - General Fund
(Non-GAAP Budgetary Basis)
For The Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Property Taxes:				
Property taxes current	\$ 115,650,442	\$ 115,650,442	\$ 115,533,524	\$ (116,918)
Property taxes prior	500,000	500,000	518,462	18,462
Suspense tax collections	1,000	1,000	4,198	3,198
Telecommunication property tax	70,000	70,000	58,254	(11,746)
Interest and liens	350,000	350,000	523,535	173,535
Total property taxes	116,571,442	116,571,442	116,637,973	66,531
Licenses and Permits:				
Tourist camp permits	-	-	100	100
Town clerks' revenue	1,400,000	1,400,000	1,761,375	361,375
Building permits	1,000,000	1,000,000	1,385,030	385,030
Plumbing permits	400	400	350	(50)
Heating permits	20,000	20,000	53,530	33,530
Electrical permits	35,000	35,000	42,382	7,382
Other building permits	500	500	1,900	1,400
Amusement/raffle/bazaar	400	400	315	(85)
Peddler and vendor's licenses	200	200	200	-
Pistol permits	2,000	2,000	5,970	3,970
Other non-business permits	500	500	385	(115)
Dog licenses	5,000	5,000	6,300	1,300
Fire Marshal's	7,500	7,500	9,466	1,966
Refuse disposal permits	270,000	270,000	289,620	19,620
Street opening permits	10,000	10,000	11,445	1,445
Food establishment	62,000	62,000	71,525	9,525
Pool permits	5,650	5,650	7,550	1,900
Salon permits	3,500	3,500	6,400	2,900
Private sewage disposals	28,000	28,000	36,325	8,325
Water supply permits	4,000	4,000	7,000	3,000
Other health permits	1,000	1,000	820	(180)
Total licenses and permits	2,855,650	2,855,650	3,697,988	842,338
Intergovernmental:				
Capital improvement grant	109,397	109,397	110,587	1,190
State grant misc	40,000	40,000	152,560	112,560
Taxes on State-owned land	114,722	114,722	97,209	(17,513)
Pequot distribution	7,915	7,915	7,521	(394)
Disabled persons	100	100	186	86
Circuit breaker	65,000	65,000	69,585	4,585
Elderly tax exemption	2,000	2,000	-	(2,000)
Veterans' exemption	1,700	1,700	2,191	491

(Continued)

Required Supplementary Information (Unaudited)
Schedule of Revenues and Other Financing Sources - Budget And Actual - General Fund
(Non-GAAP Budgetary Basis) (Continued)
For The Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Intergovernmental:				
Court fines	\$ 24,000	\$ 24,000	\$ 55,653	\$ 31,653
Infrastructure - Town Aid/LOCIP	166,082	166,082	217,372	51,290
Emergency Storm Damage	-	-	87,368	87,368
State school reimbursement	241,946	241,946	241,946	-
Education cost-sharing grant	1,616,006	1,616,006	1,651,109	35,103
Transportation	324	324	289	(35)
Total intergovernmental	2,389,192	2,389,192	2,693,576	304,384
Charges for Services:				
Channel 79 fees	1,200	1,200	845	(355)
Sale of codes, regulations, etc.	1,000	1,000	1,166	166
ARB fees	1,500	1,500	1,226	(274)
GIS Fees	100	100	-	(100)
Planning and zoning application	51,352	51,352	66,050	14,698
ZBA application fees	16,610	16,610	16,008	(602)
EPC fees	14,402	14,402	20,369	5,967
Other charges	10,000	10,000	24,161	14,161
Fingerprinting fee	1,200	1,200	1,840	640
Service for Sewer	55,000	55,000	55,800	800
Freon Dumping fee	6,000	6,000	5,835	(165)
Refuse fee	490,000	490,000	469,174	(20,826)
Service for parking	85,014	85,014	85,014	-
Parking vouchers	19,000	19,000	21,662	2,662
Parking permits	165,000	165,000	141,863	(23,137)
Senior Center Food Program	26,061	26,061	23,353	(2,708)
Senior Center Program Revenue	14,025	14,025	10,255	(3,770)
Youth Commission fee	203,220	203,220	183,095	(20,125)
Beach parking permits	275,000	275,000	258,720	(16,280)
Boat permits	8,000	8,000	6,885	(1,115)
Paddle court	37,890	37,890	60,986	23,096
Parks and Recreation other fees	125,000	125,000	124,931	(69)
Park Facility permit	17,000	17,000	19,745	2,745
Tennis court	500	500	315	(185)
Total charges for services	1,624,074	1,624,074	1,599,298	(24,776)

(Continued)

Required Supplementary Information (Unaudited)
Schedule of Revenues and Other Financing Sources - Budget And Actual - General Fund
(Non-GAAP Budgetary Basis) (Continued)
For The Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Fines and forfeits	\$ 28,000	\$ 28,000	\$ 23,020	\$ (4,980)
Investment Income	150,000	150,000	129,212	(20,788)
Miscellaneous:				
Metro mobile rent	120,000	120,000	139,876	19,876
Misc. other revenue	10,000	10,000	13,506	3,506
Coin operated xerox	16,000	16,000	19,315	3,315
Sale of compost	8,000	8,000	11,289	3,289
Sale of recyclables	20,000	20,000	35,374	15,374
Sale of scrap metal	60,000	60,000	49,464	(10,536)
Rent-Town Hall	25,000	25,000	45,997	20,997
Rent Community Fund	4,625	4,625	4,993	368
Commission on Aging	50,763	50,763	53,067	2,304
Paddle Court Rent	20,000	20,000	1,750	(18,250)
Insurance recoveries	-	-	48,608	48,608
Total miscellaneous	334,388	334,388	423,239	88,851
Total revenues	123,952,746	123,952,746	125,204,306	1,251,560
Other Financing Sources:				
Transfers in:				
Sewer Assessment Fund	550,000	550,000	550,000	-
Sewer Operating Funds	53,807	53,807	53,807	-
Other Funds	35,000	35,000	33,786	(1,214)
Total transfers in	638,807	638,807	637,593	(1,214)

(Continued)

Required Supplementary Information (Unaudited)
Schedule of Revenues and Other Financing Sources - Budget And Actual - General Fund
(Non-GAAP Budgetary Basis) (Continued)
For The Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Appropriation of fund balance	\$ 1,100,000	\$ 2,494,000		\$ (2,494,000)
Total other financing sources	<u>1,738,807</u>	<u>3,132,807</u>	637,593	<u>(2,495,214)</u>
Total revenues and other financing sources	<u>\$ 125,691,553</u>	<u>\$ 127,085,553</u>	125,841,899	<u>\$ (1,243,654)</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. 10,042,000

The Board of Education does not budget for certain intergovernmental grants which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes. 2,002,392

Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds - Exhibit IV \$ 137,886,291

Required Supplementary Information (Unaudited)
Schedule of Expenditures And Other Financing Uses - Budget And Actual - General Fund
(Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
General Government:				
Selectmen's office	\$ 187,134	\$ 188,849	\$ 186,807	\$ 2,042
Administrative Officer	359,732	359,732	343,544	16,188
Human Resources	146,385	147,967	145,873	2,094
RTM	2,300	2,300	1,945	355
Financial management	405,104	405,104	398,839	6,265
Treasurer	23,099	23,804	23,728	76
Board of Finance	31,000	126,165	126,165	-
Tax Assessor	289,199	292,749	289,993	2,756
Tax Collector	245,128	246,701	245,638	1,063
Legal services	518,399	566,168	566,166	2
Town Clerk	291,890	292,625	288,163	4,462
Registrar of Voters	86,324	89,262	83,028	6,234
Information Services	293,579	293,579	280,050	13,529
Elections	30,500	31,484	31,051	433
Probate court	7,400	7,400	6,721	679
Total general government	2,917,173	3,073,889	3,017,711	56,178
Community Environment:				
Development Planning	551,945	559,423	555,103	4,320
Planning and Zoning	9,364	11,329	11,242	87
Zoning Appeals	9,315	7,263	6,998	265
Environmental Protection	5,420	4,447	4,197	250
Regional Planning	7,003	7,003	7,003	-
Beautification	26,000	26,000	26,000	-
Celebrations and observances	10,250	10,250	7,600	2,650
Harbor Master	1,500	1,500	696	804
Total community environment	620,797	627,215	618,839	8,376
Public Safety:				
Building Department	320,469	363,639	340,311	23,328
Police Department:				
Administration	681,529	654,731	644,931	9,800
Criminal Investigation	486,335	460,500	459,568	932
Patrol	4,033,763	4,156,353	4,144,382	11,971
Records	312,066	312,539	304,060	8,479
Youth	194,584	194,865	191,115	3,750
Marine Patrol	10,400	10,400	10,016	384
Professional Standards	175,912	155,859	144,455	11,404
Traffic and School Crossing	71,769	75,259	73,617	1,642
Fleet Services	130,778	127,376	113,778	13,598
Station maintenance and communication	308,533	356,611	339,391	17,220
Prisoner custody	1,500	1,753	1,753	-
Animal Control	73,888	73,613	68,938	4,675
Total Police Department	6,481,057	6,579,859	6,496,004	83,855

(Continued)

Required Supplementary Information (Unaudited)
Schedule of Expenditures And Other Financing Uses - Budget And Actual - General Fund
(Non-GAAP Budgetary Basis) (Continued)
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Fire Service and Emergency Medical Service:				
Darien Fire Department	\$ 166,468	\$ 166,468	\$ 149,880	\$ 16,588
Noroton Fire Department	183,305	183,305	177,775	5,530
Noroton Heights Fire Department	176,844	176,844	175,656	1,188
Board of Fire Commissioners	104,370	104,370	88,670	15,700
Fire Marshal	314,257	316,876	305,527	11,349
Hydrants and main rental	391,150	430,540	430,540	-
Disaster preparedness	23,730	23,730	23,187	543
Emergency medical service	104,263	129,692	128,962	730
Total fire service and emergency medical service	1,464,387	1,531,825	1,480,197	51,628
Total public safety	8,265,913	8,475,323	8,316,512	158,811
Public Works:				
Management and Engineering	344,186	343,935	343,839	96
Roadway and walkway maintenance	2,644,457	2,782,315	2,782,239	76
Waste Management	1,130,578	1,175,558	1,167,570	7,988
Public building management	415,337	467,145	467,139	6
Parking facility	57,989	56,568	56,513	55
Total public works	4,592,547	4,825,521	4,817,300	8,221
Health and Social Services:				
Social services	208,055	210,780	206,054	4,726
Social service - outside assistance	24,000	24,000	11,122	12,878
Senior Center	393,624	394,204	385,469	8,735
Senior transportation	50,763	54,240	54,240	-
Youth programs	329,435	329,978	301,803	28,175
Youth services grants	53,075	53,075	53,075	-
Other outreach services	8,650	10,265	10,265	-
Health Department	288,108	288,108	262,890	25,218
Total health and social services	1,355,710	1,364,650	1,284,918	79,732
Parks and Recreation:				
Administration	418,657	426,758	425,309	1,449
Beach and court facilities	183,317	186,203	169,504	16,699
Maintenance and repair	407,417	410,235	388,724	21,511
Organized recreation activities	61,853	56,803	37,279	19,524
Grounds, fields, building	244,034	252,442	205,633	46,809
Total parks and recreation	1,315,278	1,332,441	1,226,449	105,992
Overhead and Miscellaneous:				
Employee benefits	5,656,693	5,593,627	5,563,752	29,875
Risk management	910,408	885,601	879,081	6,520
Contingency	554,259	603	-	603
Total overhead and miscellaneous	7,121,360	6,479,831	6,442,833	36,998

(Continued)

Required Supplementary Information (Unaudited)
Schedule of Expenditures And Other Financing Uses - Budget And Actual - General Fund
(Non-GAAP Budgetary Basis) (Continued)
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Library	\$ 3,400,566	\$ 3,400,566	\$ 3,400,566	\$ -
Board of Education - Operations	83,224,929	84,031,929	83,694,555	337,374
Debt Service:				
Schools	8,473,128	8,473,128	8,473,128	-
Town	1,640,642	1,644,271	1,644,271	-
Sewer	684,286	684,675	684,675	-
Total debt service	10,798,056	10,802,074	10,802,074	-
Total expenditures	123,612,329	124,413,439	123,621,757	791,682
Other Financing Uses:				
Transfers out:				
Sewer Fund	-	5,890	5,890	-
OPEB	6,440	6,440	6,440	-
Capital nonrecurring expenditures	2,072,784	2,659,784	2,659,784	-
Total other financing uses	2,079,224	2,672,114	2,672,114	-
Total	\$ 125,691,553	\$ 127,085,553	126,293,871	\$ 791,682

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. 10,042,000

Encumbrances for purchases and commitments ordered but not yet received are reported in the year the order is placed for budgetary purposes, but in the year received for final reporting purposes. 535,278

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. 2,022,392

Total expenditures and other financing uses as reported on the statement of revenues, expenditures and changes in fund balances - general fund - Exhibit IV \$ 138,893,541

Required Supplementary Information (Unaudited)
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget And Actual -
Sewer Operating Fund (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Licenses and permits	\$ 10,000	\$ 10,000	\$ 16,920	\$ (6,920)
Charges for services	3,172,351	3,172,351	3,359,507	(187,156)
Fines and forfeits	35,000	35,000	106,071	(71,071)
Investment income	25,000	25,000	12,109	12,891
Total revenues	3,242,351	3,242,351	3,494,607	(252,256)
Expenditures				
Sewer operations:				
Administration	318,874	328,764	392,109	(63,345)
Collection and pumping	445,309	445,309	451,118	(5,809)
Treatment service	1,920,000	1,920,000	2,592,822	(672,822)
Overhead and miscellaneous	213,361	209,361	163,039	46,322
Total expenditures	2,897,544	2,903,434	3,599,088	(695,654)
Excess (deficiency) of revenues over expenditures	344,807	338,917	(104,481)	443,398
Other Financing Sources (Uses)				
Operating transfers In	-	5,890	5,890	-
Operating transfers out	344,807	344,807	344,807	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ (443,398)	\$ 443,398

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.

14,251

GAAP fund balance change, end of year

\$ (429,147)

**Required Supplementary Information (Unaudited)
Other Post Employment Benefit Plan
June 30, 2014**

Schedule of Funding Progress - OPEB

Actuarial Valuation	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police						
06/30/13	\$ 2,365,805	\$ 5,387,763	\$ 3,021,958	43.9%	\$ 4,294,463	70.37%
06/30/11	\$ 2,133,971	\$ 4,780,656	\$ 2,646,685	44.6%	\$ 3,818,581	69.30%
06/30/09	\$ 1,317,602	\$ 4,821,068	\$ 3,503,467	27.3%	\$ 4,129,118	84.9%
06/30/07	\$ -	\$ 4,276,948	\$ 4,276,948	0.0%	\$ 3,598,772	118.8%
Non-Police						
06/30/13	\$ 1,508,244	\$ 3,899,220	\$ 2,390,976	38.7%	\$ 45,934,076	5.21%
06/30/11	\$ 1,136,257	\$ 3,606,158	\$ 2,469,901	31.5%	\$ 42,742,437	6.28%
06/30/09	\$ 1,081,222	\$ 3,748,552	\$ 2,667,330	28.8%	\$ 41,611,300	6.4%
06/30/07	\$ -	\$ 4,475,369	\$ 4,475,349	0.0%	N/A	N/A

Schedule of Employer Contributions - OPEB

Year Ended June 30,	Police		Non-Police	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2014	\$ 444,733	79.8%	\$ 367,484	100.00%
2013	424,706	77.6%	361,200	100.00%
2012	528,363	81.3%	452,050	100.00%
2011	504,575	80.4%	399,078	76.07%
2010	604,678	295.6%	586,352	184.39%

Required Supplementary Information (Unaudited)
Town and Police Pension Plans
Schedule of Funding Progress
June 30, 2014

Schedule of Funding Progress - Town

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2013	\$ 40,313,620	\$ 48,026,347	\$ 7,712,727	83.94%	\$ 17,271,448	44.7%
2011	\$ 38,173,965	\$ 44,995,779	\$ 6,821,814	84.84%	\$ 16,875,651	40.4%
2009	\$ 33,150,591	\$ 38,943,751	\$ 5,793,160	85.12%	\$ 17,138,717	33.8%
2007	\$ 29,087,137	\$ 32,962,616	\$ 3,875,479	88.24%	\$ 15,196,000	25.5%
2005	\$ 23,754,848	\$ 23,389,933	\$ (364,915)	101.60%	\$ 10,336,236	-3.5%

Schedule of Funding Progress - Police

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2013	\$ 27,781,972	\$ 36,100,388	\$ 8,318,416	76.96%	\$ 4,660,227	178.5%
2011	\$ 27,839,876	\$ 34,622,756	\$ 6,822,880	80.32%	\$ 4,135,601	165.0%
2009	\$ 25,437,366	\$ 31,211,236	\$ 5,773,870	81.50%	\$ 3,960,737	145.8%
2007	\$ 23,459,042	\$ 27,775,450	\$ 4,316,408	84.50%	\$ 3,579,000	120.6%
2005	\$ 23,373,615	\$ 21,101,112	\$ (2,272,503)	110.80%	\$ 3,082,706	-73.7%

Required Supplementary Information (Unaudited)
Town and Police Pension Plans
Schedule of Employer Contributions
June 30, 2014

Schedule of Employer Contributions - Town

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 1,667,416	\$ 1,667,416	100.0%
2013	1,593,296	1,601,430	100.5%
2012	1,671,289	1,671,289	100.0%
2011	1,515,023	1,515,023	100.0%
2010	1,330,023	1,330,023	100.0%
2009	1,231,739	1,231,739	100.0%
2008	1,197,070	1,141,561	95.4%
2007	1,133,022	1,133,022	100.0%
2006	1,127,980	1,127,980	100.0%
2005	953,347	898,319	94.2%

Schedule of Employer Contributions - Police

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 1,220,507	\$ 1,220,507	100.0%
2013	1,119,967	1,125,594	100.5%
2012	1,133,728	1,133,728	100.0%
2011	1,027,782	1,027,782	100.0%
2010	866,685	866,685	100.0%
2009	800,558	800,558	100.0%
2008	807,655	807,655	100.0%
2007	675,337	675,337	100.0%
2006	585,335	585,335	100.0%
2005	490,221	490,221	100.0%

Required Supplementary Information (Unaudited)
Schedule of Changes in the Town's Net Position Liability (Asset) and Related Ratios
Last Fiscal Year
June 30, 2014

	Town	Police
Changes in Net Pension Liability		
Total Pension Liability		
Service cost	\$ 2,272,712	\$ 738,659
Interest on total pension liability	3,653,413	2,761,581
Effect of plan changes	-	-
Effect of economic/demographic gains or (losses)	-	-
Effect of assumption changes or inputs	-	-
Benefit payments	(2,348,549)	(1,784,531)
Net change in total pension liability	3,577,576	1,715,709
Total Pension Liability, beginning	49,865,217	37,697,217
Total pension liability, ending (a)	53,442,793	39,412,926
Fiduciary Net Position		
Employer contributions	\$ 1,667,416	\$ 1,220,507
Member contributions	1,000,728	265,826
Investment income net of investment expenses	8,969,636	6,338,904
Benefit payments	(2,348,549)	(1,784,531)
Administrative expenses	(265,238)	(194,924)
Net change in plan fiduciary net position	9,023,993	5,845,782
Fiduciary Net Position, beginning	53,268,275	37,835,245
Fiduciary net position, ending (b)	62,292,268	43,681,027
Net pension liability (asset), ending = (a) - (b)	\$ (8,849,475)	\$ (4,268,101)
Fiduciary net position as a % of total pension liability (asset)	116.56%	110.83%
Covered payroll	\$ 16,940,293	\$ 3,710,557
Net pension liability (asset) as a % of covered payroll	-52.24%	-115.03%

NOTE: As 2014 is the implementation year, only 2014 information is available.

See Note to Required Supplementary Information

Note to Required Supplementary Information (Unaudited)**June 30, 2013**

Note 1. Stewardship, Compliance and AccountabilityBudgetary Information:

- On the first Tuesday in March, the Boards of Selectmen and Education submit their respective budgets to the Board of Finance.
- On the second Tuesday in March, the Board of Finance conducts a public hearing at which taxpayer comments are heard.
- On or before the third Tuesday in April, the Board of Finance establishes its recommended Budget and the means to finance it including a tax rate for publication and submission to the Representative Town Meeting (RTM).
- On the second Monday in May, the Budget as approved by the Board of Finance is submitted to a Representative Town Meeting at which the budget is legally enacted through passage of a resolution by the RTM. The RTM has authority to either approve the recommended budget or reduce it; it is not permitted to vote an increase. The operating budget includes proposed expenditures and the means of financing them.
- The Board of Finance has the authority to transfer unexpended balances and to establish a process for transfer approval.
- Any subsequent appropriations that alter the total operating budget must be approved by the RTM.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- Except for the accounting for encumbrances, budgets are adopted on a modified accrual basis of accounting.
- The Board of Education, which is not a separate legal entity but a separate department of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and RTM approval.
- Budgeted amounts shown are as originally adopted, or as amended by the Board of Finance and Representative Town Meeting during the course of the year. No additional appropriations were approved during the year.
- Generally, all unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward.

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

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

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

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**Combining and Individual Fund
Financial Statements and Other Schedules**

General Fund

General Fund

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

**Balance Sheet - By Account - General Fund
June 30, 2014**

	General Fund	Animal Control	Land Purchase Option	Solid Waste Management	Special Education Reserve	Waste Disposal	Eliminate Interfund Receivables	Totals
Assets								
Cash and cash equivalents	\$ 18,067,648	\$ 39,034	\$ 68,419	\$ 76,270	\$ -	\$ 89,851	\$ -	\$ 18,341,222
Investments	4,847,344	-	-	-	-	-	-	4,847,344
Receivables:								
Taxes	1,934,072	-	-	-	-	-	-	1,934,072
Intergovernmental	204,670	-	-	-	-	-	-	204,670
Other	680,459	-	-	-	-	-	-	680,459
Due from other funds	2,113,027	-	-	-	100,000	-	(100,000)	2,113,027
Prepaid expenses	574,718	-	-	-	-	-	-	574,718
Total assets	\$ 28,421,938	\$ 39,034	\$ 68,419	\$ 76,270	\$ 100,000	\$ 89,851	\$ (100,000)	\$ 28,695,512
Liabilities, Deferred Inflows of of Resources and Fund Balances								
Liabilities								
Accounts and other payables	\$ 2,787,332	\$ 10,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,797,935
Due to other funds	5,630,058	-	-	-	-	-	(100,000)	5,530,058
Total liabilities	8,417,390	10,603	-	-	-	-	(100,000)	8,327,993
Deferred Inflows of Resources								
Unavailable revenue	1,901,832	-	-	-	-	-	-	1,901,832
Total deferred inflows of resources	1,901,832	-	-	-	-	-	-	1,901,832
Fund Balances								
Nonspendable	574,718	-	-	-	-	-	-	574,718
Assigned	1,045,531	28,431	68,419	76,270	100,000	89,851	-	1,408,502
Unassigned	16,482,467	-	-	-	-	-	-	16,482,467
Total fund balances	18,102,716	28,431	68,419	76,270	100,000	89,851	-	18,465,687
Total liabilities, deferred inflows of resources, and fund balances	\$ 28,421,938	\$ 39,034	\$ 68,419	\$ 76,270	\$ 100,000	\$ 89,851	\$ (100,000)	\$ 28,695,512

**Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund
For the Year Ended June 30, 2014**

	General Fund	Animal Control	Land Purchase Option	Solid Waste Management	Special Education Reserve	Waste Disposal	Eliminate Interfund Transfers	Totals
Revenues								
Property taxes	\$ 116,637,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,637,973
Intergovernmental	14,737,968	-	-	-	-	-	-	14,737,968
Licenses and permits	3,691,688	-	-	-	-	-	-	3,691,688
Charges for services	1,601,353	-	-	-	-	-	-	1,601,353
Fines and forfeits	27,265	-	-	-	-	-	-	27,265
Investment income	129,212	-	-	-	-	-	-	129,212
Miscellaneous	423,239	-	-	-	-	-	-	423,239
Total revenues	137,248,698	-	-	-	-	-	-	137,248,698
Expenditures								
Current:								
General government	3,044,649	-	1,500	-	-	-	-	3,046,149
Community environment	618,838	-	-	-	-	-	-	618,838
Public safety	8,298,509	-	-	-	-	-	-	8,298,509
Public health and social services	1,273,798	-	-	-	-	-	-	1,273,798
Library	3,400,566	-	-	-	-	-	-	3,400,566
Parks and recreation	1,226,178	-	-	-	-	-	-	1,226,178
Public works	4,790,208	-	-	-	-	-	-	4,790,208
Board of Education	96,322,274	-	-	-	-	-	-	96,322,274
General overhead	6,449,274	-	-	-	-	-	-	6,449,274
Debt service	10,802,073	-	-	-	-	-	-	10,802,073
Total expenditures	136,226,367	-	1,500	-	-	-	-	136,227,867
Revenues over expenditures	1,022,331	-	(1,500)	-	-	-	-	1,020,831
Other Financing Sources (Uses)								
Transfers in	637,593	-	-	-	-	-	-	637,593
Transfers out	(2,665,674)	-	-	-	-	-	-	(2,665,674)
Net other financing sources (uses)	(2,028,081)	-	-	-	-	-	-	(2,028,081)
Net change in fund balances	(1,005,750)	-	(1,500)	-	-	-	-	(1,007,250)
Fund Balances, beginning of year	19,108,466	28,431	69,919	76,270	100,000	89,851	-	19,472,937
Fund Balances, end of year	\$ 18,102,716	\$ 28,431	\$ 68,419	\$ 76,270	\$ 100,000	\$ 89,851	\$ -	\$ 18,465,687

Report of Property Tax Collection
For the Year Ended June 30, 2014

Grand List Year	Balance Uncollected June 30, 2013	Current Levy	Lawful Corrections			Adjusted Taxes Collectable	Collections				Uncollected Taxes June 30, 2014
			Additions	Deletions	Transfers to Suspense		Taxes	Interest	Liens	Total	
1997	\$ 6,354	\$ -	\$ -	\$ -	\$ -	\$ 6,354	\$ -	\$ -	\$ -	\$ -	\$ 6,354
1998	8,365	-	-	-	-	8,365	-	-	-	-	8,365
1999	10,218	-	-	-	4,003	6,215	-	14	-	14	6,215
2000	10,646	-	-	-	4,298	6,348	-	-	-	-	6,348
2001	10,798	-	-	-	4,592	6,206	-	-	-	-	6,206
2002	22,108	-	-	-	4,904	17,204	4,441	4,951	24	9,416	12,763
2003	31,667	-	-	-	4,121	27,546	5,387	9,282	24	14,693	22,159
2004	34,531	-	-	-	4,490	30,041	5,869	9,524	24	15,417	24,172
2005	34,382	-	-	-	4,621	29,761	6,041	8,329	24	14,394	23,720
2006	48,811	-	-	-	4,783	44,028	15,227	11,456	48	26,731	28,801
2007	65,923	-	-	-	5,017	60,906	20,201	19,259	48	39,508	40,705
2008	43,185	-	-	48,811	6,622	(12,248)	(45,626)	19,819	96	(25,711)	33,378
2009	138,344	-	-	50,576	35,421	52,347	6,261	37,268	120	43,649	46,086
2010	288,356	-	4,255	60,986	7,105	224,520	93,579	59,624	312	153,515	130,941
2011	562,295	-	7,311	67,198	7,385	495,023	217,667	100,193	1,056	318,916	277,356
Total prior years	1,315,983	-	11,566	227,571	97,362	1,002,616	329,047	279,719	1,776	610,542	673,569
2012	-	116,361,696	440,792	317,367	7,670	116,477,451	115,662,835	242,041	-	115,904,876	814,616
	<u>\$ 1,315,983</u>	<u>\$ 116,361,696</u>	<u>\$ 452,358</u>	<u>\$ 544,938</u>	<u>\$ 105,032</u>	<u>\$ 117,480,067</u>	<u>\$ 115,991,882</u>	<u>\$ 521,760</u>	<u>\$ 1,776</u>	<u>\$ 116,515,418</u>	<u>\$ 1,488,185</u>

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Nonmajor Governmental Funds

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

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Town of Darien, Connecticut

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2014

	Special Revenue					
	Cafeteria	Special Education Grants	Police Extra Duty	False Police Alarm	Fire Alarm	State and Federal Grants
Assets						
Cash and cash equivalents	\$ 314,960	\$ 358,296	\$ 308,180	\$ 46,416	\$ 23,792	\$ 229,032
Investments	-	-	-	-	-	-
Receivables:						
Intergovernmental	-	-	-	-	-	299
Other	-	-	130,981	32,994	623	-
Due from other funds	-	885	-	-	-	-
Total assets	\$ 314,960	\$ 359,181	\$ 439,161	\$ 79,410	\$ 24,415	\$ 229,331
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)						
Liabilities						
Accounts and other payables	\$ 197,859	\$ 1,509	\$ 40,651	\$ 26,253	\$ 1,535	\$ -
Due to other funds	-	-	32,140	-	-	950
Unearned revenue	119,690	-	-	-	-	-
Total liabilities	317,549	1,509	72,791	26,253	1,535	950
Fund Balances (Deficits)						
Restricted	-	357,672	-	-	-	228,381
Committed	-	-	366,370	53,157	22,880	-
Unassigned	(2,589)	-	-	-	-	-
Total fund balance (deficits)	(2,589)	357,672	366,370	53,157	22,880	228,381
Total liabilities deferred inflows of resources and fund balances	\$ 314,960	\$ 359,181	\$ 439,161	\$ 79,410	\$ 24,415	\$ 229,331

Parking Operations	Special Revenue					Capital Projects	Debt Service	Total Nonmajor Governmental Funds
	Affordable Housing Trust	Storm Recovery Fund	Park Pals Play Area Trust	Weed Beach Donations	Miscellaneous Trusts	Stadium Field	Debt Service	
\$ 1,348,040	\$ 14	\$ 368,660	\$ 30,617	\$ 4,289	\$ 75,998	\$ 1,350	\$ 192,517	\$ 3,302,161
-	363,025	-	-	-	-	-	-	363,025
-	-	-	-	-	-	-	-	299
-	132	-	-	-	-	-	-	164,730
7,656	-	-	-	-	-	-	-	8,541
<u>\$ 1,355,696</u>	<u>\$ 363,171</u>	<u>\$ 368,660</u>	<u>\$ 30,617</u>	<u>\$ 4,289</u>	<u>\$ 75,998</u>	<u>\$ 1,350</u>	<u>\$ 192,517</u>	<u>\$ 3,838,756</u>
\$ 12,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280,777
313,544	-	152,913	-	-	-	-	192,517	692,064
-	-	-	-	-	-	-	-	119,690
<u>326,514</u>	<u>-</u>	<u>152,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,517</u>	<u>1,092,531</u>
1,029,182	-	-	30,617	4,289	75,998	-	-	1,726,139
-	363,171	215,747	-	-	-	1,350	-	1,022,675
-	-	-	-	-	-	-	-	(2,589)
<u>1,029,182</u>	<u>363,171</u>	<u>215,747</u>	<u>30,617</u>	<u>4,289</u>	<u>75,998</u>	<u>1,350</u>	<u>-</u>	<u>2,746,225</u>
<u>\$ 1,355,696</u>	<u>\$ 363,171</u>	<u>\$ 368,660</u>	<u>\$ 30,617</u>	<u>\$ 4,289</u>	<u>\$ 75,998</u>	<u>\$ 1,350</u>	<u>\$ 192,517</u>	<u>\$ 3,838,756</u>

Town of Darien, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds
 For The Year Ended June 30, 2014

	Special Revenue					State and Federal Grants
	Cafeteria	Special Education Grants	Police Extra Duty	False Police Alarm	Fire Alarm	
Revenues						
Intergovernmental	\$ -	\$ 1,071,356	\$ -	\$ -	\$ -	\$ 138,767
Licenses and permits	-	-	-	-	-	-
Charges for services	2,304,024	-	565,925	-	-	-
Fines and forfeits	-	-	-	86,227	20,955	-
Investment income	1,372	-	-	2,364	1,164	-
Contributions	-	114,509	-	-	-	3,900
Miscellaneous	21,658	-	-	-	-	-
Total revenues	2,327,054	1,185,865	565,925	88,591	22,119	142,667
Expenditures						
Current:						
General government	-	-	-	-	-	7,832
Public safety	-	-	563,944	102,516	20,027	-
Public health and social services	-	-	-	-	-	102,329
Parks and recreations	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Board of Education	2,325,360	1,008,692	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	2,325,360	1,008,692	563,944	102,516	20,027	110,161
Excess (deficiency) of revenues over expenditures	1,694	177,173	1,981	(13,925)	2,092	32,506
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers out	-	-	(33,786)	-	-	-
Payment to escrow agent	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(33,786)	-	-	-
Net change in fund balance (deficit)	1,694	177,173	(31,805)	(13,925)	2,092	32,506
Fund Balance (Deficit), beginning of year	(4,283)	180,499	398,175	67,082	20,788	195,875
Fund Balance (Deficit), end of year	\$ (2,589)	\$ 357,672	\$ 366,370	\$ 53,157	\$ 22,880	\$ 228,381

Parking Operations	Special Revenue					Capital Projects	Debt Service	Total Nonmajor Governmental Funds
	Affordable Housing Trust	Storm Recovery Fund	Park Pals Play Area Trust	Weed Beach Donations	Miscellaneous Trusts	Stadium Field	Debt Service	
\$ -	\$ -	\$ 543,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,753,308
676,060	-	-	-	-	-	-	-	676,060
-	-	-	-	-	-	-	-	2,869,949
75,115	-	-	-	-	-	-	-	182,297
-	937	-	-	-	-	-	-	5,837
-	-	-	-	-	20,432	-	-	138,841
19,478	-	-	-	-	-	-	-	41,136
<u>770,653</u>	<u>937</u>	<u>543,185</u>	<u>-</u>	<u>-</u>	<u>20,432</u>	<u>-</u>	<u>-</u>	<u>5,667,428</u>
-	-	76,011	-	-	10,808	-	-	94,651
-	-	-	-	-	-	-	-	686,487
-	-	-	-	-	3,094	-	-	105,423
-	-	-	-	-	-	-	-	-
429,569	-	-	-	-	-	-	-	429,569
-	-	-	-	-	500	-	-	3,334,552
-	-	-	-	-	-	-	192,517	192,517
<u>429,569</u>	<u>-</u>	<u>76,011</u>	<u>-</u>	<u>-</u>	<u>14,402</u>	<u>-</u>	<u>192,517</u>	<u>4,843,199</u>
<u>341,084</u>	<u>937</u>	<u>467,174</u>	<u>-</u>	<u>-</u>	<u>6,030</u>	<u>-</u>	<u>(192,517)</u>	<u>824,229</u>
-	-	-	-	-	-	-	-	-
<u>(299,718)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(333,504)</u>
-	-	-	-	-	-	-	-	-
<u>(299,718)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(333,504)</u>
41,366	937	467,174	-	-	6,030	-	(192,517)	490,725
987,816	362,234	(251,427)	30,617	4,289	69,968	1,350	192,517	2,255,500
<u>\$ 1,029,182</u>	<u>\$ 363,171</u>	<u>\$ 215,747</u>	<u>\$ 30,617</u>	<u>\$ 4,289</u>	<u>\$ 75,998</u>	<u>\$ 1,350</u>	<u>\$ -</u>	<u>\$ 2,746,225</u>

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Parking Operations Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Parking Operations Fund - Budget and Actual - (Non-GAAP Budgetary Basis) For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Licenses and permits	\$ 670,000	\$ 670,000	\$ 676,059	\$ 6,059
Fines and forfeits	80,000	80,000	71,190	(8,810)
Investment income	1,000	1,000	-	(1,000)
Miscellaneous income	18,000	18,000	23,403	5,403
Total revenues	<u>769,000</u>	<u>769,000</u>	<u>770,652</u>	<u>1,652</u>
Expenditures				
Parking operations	769,000	769,000	735,459	(33,541)
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>35,193</u>	<u>\$ 35,193</u>
Fund Balance , beginning of year			<u>989,073</u>	
Fund Balance , end of year			1,024,266	
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>4,916</u>	
GAAP Fund Balance , end of year			<u>\$ 1,029,182</u>	

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Fiduciary Funds

Fiduciary Funds

Agency Fund

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

**Statement of Changes in Assets and Liabilities - Student Activities Fund -
Agency Fund
For the Year Ended June 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Assets				
Cash and cash equivalents	\$ 400,258	\$ 1,490,706	\$ 1,482,490	\$ 408,474
Liabilities				
Accounts and other payables	\$ 400,258	\$ 1,490,706	\$ 1,482,490	\$ 408,474

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Statistical Section

Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

Net Position By Component (Unaudited)
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities:										
Net investment in capital assets	\$ 96,371	\$ 97,749	\$ 89,762	\$ 88,823	\$ 89,614	\$ 93,214	\$ 84,591	\$ 80,136	\$ 67,136	\$ 66,144
Restricted	1,942	1,469	5,616	1,102	-	-	-	-	-	-
Unrestricted	28,865	26,101	23,629	28,719	27,522	24,183	32,028	36,389	30,178	22,645
Total governmental activities net position	\$ 127,178	\$ 125,319	\$ 119,007	\$ 118,644	\$ 117,136	\$ 117,397	\$ 116,619	\$ 116,525	\$ 97,314	\$ 88,789

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities:										
General government	\$ 4,493	\$ 4,329	\$ 4,116	\$ 4,117	\$ 3,715	\$ 3,989	\$ 3,977	\$ 3,478	\$ 3,546	\$ 3,127
Community environment	873	846	838	841	910	939	902	863	643	655
Public safety	13,886	12,695	12,026	12,059	11,339	11,410	11,433	9,682	9,344	9,145
Health and social services	1,971	2,373	1,652	1,447	1,395	1,341	1,354	1,416	1,252	1,079
Library	3,401	3,264	3,186	3,131	3,061	2,944	2,516	2,388	2,300	2,186
Parks and recreation	2,188	1,715	2,901	1,715	1,522	1,811	1,776	1,571	1,500	1,296
Public works	7,194	6,444	7,143	5,872	6,904	5,290	5,489	7,494	3,526	3,297
Board of Education	104,235	97,796	94,266	88,077	85,558	84,964	96,894	71,884	70,118	60,356
Sewer operations	3,585	3,065	2,739	3,312	3,656	3,044	4,315	2,061	2,114	2,140
Solid waste	-	-	-	1,207	1,223	1,293	1,198	1,318	1,580	1,418
Interest on long-term debt	2,836	2,765	4,118	3,703	4,193	1,731	4,329	3,523	2,947	3,421
Total governmental activities expenses	144,661	135,292	132,985	125,481	123,476	118,756	134,183	105,678	98,870	88,120
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	1,762	1,779	1,392	1,448	1,361	782	1,779	1,906	2,051	2,119
Community environment	104	98	87	70	57	56	80	70	75	36
Public safety	2,476	2,517	1,793	1,678	1,830	2,755	3,695	2,952	-	1,580
Health and social services	295	665	325	291	207	94	118	103	93	72
Parks and recreation	479	480	516	416	388	320	321	326	320	286
Public works	1,628	1,636	2,019	1,135	1,115	254	504	209	925	901
Board of Education	2,304	2,208	2,176	2,050	2,131	1,940	1,835	1,873	1,785	1,702
Sewer operations	3,621	5,335	3,088	2,592	2,485	2,824	3,436	3,596	3,201	2,936
Solid waste	-	-	-	767	999	940	972	1,187	1,405	1,195
Operating grants and contributions:										
General government	56	32	-	-	-	22	25	29	17	54
Community environment	-	-	-	-	-	-	-	-	-	2
Public safety	-	-	42	42	27	69	62	47	2,102	29
Health and social services	163	149	68	74	203	384	229	323	201	182
Parks and recreation	-	-	-	-	-	-	6	-	45	-
Public works	-	-	-	-	-	-	-	-	23	70
Board of Education	14,901	13,443	13,260	11,909	10,964	10,992	29,883	8,096	3,703	4,895
Sewer operations	-	-	-	-	-	-	-	-	-	1
Interest on long-term debt	-	-	-	-	-	77	77	86	92	173
Capital grants and contributions:										
General government	146	324	110	109	-	-	-	-	-	109
Public safety	-	-	34	278	345	5	93	-	76	-
Health and social services	-	-	-	2	10	35	35	32	32	31
Parks and recreation	-	-	4	10	67	165	-	-	-	41
Public works	1,130	83	167	393	604	297	2,098	1,580	3,007	111
Board of Education	-	-	1	34	191	26	2,270	2,999	2,010	3,828
Sewer operations	-	-	-	-	-	-	-	-	1,433	-
Total governmental activities program revenues	29,066	28,749	25,082	23,298	22,984	22,037	47,518	25,414	22,596	20,353
Net (expense)/revenue										
Governmental activities	(115,594)	(106,543)	(107,903)	(102,183)	(100,492)	(96,719)	(86,665)	(80,264)	(76,274)	(67,767)
Total primary government net expense	(115,594)	(106,543)	(107,903)	(102,183)	(100,492)	(96,719)	(86,665)	(80,264)	(76,274)	(67,767)

Changes in Net Position (Unaudited) (Continued)
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General revenues and other changes										
in net expenses										
Governmental activities:										
Property taxes	\$ 116,634	\$ 111,719	\$ 106,666	\$ 102,220	\$ 99,221	\$ 96,462	\$ 90,508	\$ 85,996	\$ 82,426	\$ 74,497
Grants and contributions not										
restricted to specific										
purposes	177	241	332	341	214	162	227	255	276	293
Unrestricted investment earnings	154	211	848	655	218	585	1,924	2,855	1,709	867
Other general revenues	489	685	420	475	578	288	252	610	387	469
Total governmental										
activities	117,454	112,856	108,266	103,691	100,231	97,497	92,911	89,716	84,798	76,126
Special items	-	-	-	-	-	-	(6,207)	-	-	-
Changes in net position										
Governmental activities	<u>\$ 1,859</u>	<u>\$ 6,313</u>	<u>\$ 363</u>	<u>\$ 1,508</u>	<u>\$ (261)</u>	<u>\$ 778</u>	<u>\$ 39</u>	<u>\$ 9,452</u>	<u>\$ 8,524</u>	<u>\$ 8,359</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.

Fund Balances, Governmental Funds (Unaudited)
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General fund										
Nonspendable	\$ 575	\$ 659	\$ 598	\$ 47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,409	1,410	930	522	-	-	-	-	-	-
Unassigned	16,482	17,404	17,008	17,160	-	-	-	-	-	-
Reserved	-	-	-	-	130	81	178	267	229	393
Unreserved	-	-	-	-	16,645	15,999	17,410	16,780	13,636	10,284
Total general fund	\$ 18,466	\$ 19,473	\$ 18,536	\$ 17,729	\$ 16,775	\$ 16,080	\$ 17,588	\$ 17,047	\$ 13,865	\$ 10,677
All other governmental funds										
Nonspendable	\$ 10	\$ 10	\$ 10	\$ 22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	4,148	4,609	5,594	5,435	-	-	-	-	-	-
Committed	5,273	5,566	7,205	6,765	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(3)	(709)	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	1,848	2,895	7,636	4,030	2,308	3,892
Unreserved, reported in:										
Special revenue funds	-	-	-	-	5,974	7,416	8,482	7,687	7,445	7,318
Capital project funds	-	-	-	-	(2,561)	(6,535)	(8,365)	(11,583)	(323)	(3,886)
Total all other governmental funds	\$ 9,428	\$ 9,476	\$ 12,809	\$ 12,222	\$ 5,261	\$ 3,776	\$ 7,753	\$ 134	\$ 9,430	\$ 7,324

Notes:

- Schedule prepared on the accrual basis of accounting.

Changes in Fund Balances, Governmental Funds (Unaudited)
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Property taxes	\$ 116,638	\$ 112,058	\$ 106,518	\$ 102,076	\$ 98,968	\$ 96,223	\$ 90,533	\$ 85,837	\$ 82,435	\$ 74,866
Intergovernmental revenues	16,796	14,859	14,415	13,258	12,852	11,893	32,803	11,135	9,351	9,954
Charges for services	13,230	13,216	11,827	11,096	10,966	8,530	9,072	8,690	12,289	10,918
Income on investments	154	211	240	258	218	585	1,924	2,855	1,709	881
Miscellaneous	489	685	420	475	578	2,543	4,245	5,257	1,114	496
Total revenues	147,307	141,029	133,420	127,163	123,582	119,774	138,577	113,774	106,898	97,115
Expenditures										
General government	3,400	2,951	3,071	3,014	3,924	2,796	2,887	2,614	2,554	2,314
Community environment	627	598	591	595	658	650	637	560	457	453
Public safety	9,561	8,953	8,259	8,098	9,332	8,139	8,293	7,119	6,686	6,887
Health and social services	1,379	1,217	1,232	1,098	1,088	1,086	1,086	1,056	954	894
Library	3,401	3,264	3,186	3,132	3,061	2,944	2,516	2,388	2,300	2,186
Parks and recreation	1,226	1,337	1,127	1,099	1,100	1,091	1,011	940	936	941
Public works	5,522	5,087	4,547	3,538	3,084	3,340	3,085	2,684	2,494	2,587
Schools	100,977	93,369	89,696	84,091	80,551	77,693	92,358	67,071	64,797	57,102
Sewer operations	3,585	3,065	2,739	3,312	3,656	3,044	4,315	2,061	2,114	2,141
Solid waste	-	-	-	5,701	5,126	1,293	1,198	1,318	1,580	1,418
General overhead	6,449	5,897	5,719	1,207	1,222	4,417	4,426	4,170	3,947	3,018
Capital outlay	6,670	6,984	15,906	7,321	2,572	8,212	18,299	18,973	13,961	24,929
Debt service:										
Principal	8,022	7,954	7,145	6,264	6,838	7,112	6,112	5,501	5,851	4,180
Interest	3,043	2,925	2,950	3,177	3,337	3,552	3,869	3,433	3,293	3,005
Total expenditures	153,862	143,601	146,168	131,647	125,549	125,369	150,092	119,888	111,924	112,055
Excess of revenues over (under) expenditures	(6,555)	(2,572)	(12,748)	(4,484)	(1,967)	(5,595)	(11,515)	(6,114)	(5,026)	(14,940)
Other Financing Sources (Uses)										
Transfers in	3,894	3,907	2,400	3,044	4,405	6,977	8,240	5,446	3,501	3,605
Transfers out	(3,894)	(3,907)	(2,400)	(3,044)	(4,405)	(6,977)	(8,240)	(5,446)	(3,501)	(3,605)
Issuance of debt	5,500	33,610	14,000	12,000	11,305	30,344	19,500	-	40,215	17,400
Payment to escrow agent	-	(36,512)	-	-	(12,308)	(30,234)	-	-	(29,894)	-
Bond premium	-	3,078	608	398	1,151	-	175	-	-	-
Issuance of BAN	-	-	-	-	4,000	-	-	-	-	-
Total other financing sources (uses)	5,500	176	14,608	12,398	4,148	110	19,675	-	10,321	17,400
Net change in fund balances	\$ (1,055)	\$ (2,396)	\$ 1,860	\$ 7,914	\$ 2,181	\$ (5,485)	\$ 8,160	\$ (6,114)	\$ 5,295	\$ 2,460
Debt Service as a Percentage of Noncapital Expenditures	7.49%	7.91%	8.40%	7.59%	8.26%	8.10%	7.55%	8.80%	9.04%	8.09%

Notes:

-Schedule prepared on the modified accrual basis of accounting.

**Assessed Value and Estimated Actual Value 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							
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%
2007	5,573,420	405,913	146,438	71,788	209,838	1,823	6,405,574	13.40%	9,150,820	70.00%
2006	5,513,834	398,601	141,646	63,740	209,890	1,720	6,325,991	13.02%	9,037,130	70.00%
2005	5,426,736	399,496	139,631	63,259	195,169	1,841	6,222,450	11.95%	8,891,845	69.98%

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

Principal Property Taxpayers (Unaudited)
(In Thousands)
October 1, 2012 and October 1, 2003

Taxpayer	October 1, 2012 ⁽¹⁾			October 1, 2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Connecticut Light & Power Company	\$ 86,832,009	1	0.98%	\$ -	-	-
Wee Burn Country Club	38,083,717	2	0.43%	22,636	1	0.53%
Avalonbay Communities	36,191,260	3	0.41%	-	-	-
Country Club of Darien	34,481,780	4	0.39%	16,490	4	0.39%
Woodway Country Club	26,334,910	5	0.30%	11,944	6	0.28%
Zotos International	25,952,980	6	0.29%	10,143	8	0.24%
Rivoire, Helen M. et al (Estate)	22,249,220	7	0.25%	17,828	3	0.42%
U.B. Darien Inc.	19,906,740	8	0.22%	-	-	-
9 Old Kings Highway, LLC	17,352,860	9	0.20%	-	-	-
Walsh, Kevin	14,139,720	10	0.16%	-	-	0.00%
William Ziegler III TR et al	-	-	-	22,442	2	0.53%
Goodwives Center	-	-	-	11,302	7	0.27%
Parkland Limited Partnership	-	-	-	9,914	9	0.23%
Darien Green Associates	-	-	-	8,294	10	0.20%
The Nielsen Company	-	-	-	14,309	5	0.34%
Total Taxable Grand List	\$ 321,525,196		3.63%	\$ 145,302		3.43%

Source: Town of Darien, Office of Tax Assessor

⁽¹⁾ Fiscal year is July 1, 2013-June 30, 2014

**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
2014	13.17	\$ 116,477	\$ 115,663	99.30%	\$ -	\$ 115,663	99.30%
2013	12.68	111,676	111,114	99.50%	218	111,332	99.69%
2012	12.20	106,578	106,074	99.53%	281	106,355	99.79%
2011	11.74	102,098	101,469	99.38%	129	101,469	99.38%
2010	11.37	98,640	97,917	99.27%	80	97,997	99.35%
2009	14.55	96,006	95,204	99.16%	708	95,912	99.90%
2008	13.87	90,030	89,494	99.40%	435	89,929	99.89%
2007	13.04	85,538	85,015	99.39%	461	85,476	99.93%
2006	13.02	82,211	81,786	99.48%	419	82,205	99.99%
2005	11.95	74,228	73,870	99.52%	314	74,184	99.94%

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

Ratios of Outstanding Debt by Type (Unaudited)
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Governmental Activities General Obligation Bonds	Ratio of Debt to Taxable Assessed Value	Debt Per Capita	Estimated Personal Income (in thousands)	Debt as Percent of Estimated Personal Income
2014	\$ 89,434	1.01%	\$ 4.19	2,011,440	4.45%
2013	91,499	1.03%	4.33	1,992,655	4.59%
2012	99,877	1.13%	4.77	2,001,574	4.99%
2011	92,150	1.05%	4.44	2,011,978	4.58%
2010	86,414	1.00%	4.30	1,969,278	4.43%
2009	89,722	0.95%	4.43	1,964,814	4.57%
2008	97,940	1.51%	4.84	1,569,450	6.24%
2007	84,551	1.32%	4.14	1,583,791	5.34%
2006	90,052	1.44%	4.43	1,592,783	5.65%
2005	84,097	1.34%	4.24	1,554,178	5.41%

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

Computation of Legal Debt Margin (Unaudited)
June 30, 2014
(In Thousands)

Total tax collections (including interest and lien fees):

For the year ended June 30, 2014:

Town of Darien	\$ 116,515
Taxing districts	605

Reimbursement for revenue loss:

Tax relief for elderly freeze	<u>2</u>
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Base for establishing debt limit	<u>\$ 117,118</u>
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	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
Debt Limitation						
2 1/4 times base	\$ 263,516	\$ -	\$ -	\$ -	\$ -	\$ 263,516
4 1/2 times base	-	527,031	-	-	-	527,031
3 3/4 times base	-	-	439,193	-	-	439,193
3 1/4 times base	-	-	-	380,634	-	380,634
3 times base	-	-	-	-	351,354	351,354
Total debt limitation	<u>263,516</u>	<u>527,031</u>	<u>439,193</u>	<u>380,634</u>	<u>351,354</u>	<u>1,961,728</u>
Debt, as defined by Statute:						
Bonds payable ⁽¹⁾	29,520	51,815	5,578	-	-	86,913
Bonds authorized but unissued	5,104	17,731	2,200	-	-	25,035
Less: School building grants receivable	-	(205)	-	-	-	(205)
Total indebtedness	<u>34,624</u>	<u>69,341</u>	<u>7,778</u>	<u>-</u>	<u>-</u>	<u>111,743</u>
Debt limitation in excess of indebtedness	<u>\$ 228,892</u>	<u>\$ 457,690</u>	<u>\$ 431,415</u>	<u>\$ 380,634</u>	<u>\$ 351,354</u>	<u>\$ 1,849,985</u>

Note 1: Total net indebtedness above amounts of \$111,743 but in no event shall total indebtedness exceed \$819,826 (seven times the base for debt limitation).

Note 2: There is no overlapping debt.

Note 3: School building grants receivable include \$205 of bond principal grants from the State of Connecticut.

**Legal Debt Margin Information (Unaudited)
Last Ten Fiscal Years
(In Thousands)**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt limitation	\$ 819,826	\$ 784,105	\$ 749,266	\$ 719,201	\$ 696,444	\$ 675,052	\$ 632,758	\$ 603,463	\$ 579,026	\$ 525,686
Total net debt applicable to limit	111,743	117,617	124,678	124,982	128,739	138,234	149,470	137,833	127,066	104,528
Legal Debt Margin	\$ 708,083	\$ 666,488	\$ 624,588	\$ 594,219	\$ 567,705	\$ 536,818	\$ 483,288	\$ 465,630	\$ 451,960	\$ 421,158
Total net debt applicable to the limit as percentage of debt limit	13.63%	15.00%	16.64%	17.38%	18.49%	20.48%	23.62%	22.84%	21.94%	19.88%

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

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

**Demographic and Economic Statistics (Unaudited)
Last Ten Calendar Years**

Calendar Year	Population ⁽¹⁾	Estimated Personal Income (In Thousands)	Per Capita Income ⁽²⁾	Median Age ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2014	21,330	\$ 2,011,440	\$ 94,301	29.1	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%
2007	20,431	1,583,791	77,519	38.0	4,587	3.2%
2006	20,547	1,592,783	77,519	38.0	4,468	3.0%
2005	20,049	1,554,178	77,519	38.0	4,378	3.6%
2004	20,049	1,554,178	77,519	38.0	3,927	2.0%

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

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

⁽³⁾ Darien Board of Education.

⁽⁴⁾ State of CT Department of Labor.

**Principal Employers (Unaudited)
2014 and 2005**

Employer	Nature of Business	2014			2005		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Darien	Municipality	922	1	10.45%	814	1	9.76%
Zoto's International	Hair Care Products	240	2	2.72%	125	5	0
Colangelo Synergy Marketing	Marketing	160	3	1.81%	-		0.00%
Ring's End, Inc.	Building Supplies	124	4	1.41%	139	4	1.67%
BMW of Darien	Automotive Sales	94	5	1.07%	60	8	0.72%
CRA Rogers Casey	Investment Consulting	80	6	0.91%	80	6	0.96%
Miller Automotive	Automotive Sales	70	7	0.79%	-		-
Sterling Glen	Assisted Living Center	68	8	0.77%	-		-
U.S. Postal Service	Mail Delivery	30	9	0.34%	65	7	0.78%
Darien Health Care Center	Nursing Home	-		-	140	3	1.68%
DHL	Air Freight Traffic	-		-	300	2	3.60%
Life Study Fellowship Foundation	Publisher of Religious Materials	-		-	43	9	0.52%
Cantor Fitzgerald	Financial Services	-		-	40	10	0.48%
		<u>1,788</u>		<u>20.3%</u>	<u>1,806</u>		<u>21.6%</u>

Source: Town of Darien survey.
U.S. Department of Commerce, Bureau of Census, 2000.

Town of Darien, Connecticut

Table 13

**Full-Time Equivalent Town Government Employees by Function/Program (Unaudited)
Last Ten Fiscal Years**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government	42	42	43	42	44	44	41	41	41	43	43
Police	58	58	58	57	57	57	57	57	57	55	55
Public Works	26	26	26	26	28	28	26	25	26	26	27
Sewer Authority	3	3	3	2	4	4	4	4	4	4	4
Parks and Recreation	9	9	9	9	9	9	8	8	8	8	8
Education	790	760	760	785	791	790	751	717	697	698	669
Total	928	898	899	921	933	932	887	852	833	834	806

Town of Darien, Connecticut

Table 14

**Operating Indicators by Function/Program (Unaudited)
Last Ten Fiscal Years**

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government:										
Building permits issued	811	\$ 806	\$ 607	\$ 700	\$ 619	\$ 555	\$ 820	\$ 876	\$ 901	\$ 885
Building inspections conducted	4,155	3,435	2,533	2,859	2,692	2,903	3,871	3,702	4,266	-
Police:										
Calls Answered	17,546	18,288	19,621	19,156	20,261	16,309	21,076	21,591	21,069	20,839
Criminal Arrests	136	205	261	287	295	287	375	246	206	206
Motor Vehicle Arrests	2,129	2,355	3,280	3,081	3,903	3,168	3,463	3,451	2,062	1,993
DWI Arrests	60	73	56	51	76	84	101	71	-	-
Morning Vehicle Warnings	500	525	759	634	755	265	910	834	1,139	929
Accidents	519	551	589	550	558	585	606	652	683	685
Fire:										
Emergency responses	1,262	1,259	1,454	1,295	1,248	1,245	1,189	1,495	1,375	1,269
Fires extinguished	32	42	85	67	35	63	67	57	75	69
Inspections	192	189	319	371	367	386	677	397	410	293
Other Public Works:										
Street resurfacing (miles)	3	3.1	3.1	3.00	1.90	2.89	3.30	3.00	2.20	2.94
Parks and Recreation:										
Facility permits issued	1,565	489	496	484	697	784	770	666	722	-
Beach permits issued	7,846	7,365	7,137	7,129	6,769	6,605	6,660	6,646	6,671	6,806
Boat permits issued	153	168	171	195	183	191	188	202	-	-
Program registrations	3,370	4,355	3,930	4,052	3,787	2,730	2,895	3,125	2,619	2,511
Youth Programs:										
Summer camp registrations	297	344	371	330	400	430	489	645	-	-
Teen program registrations	1,142	1,147	1,121	1,054	1,226	1,231	1,343	1,354	-	-

**Capital Asset Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years**

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	3
	3									
Other public works:										
Streets (miles)	81	81	81	81	81	81	81	81	81	81
Streetlights	834	834	828	828	828	828	827	827	827	827
Traffic signals	12	12	12	12	12	11	11	10	10	10
Parks and recreation:										
Acreage	207	207	207	207	207	207	207	207	207	207
Parks	13	13	13	13	13	13	13	13	13	13
Tennis courts	10	10	10	10	10	10	10	10	10	10
Paddle tennis courts	5	5	5	5	5	5	5	5	0	0
Water:										
Fire hydrants	605	560	550	545	512	512	512	512	534	522
Wastewater:										
Sanitary sewers (miles)	81.2	81.2	81.2	79.2	79.2	79.2	79.2	79.2	79	77
Pump stations	14	14	14	14	14	14	14	14	14	13