

Comprehensive Annual Financial Report

of the

Town of Darien Connecticut

Fiscal Year Ended June 30, 2005

Prepared by:
Finance Department
Kathleen A. Clarke
Finance Officer

TOWN OF DARIEN, CONNECTICUT

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December 1, 2005

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, 2005. 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 Scully & Wolf, LLP as the Town's independent auditor for the year 2004-2005. In addition to meeting the requirements set forth in State Statutes, the audit was also designed to meet the requirements of the Federal and State Single Audit Acts. The auditors' report on the basic financial statements is in the financial section of this report. The auditors' reports related specifically to the Federal and State Single Audits are issued in separate reports.

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

ORGANIZATION AND SERVICES

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

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

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

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

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

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

ECONOMIC CONDITION AND OUTLOOK

Darien is a community with high per capita income and housing values. Unemployment in Darien is lower than the state and national averages, standing at 3.5 percent compared to 5.4 and 5.2 for the state and nation. This is in keeping with the trends of the last ten years and is expected to remain stable.

Inflation in Darien is higher than the national average. There is no predominant industry or employer in Darien. As a suburb of New York City, many residents are executives, professional, technical and managerial people employed in New York City and at industrial and corporate headquarters of nationally known firms located in surrounding Fairfield County communities. Darien is an active retail community, despite its proximity to larger retail centers, with several shopping centers and many specialty shops. The Town of Darien recently became part of the Connecticut Main Street Center program. The Town provided funding for Darien Revitalization Inc., which, through the Main Street program, will work to assist downtown businesses to improve their marketing and appearance and attract new and increased business.

The tax base is primarily residential (approximately 95%) with a limited number of commercial office and retail buildings. The value of local construction increased to \$164,776,119, in 2004-2005 representing a 28.1% increase over the previous year. A total of 885 building permits were issued. Building permits have steadily increased over the last ten years, both in number issued and in value, with a slight distortion in 2003, when permits were issued for the new Darien High School. Growth in Darien will continue to be gradual, due to the limited amount of land available for development.

Property taxes comprise 90.42% of Town General Fund revenues and the current property tax collection rate remains strong at 99.5%. Delinquent collections also remain strong, so that the ratio of total tax collections to the current tax levy is 99.5%.

Intergovernmental revenues represent a small portion of Town revenues, reflecting only 2.4% in the current year. As a result of the Town's heavy reliance on property taxes and continually increasing student enrollment projections, the Board of Finance is preparing a five year financial plan that assumes property tax increases averaging slightly more than 5% for the period. School enrollment is expected to increase 2.6% over the next five years, raising education operating costs, but with no further need for additional classroom space. The replacement of the existing high school with a new high school is near completion. Construction began in the fall of 2002. The property tax mill rate enacted for 2005-2006, 13.02, represented an increase of 8.9% which was slightly over the projected average.

LONG-TERM FINANCIAL PLANNING

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

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

The Town and Board of Education are covered under a fully insured medical insurance plan. Dental and pharmaceutical coverage is self-insured and is being viewed as a manageable financial risk. The Town is responsible for property losses due to fire and other disasters up to \$10,000 and auto collision of \$1,000 per vehicle and is fully insured for claims in excess of those amounts. The Town carries Workers' Compensation insurance as mandated by law.

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

MAJOR INITIATIVES

In fiscal year 2004-2005 the Town of Darien continued its practice of regular replacement of equipment for the Public Works Department, Police Department, Parks & Recreation 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 2004-2005, over \$600,000 was expended in these programs.

The Town is moving forward with installation of a new, comprehensive Land Use Software program. This program will service the Building, Planning, Zoning and Health Departments as well as the Fire Marshal's and Assessor's Offices. The total project will cost approximately \$180,000 over a multi-year period, with \$76,000 spent in the current year.

The new Darien High School Project is nearing completion. The building opened for use after the fiscal year end, at the start of the school year. Demolition of the old buildings and creation of playing fields remain to complete the project. One initiative accomplished for the High School, outside of the construction project, was to outfit the school with modern technology. This cost slightly more than \$900,000 in FY 2004-2005.

The Representative Town Meeting approved the request of the Board of Education to replace the Tokeneke Elementary School at a cost of \$23 million. Design work for this project has begun. Construction is expected to begin in the fall of 2006.

In the area of recreation, the Town completed the replacement of the boat launch at Pear Tree Beach. The Parks & Recreation Commission is currently reviewing plans to redesign Weed Beach.

The Town continues to install new sewer lines in areas as needed and as requested. These projects are funded through property assessments. Most recently, \$2.1 million in projects was approved by the Representative Town Meeting.

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 fourteen fiscal years. The Certificate of Achievement is a prestigious national award, which recognizes conformance with the highest standards for preparation of State and local government financial reports.

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

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,

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

Kathleen Clarke Buch
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Darien,
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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



Nancy L. Zelle

President

Jeffrey R. Emer

Executive Director

TOWN OF DARIEN
PRINCIPAL OFFICIALS
AS OF JUNE 30, 2005

BOARD OF SELECTMEN:

Robert F. Harrel, Jr., First Selectman
Joseph D. Miceli
Evonne M. Klein
Barbara L. Thorne
Joseph R. Warren

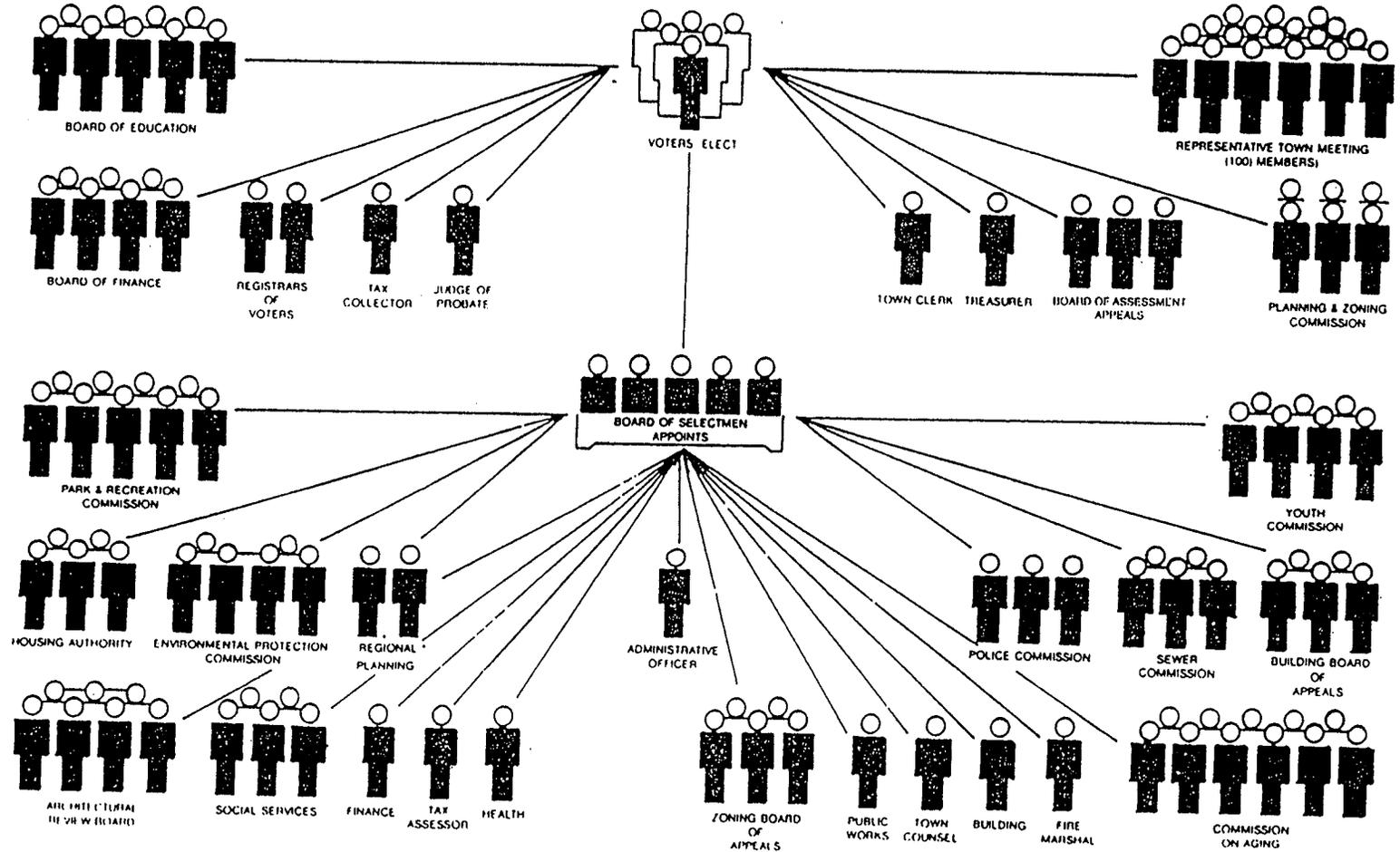
BOARD OF FINANCE:

Peter Hovell, Chairman
Thomas Volpe, Vice Chairman
Barbara Cook
D. Craig Curtis
Paul B. Hendrickson
Kathy Hammell
James Ramsey

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

John Crary
Kathleen A. Clarke
William T. McIntire
Mary Jo Kramer
Robert Locke
Mary Anne Obuchowski
Donna E. Rajczewski

HOW YOUR TOWN FUNCTIONS



*One appointed by Planning and Zoning Commission



Scully & Wolf, LLP / Certified Public Accountants / Glastonbury, Connecticut 06033

INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Darien
Darien, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Darien, Connecticut, as of and for the year ended June 30, 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Darien, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2005 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and budgetary comparison information on pages 11 through 18 and 49 through 55 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

September 16, 2005

A handwritten signature in cursive script that reads "Scully & Wolf LLP". The signature is written in dark ink and is positioned to the right of the date.

TOWN OF DARIEN, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2005

This discussion and analysis of the Town of Darien, Connecticut's ("Town") financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2005. Please read this MD&A in conjunction with the transmittal letter beginning on page 1 and the Town's financial statements, Exhibits I to VI. All amounts are expressed in thousands unless otherwise noted.

FINANCIAL HIGHLIGHTS

- Net assets of our governmental activities increased by \$8,360, or 10.3 percent.
- During the year, the Town had expenses that were \$8,360 less than the \$96,480 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$88,120 with no new programs added this year.
- The General Fund reported a fund balance this year of \$10,677.
- The resources available for appropriation were \$2,655 more than budgeted for the General Fund. Expenditures were kept within spending limits.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibit 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 Exhibit I and II. The statement of net assets and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Town's net assets and changes in them. The Town's net assets, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial 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:

- *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 (Exhibit 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 at the bottom of the fund financial statements.
- *Fiduciary funds (Exhibit V and VI)* – The Town is the trustee, or fiduciary, for its employees’ pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town’s fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town’s other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town’s combined net assets increased from a year ago increasing from \$80,429 to \$88,789. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town’s governmental activities.

Table 1		
<i>Net Assets</i>		
<i>(in thousands)</i>		
	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Current and other assets.....	\$ 31,192	\$ 48,482
Capital assets	<u>150,241</u>	<u>129,811</u>
Total assets	<u>181,433</u>	<u>178,293</u>
Long-term debt outstanding.....	84,645	71,131
Other liabilities	<u>7,999</u>	<u>26,733</u>
Total liabilities	<u>92,644</u>	<u>97,864</u>
Net assets:		
Invested in capital assets, net of debt	66,144	59,624
Unrestricted	<u>22,645</u>	<u>20,805</u>
Total net assets.....	<u>\$ 88,789</u>	<u>\$ 80,429</u>

Net assets of the Town’s governmental activities increased by 10.3 percent. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from \$20,805 at June 30, 2004 to \$22,645 at the end of this year.

This change in unrestricted governmental net assets resulted primarily because of increased revenue collections in the area of prior year taxes, town clerk fees, investment income and building fees. The Town has a significant school construction project underway at this time. The Town’s investment in capital assets is \$66,144. This amount represents the original cost of assets, less accumulated depreciation and is net of any debt outstanding that was used to acquire those assets.

Table 2
Changes In Net Assets
(in thousands)

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Revenues:		
Program revenues:		
Charges for services	\$10,827	\$ 9,496
Operating grants and contributions	5,407	4,375
Capital grants and contributions	4,120	5,847
General revenues:		
Property taxes	74,497	68,059
Grants and contributions not restricted to specific purposes	293	272
Unrestricted investment earnings	867	601
Other general revenues	<u>469</u>	<u>385</u>
Total revenues	<u>96,480</u>	<u>89,035</u>
Program expenses:		
General government	3,127	3,442
Community environment	655	563
Public safety	9,145	7,725
Health and social services	1,079	1,061
Library	2,186	1,983
Parks and recreation	1,296	1,483
Public works	3,297	4,106
Education	60,356	55,938
Sewer operations	2,140	1,905
Solid waste	1,418	1,464
Debt service	<u>3,421</u>	<u>2,869</u>
Total program expenses	<u>88,120</u>	<u>82,539</u>
Increase in net assets	<u>\$ 8,360</u>	<u>\$ 6,496</u>

The Town's total revenues (excluding special items) was \$96,480. The total cost of all programs and services was \$88,120. Our analysis below considers the operations of governmental activities.

Governmental Activities

Property taxes were 77.2% of revenues and Charges for Services accounted for 11.2%. Capital Grants of \$4,120 were primarily grants from the State of Connecticut for the High School Construction project (\$3,828). The 2004-2005 property tax collection rate was 99.5%. Licenses and permits increased by \$320 primarily due to the increase in the Town Clerk’s revenues for conveyance taxes, filing fees and increases in Building Permit fees. Intergovernmental revenue increased slightly due to an increase in the Equalized Cost Sharing Grant, Town Aid Road Grant, and Pequot Grant. School principal and interest subsidy grants on pre-1996 construction projects continue to decline, which corresponds to the decline in the debt service for older school projects. Investment income increased due to the increase in interest rates.

On the expense side General Government was down due to an decrease in legal expenses. Public safety increased due to negotiated wage increases and increased grants to the Fire Departments. Education expenses are the most significant component accounting for 68.5%. Public Works declined as a result of the expenses related to the State-owned parking lots being moved to a separate fund. Education increased because of increased enrollment, negotiated wage increases, increased employee benefit costs and increased insurance costs. Debt service increased as a result of increased debt service payments for sewer related projects and school construction projects.

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General government	\$3,127	\$3,442	\$845	\$754
Public safety	\$9,145	\$7,725	\$7,536	\$6,286
Public works	\$3,297	\$4,106	\$2,216	\$3,967
Education	\$60,356	\$55,938	\$49,931	\$45,891
Library	\$2,186	\$1,983	\$2,186	\$1,983

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$18,000, which is an increase from last year's total of \$15,540. The most significant component of the change in fund balance came from the General Fund. The Capital Projects fund balance decreased by \$1,500. This resulted from decreased capital grants from the State of Connecticut of \$4,144 and reduced transfers from other funds of \$2,026. The fund had expenditures of \$24,929.

General Fund Budgetary Highlights

Additional appropriations for the year were \$292. A contingency of \$322 was included in the original budget. This contingency covered items such as unsettled labor contracts and other unexpected expenses. Additional appropriations were for a variety of purposes, including energy upgrades, contingency replenishment and school project financing.

Actual revenues were higher than budgetary estimates, by approximately \$2,655. Town Clerk fees exceeded budgetary estimates by \$1,384. This increase was due primarily to an increase in the conveyance tax rate and increased volume. There were also increases in other accounts, such as building permit fees and investment income

Actual expenditures were less than budgetary estimates by \$431. The largest single contributor to this was the Board of Education Operating Expenses.

The Town's General Fund balance of \$10,677 reported on Exhibit III differs from the General Fund's budgetary fund balance of \$10,284. This is principally because budgetary fund balance does not include \$393 of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2005, the Town had \$150,241 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 \$20,430, or 15.7 percent, over last year.

Table 4
Capital Assets at Year-end (Net of Depreciation)
(in thousands)

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Land.....	\$ 7,097	\$ 7,097
Buildings.....	72,938	75,248
Land improvements	151	149
Machinery and equipment	3,128	2,815
Infrastructure	173	178
Construction in progress	<u>66,754</u>	<u>44,324</u>
Totals	<u>\$150,241</u>	<u>\$129,811</u>

The Town has not yet implemented the provisions of GASB Statement No. 34 which require the retroactive reporting of infrastructure assets acquired prior to July 1, 2002.

This year’s major additions included:

High School Football Field and Track.....	\$1,399
Construction of a new Darien High School – in progress	\$19,924
Construction of a new Tokeneke Elementary School – in progress	\$420
Construction of a new Boat Ramp – in progress	\$242

The Town’s fiscal-year 2005-06 capital budget calls for it to spend another \$3,888 for capital projects (not including construction of the new high school or elementary school), principally for vehicle and equipment replacement. More detailed information about the Town’s capital assets is presented in Notes 1 and 6 to the financial statements.

Long-term debt

At June 30, 2005 the Town had \$83,481 in bonds and notes outstanding versus \$70,187 last year.

New debt resulted from the issuance of bonds for construction of the new high school. Current year debt principal paid amounted to \$4,179.

The Town's general obligation bond rating continues to carry the Aaa 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 \$525,686 state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 9 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2006 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 3.6 percent versus 3.5 percent a year ago. This compares with the State's unemployment rate of 5.4 percent and the national rate of 5.2 percent.

Inflation in the Darien area is lower than the national Consumer Price Index (CPI) increase. The Town's CPI increase was 2.3 percent for fiscal year 2005 compared with the average U.S. Town rate of 2.5 percent.

These indicators were taken into account when adopting the General Fund budget for 2005-06. Amounts available for appropriation in the General Fund budget are \$88,154, an increase of 10.1 percent over the final 2005 budget of \$80,117. Property taxes (benefiting from the 2005 rate increases and growth in the grand list) and charges for services are expected to lead this increase. The Town will use these increases in revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Increased personnel costs and debt service cost are the largest areas of expenditure increase. Fund balance will provide \$400 to support the budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to increase by June 30, 2006.

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.

TOWN OF DARIEN, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2005

		GOVERNMENTAL ACTIVITIES
ASSETS:		
	Cash and cash equivalents	\$21,702,504
	Investments	437,900
	Receivables (net)	8,902,417
	Inventory	12,932
	Deferred charges	136,847
	Capital assets not being depreciated	73,850,752
	Capital assets being depreciated - net of accumulated depreciation	<u>76,390,181</u>
	Total assets	<u>181,433,533</u>
LIABILITIES:		
	Accounts and other payables	7,998,156
	Unearned revenue	985
	Noncurrent liabilities:	
	Due within one year	5,753,289
	Due in more than one year	<u>78,891,641</u>
	Total liabilities	<u>92,644,071</u>
NET ASSETS:		
	Invested in capital assets, net of related debt	66,144,325
	Unrestricted	<u>22,645,137</u>
	Total net assets	<u>\$ 88,789,462</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF DARIEN, CONNECTICUT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN ..NET ASSETS..
					GOVERNMENTAL ACTIVITIES
Governmental activities:					
General government	\$ 3,126,730	\$ 2,118,893	\$ 54,254	\$ 108,606	\$ (844,977)
Community environment	655,350	36,343	2,000		(617,007)
Public safety	9,145,274	1,580,315	28,982		(7,535,977)
Health and social services	1,078,593	71,531	182,024	31,199	(793,839)
Library	2,185,753				(2,185,753)
Parks and recreation	1,295,648	286,244		40,945	(968,459)
Public works	3,297,195	900,806	70,039	110,729	(2,215,621)
Board of Education	60,355,982	1,702,002	4,895,045	3,828,144	(49,930,791)
Sewer operations	2,140,615	2,936,154	1,459		796,998
Solid waste	1,417,756	1,195,092			(222,664)
Interest on long-term debt	3,421,493		172,992		(3,248,501)
Total governmental activities	\$88,120,389	\$10,827,380	\$5,406,795	\$4,119,623	(67,766,591)
General revenues:					
Property taxes					74,496,609
Grants and contributions not restricted to specific programs					293,523
Unrestricted investment earnings					867,451
Miscellaneous					469,081
Total general revenues					76,126,664
Change in net assets					8,360,073
Net assets, July 1, 2004					80,429,389
Net assets, June 30, 2005					\$ 88,789,462

The accompanying notes are an integral part of these financial statements.

TOWN OF DARIEN, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET
JUNE 30, 2005

	GENERAL	SEWER OPERATING	SEWER ASSESSMENT	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>A S S E T S</u>						
Cash and cash equivalents	\$11,729,096	\$4,687,555	\$ 464,889	\$3,605,032	\$1,215,932	\$21,702,504
Investments					437,900	437,900
Receivables, net	3,625,114	289,141	3,028,587	1,574,580	384,995	8,902,417
Due from other funds	815,017	1,151,192		526,337	289,542	2,782,088
Inventories					12,932	12,932
TOTAL	<u>\$16,169,227</u>	<u>\$6,127,888</u>	<u>\$3,493,476</u>	<u>\$5,705,949</u>	<u>\$2,341,301</u>	<u>\$33,837,841</u>
<u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D B A L A N C E S</u>						
Liabilities:						
Accounts and other payables	\$ 1,576,737	\$ 21,860	\$ 42,844	\$ 4,525,934	\$ 364,834	\$ 6,532,209
Due to other funds	709,608	26,596		1,693,927	351,957	2,782,088
Deferred revenue	3,205,476	287,682	3,028,587		985	6,522,730
Total liabilities	<u>5,491,821</u>	<u>336,138</u>	<u>3,071,431</u>	<u>6,219,861</u>	<u>717,776</u>	<u>15,837,027</u>
Fund balances (deficit):						
Reserved	393,437	77,315	422,045	3,372,141	19,679	4,284,617
Unreserved, reported in:						
General Fund	10,283,969					10,283,969
Special Revenue Funds		5,714,435			1,603,846	7,318,281
Capital Project Funds				(3,886,053)		(3,886,053)
Total fund balances (deficit)	<u>10,677,406</u>	<u>5,791,750</u>	<u>422,045</u>	<u>(513,912)</u>	<u>1,623,525</u>	<u>18,000,814</u>
TOTAL	<u>\$16,169,227</u>	<u>\$6,127,888</u>	<u>\$3,493,476</u>	<u>\$5,705,949</u>	<u>\$2,341,301</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	150,240,933
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	6,658,591
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(86,110,876)
Net assets of governmental activities	<u>\$ 88,789,462</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF DARIEN, CONNECTICUT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

	GENERAL	SEWER OPERATING	SEWER ASSESSMENT	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:						
Property taxes	\$74,865,805					\$ 74,865,805
Intergovernmental	4,494,316	\$ 1,459		\$ 4,144,140	\$1,313,904	9,953,819
Charges for services	3,894,009	2,394,458	\$ 497,846	14,539	4,117,503	10,918,355
Income on investments	502,587	124,615	7,928	213,285	33,041	881,456
Miscellaneous	435,351	3,850		2,500	54,490	496,191
Total revenues	84,192,068	2,524,382	505,774	4,374,464	5,518,938	97,115,626
Expenditures:						
Current:						
General government	2,267,068				47,003	2,314,071
Community environment	451,367				2,000	453,367
Public safety	6,253,552				633,640	6,887,192
Health and social services	882,569				11,349	893,918
Library	2,185,753					2,185,753
Parks and recreation	940,582					940,582
Public works	2,161,461				425,732	2,587,193
Schools	54,247,986				2,854,350	57,102,336
Sewer operations		2,140,615				2,140,615
Solid waste					1,417,756	1,417,756
General overhead	3,018,432					3,018,432
Capital outlay				24,929,244		24,929,244
Debt service	7,184,784					7,184,784
Total expenditures	79,593,554	2,140,615		24,929,244	5,391,830	112,055,243
Excess (deficiency) of revenues over expenditures	4,598,514	383,767	505,774	(20,554,780)	127,108	(14,939,617)
Other financing sources (uses):						
Transfers in	1,054,910			2,026,337	523,783	3,605,030
Transfers out	(2,443,848)	(77,961)	(360,182)	(371,846)	(351,193)	(3,605,030)
Issuance of bonds				17,400,000		17,400,000
Total other financing sources (uses)	(1,388,938)	(77,961)	(360,182)	19,054,491	172,590	17,400,000
Net change in fund balances	3,209,576	305,806	145,592	(1,500,289)	299,698	2,460,383
Fund balance, July 1, 2004	7,467,830	5,485,944	276,453	986,377	1,323,827	15,540,431
Fund balance (deficit), June 30, 2005	\$10,677,406	\$5,791,750	\$ 422,045	\$ (513,912)	\$1,623,525	\$ 18,000,814

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

Net change in fund balances - governmental funds (above)	\$ 2,460,383
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	20,430,730
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. This is the loss on disposal of assets	(850)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(635,164)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments	(13,220,950)
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 governmental funds	(674,076)
Change in net assets of governmental activities (Exhibit II)	\$ 8,360,073

The accompanying notes are an integral part of these financial statements.

TOWN OF DARIEN, CONNECTICUT

FIDUCIARY FUNDS

COMBINED STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2005

	PENSION TRUST FUNDS	AGENCY FUNDS
ASSETS:		
Cash and cash equivalents.....	\$ 255,704	\$316,404
Investments:		
Unit trusts	956,542	
Equity securities	29,524,199	
Mutual funds	20,939,544	
Receivables:		
Interest and dividends	<u>54,309</u>	
Total assets	51,730,298	<u>\$316,404</u>
LIABILITIES:		
Accounts and other payables.....	<u>4,497</u>	<u>\$316,404</u>
NET ASSETS:		
Held in trust for pension benefits.....	<u>\$51,725,801</u>	

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The accompanying notes are an integral part of these financial statements.

TOWN OF DARIEN, CONNECTICUTFIDUCIARY FUNDS

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
 PENSION TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

Additions:	
Contributions:	
Employer	\$ 1,388,540
Plan members	850,374
Other	<u>119,890</u>
Total contributions	2,358,804
Investment income:	
Net appreciation in fair value of investments ...	\$3,385,255
Interest and dividends	<u>1,356,054</u>
Total investment income	<u>4,741,309</u>
Total additions	7,100,113
Deductions:	
Benefits	2,674,548
Administration	<u>131,941</u>
Total deductions	<u>2,806,489</u>
Net increase	4,293,624
Net assets held in trust for pension benefits, July 1, 2004	<u>47,432,177</u>
Net assets held in trust for pension benefits, June 30, 2005	<u><u>\$51,725,801</u></u>

The accompanying notes are an integral part
of these financial statements.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

Governmental Funds

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

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

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

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

Fiduciary Funds

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

Pension Trust Fund - accounts for the Darien Retirement System. There are two pension funds, Town and Police.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The Town reports the following major governmental funds:

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

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

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

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

Additionally, the Town reports the following fund types:

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

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

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

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

D. Deposits and Investments

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

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and certain other investments as described in Note 4.

Investments are reported at fair value.

E. Receivables and Payables

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

The Town’s property tax is levied each July 1, on the assessed value listed on the prior October 1, Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach the property does not exist until July 1. Therefore, taxes are due and payable in equal installments on July 1, and January 1, following the date of the Grand List. Interest of 1 ½% 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 \$55,727 has been established as an allowance for uncollectible taxes. At June 30, 2005 this represents 7.1% of all property taxes receivable.

F. Inventories and Prepaid Items

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

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

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of 1 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 is depreciated using the straight line method over the following estimated useful lives:

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

H. *Compensated Absences*

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

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

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

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

I. *Long-Term Obligations*

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

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

J. *Fund Equity*

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. *Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets*

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds”. The details of this \$86,110,876 difference are as follows:

Bonds payable	\$83,380,000
Less:	
Deferred charges.....	(615,587)
Compensated absences	1,130,375
Clean water notes payable	716,608
Accrued interest payable	1,465,946
Net pension obligation.....	<u>33,534</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	 <u>\$86,110,876</u>

Another element of that reconciliation explains that long term assets are not available to pay for current period expenditures and therefore are deferred in the funds. The details of this \$6,658,591 difference are as follows:

Property taxes	\$ 613,740
Accrued interest on property taxes	262,968
Deferred charges - unamortized issuance costs	136,847
School building grants.....	2,328,767
Assessments.....	3,028,587
Sewer use.....	243,014
Accrued interest on sewer use	<u>44,668</u>
 Net adjustment to increase fund balance - total governmental funds to arrive at net assets governmental activities.....	 <u>\$6,658,591</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$20,430,730 difference are as follows:

Capital outlay	\$23,231,493
Depreciation expense.....	<u>(2,800,763)</u>
Net adjustment to increase net changes in fund balances – total governmental Funds to arrive at changes in net assets of governmental activities	<u>\$20,430,730</u>

Another element of that reconciliation states that “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, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities”. The details of this \$(13,220,950) difference are as follows:

Debt issued or incurred:	
Issuance of bonds.....	\$(17,400,000)
Principal repayments:	
General obligation debt.....	4,140,000
Clean water notes.....	<u>39,050</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.....	<u>\$(13,220,950)</u>

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

- On the first Tuesday in March, the Boards of Selectmen and Education submit their respective budgets to the Board of Finance.
- On the second Tuesday in March, the Board of Finance conducts a public hearing at which taxpayer comments are heard.
- On the third Tuesday in April, the Board of Finance establishes its recommended Budget and the means to finance it including a tax rate for publication and submission to the Representative Town Meeting (“RTM”).

- On the second Monday in May, the Budget as approved by the Board of Finance is submitted to a Representative Town Meeting at which the budget is legally enacted through passage of a resolution by the RTM. The RTM has authority to either approve the recommended budget or reduce it; it is not permitted to vote an increase. The operating budget includes proposed expenditures and the means of financing them.
- The legal level of control (the lowest level at which expenditures cannot exceed the appropriation) is at the department level for the General Fund and at the fund level for Special Revenue Funds. The department head approves budget transfers of \$1 to \$300 within the department. The Board of Selectmen approves interdepartment budget transfers of \$301 to \$999 and the Board of Finance approves inter and intradepartment budget transfers of \$1,000 and above.
- Any subsequent appropriations that alter the total operating budget must be approved by the RTM.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- Except for the accounting for encumbrances, budgets are adopted on a modified accrual basis of accounting.
- The Board of Education, which is not a separate legal entity but a separate department of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and RTM approval.
- Budgeted amounts shown are as originally adopted, or as amended by the Board of Finance and Representative Town Meeting during the course of the year. Additional appropriations totaling \$289,609 were approved during the year.
- Generally, all unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward.

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

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

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

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

A. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2005:

Deposits:	
Demand accounts	\$ 2,446,619
Interest bearing accounts.....	10,671,360
Certificates of deposit	<u>1,000,000</u>
Total deposits	14,117,979
Petty cash accounts	7,820
Cash equivalents:	
State Short-Term Investment Fund (STIF)	7,728,793
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)..	59,585
State Tax Exempt Proceeds Fund (TEPF)	104,731
Pension Trust Funds - Cash Management Assets	<u>255,704</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$22,274,612</u>

Deposits

At June 30, 2005, the carrying amount of the Town deposits was \$14,117,979 and the bank balance was \$14,036,668.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. Of the June 30, 2005 bank balance, \$695,897 was covered by Federal Depository Insurance. 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. A minimum of \$1,394,077, based on June 30, 2005 deposits, was collateralized (collateral held by the pledging bank’s trust department is not in the Town’s name). The balance of deposits of \$11,946,694 was uninsured and uncollateralized.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2005 the Town’s cash equivalents amounted to \$8,148,813. 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.

	<u>Standard and Poor’s</u>	<u>Moody’s Investor Service</u>	<u>Fitch Ratings</u>
State Short-Term Investment Fund (STIF)	AAAm		
MBIA, Inc. – Cooperative Liquid Assets Securities System (CLASS)	AA		AAA
State Tax Exempt Proceeds Fund (TEPF)*			
Bank of America N.A. Cash Management Assets ..	AA	AA1	AA-

*Not rated

B. Investments

Investments as of June 30, 2005 in all funds are as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Common stock	\$30,038,925
Pooled open-end mutual fund accounts:	
Pension Trust Funds	21,381,360
Nonmajor governmental funds	<u>437,900</u>
 TOTAL.....	 <u><u>\$51,858,185</u></u>

Interest Rate Risk – The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Investments - As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices.

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

Custodial Credit Risk – Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2005, the Town had \$30,038,925 worth of uninsured and unregistered common stock that was held by the Bank of America or by its trust department or agent that was not in the Town’s name.

5. RECEIVABLES

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

	<u>General</u>	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Capital Projects</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Interest on delinquent taxes...	\$ 262,968	\$ 44,668				\$ 307,636
Taxes	790,260					790,260
Accounts.....	247,046	243,014			\$239,798	729,858
Special assessments.			\$3,028,587			3,028,587
Intergovernmental ...	2,380,567	1,459		\$1,574,580	145,197	4,101,803
Interest receivable....					54,309	54,309
Gross receivables.....	3,680,841	289,141	3,028,587	1,574,580	439,304	9,012,453
Less: allowance for uncollectibles.....	(55,727)					(55,727)
Net total receivables	<u>\$3,625,114</u>	<u>\$289,141</u>	<u>\$3,028,587</u>	<u>\$1,574,580</u>	<u>\$439,304</u>	<u>\$8,956,726</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable.....	\$ 613,741	
Interest and delinquent property tax	262,968	
Special assessments not yet due.....	3,028,587	
Grant drawdowns prior to meeting all eligibility requirements ..		\$985
School building grants	2,328,767	
Sewer use receivables	243,014	
Interest on sewer use receivable.....	<u>44,668</u>	
Total deferred/unearned revenue for governmental funds	<u>\$6,521,745</u>	<u>\$985</u>

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land.....	\$ 7,096,698			\$ 7,096,698
Construction in progress.....	44,323,818	\$22,430,236		66,754,054
	<hr/>			
Total capital assets, not being depreciated.....	51,420,516	22,430,236		73,850,752
	<hr/>			
Capital assets, being depreciated:				
Buildings	106,269,930			106,269,930
Land improvements	916,300	16,960		933,260
Machinery and equipment	7,988,323	784,297	\$242,748	8,529,872
Infrastructure	183,723			183,723
	<hr/>			
Total capital assets being depreciated	115,358,276	801,257	242,748	115,916,785
	<hr/>			
Less accumulated depreciation for:				
Buildings	31,021,550	2,310,489		33,332,039
Land improvements	766,980	15,540		782,520
Machinery and equipment	5,173,076	470,284	241,898	5,401,462
Infrastructure	6,133	4,450		10,583
	<hr/>			
Total accumulated depreciation.....	36,967,739	2,800,763	241,898	39,526,604
	<hr/>			
Total capital assets, being depreciated, net.....	78,390,537	(1,999,506)	850	76,390,181
	<hr/>			
Governmental activities capital assets, net.....	<u>\$129,811,053</u>	<u>\$20,430,730</u>	<u>\$ 850</u>	<u>\$150,240,933</u>

Depreciation expense was charged to functions/programs as follows:

General government.....	\$ 138,283
Community environment	1,747
Public safety.....	357,146
Health and social services	159
Parks and recreation.....	39,751
Public works	185,219
Education	<u>2,078,458</u>
TOTAL	<u>\$2,800,763</u>

The Town has not implemented the provisions of GASB Statement #34 which require the reporting of infrastructure assets acquired prior to July 1, 2002.

Construction Commitments

The Town has active construction projects as of June 30, 2005. A summary of capital projects at June 30, 2005 is as follows:

	...Project Expenditures...				
	<u>Project Authorization</u>	<u>2004/2005</u>	<u>Cumulative</u>	<u>Encumbrances</u>	<u>Balance</u>
Public Works Garage	\$1,200,000		\$1,176,592		\$23,408
Clean Water Fund	\$1,500,000		\$1,093,433		\$406,567
Sewer Line Expansion	\$7,415,000	\$443,616	\$6,278,339	\$865,658	\$271,003
Middle School Expansion..	\$27,006,500		\$27,005,099		\$1,401
High School Building	\$73,000,000	\$19,924,447	\$62,880,180	\$2,017,038	\$8,102,782
Capital Non-Recurring Expenditures	\$10,311,909	\$4,140,777	\$8,422,528	\$489,445	\$1,399,936
Tokeneke School	\$23,170,000	\$420,404	\$420,404		\$22,749,596
Elementary School Expansion	\$24,244,500		\$24,244,500		

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Individual fund interfund receivable and payable balances at June 30, 2005 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sewer Operating Fund	\$ 25,980
General Fund	Capital Projects Fund	542,735
General Fund	Nonmajor Governmental Funds	246,302
Nonmajor Governmental Funds	Sewer Operating Fund	618
Nonmajor Governmental Funds	General Fund	288,924
Capital Projects Fund	General Fund	420,682
Capital Projects Fund	Nonmajor Governmental Funds	105,655
Sewer Operating Fund	Capital Projects Fund	<u>1,151,192</u>
TOTAL		<u>\$2,782,088</u>

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

Interfund transfers

	.....Transfer In.....			
	<u>General</u>	<u>Capital</u>	<u>Nonmajor</u>	
	<u>Fund</u>	<u>Projects</u>	<u>Governmental</u>	<u>Total</u>
Transfer out:				
General Fund		\$1,920,682	\$523,166	\$2,443,848
Sewer Operating Fund	\$ 77,344		617	77,961
Sewer Assessment Fund	360,182			360,182
Capital Projects Fund	371,846			371,846
Nonmajor governmental Funds	245,538	105,655		351,193
	<hr/>			
Total transfers out	<u>\$1,054,910</u>	<u>\$2,026,337</u>	<u>\$523,783</u>	<u>\$3,605,030</u>

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

8. LEASES

Operating Leases

The Town leases some office equipment under operating leases. Total costs for such leases were \$285,324 for the year ended June 30, 2005. These leases are cancelable at any time before the expiration date of the year 2010. The future minimum lease payments for these leases are as follows:

Year Ending
June 30,

2006.....	\$287,332
2007.....	265,851
2008.....	237,485
2009.....	161,064
2010.....	<u>5,928</u>
TOTAL	<u>\$957,660</u>

9. LONG-TERM DEBT

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds...	\$70,120,000	\$17,400,000	\$4,140,000	\$83,380,000	\$5,135,000
Clean water notes.....	755,658		39,050	716,608	39,838
Less deferred amounts:					
Refunding bonds.....	(688,874)		(73,287)	(615,587)	
<hr/>					
Total bonds and notes payable.....	70,186,784	17,400,000	4,105,763	83,481,021	5,174,838
Compensated absences	943,875	1,143,789	957,289	1,130,375	578,451
Net pension obligation.....		33,534		33,534	
<hr/>					
Governmental activity long-term liabilities	\$71,130,659	\$18,577,323	\$5,063,052	\$84,644,930	\$5,753,289

Bonds outstanding by issue at June 30, 2005 were:

<u>Description</u>	<u>Year of Maturity</u>	<u>Interest Rate (%)</u>	<u>Balance June 30, 2005</u>
General Obligation Bonds:			
Elementary School expansion.....	2015	4.45-6.25	\$ 555,000
Elementary School expansion.....	2016	4.80-5.875	500,000
Elementary School expansion.....	2018	4.0-5.0	30,000
Middle School expansion.....	2018	4.0-5.0	1,185,000
Middle School expansion.....	2019	4.0-5.125	7,430,718
Advance refunding.....	2018	4.0-5.125	13,350,000
Various capital projects.....	2015	4.45-6.25	95,000
Darien High School.....	2022	3.50-5.00	3,015,000
Darien High School.....	2023	3.0-5.0	28,800,000
Refunding.....	2018	1.0-3.75	7,352,000
Darien High School.....	2024	3.0-5.0	17,400,000

<u>Description</u>	<u>Year of Maturity</u>	<u>Interest Rate (%)</u>	<u>Balance June 30, 2005</u>
Special Assessment Debt with Town Commitment:			
Hoyt Street	2018	4.0-5.0	\$ 180,000
Raymond Road	2018	4.0-5.0	120,000
Nolen Lane	2019	4.0-5.125	294,282
Peach Hill	2022	3.50-5.00	510,000
Harbor/Ring's End, etc.	2022	3.50-5.00	725,000
Refunding	2018	1.0-3.75	1,838,000
State Loans:			
Clean Water	2022	2.0	<u>716,608</u>
TOTAL			<u>\$84,096,608</u>

During fiscal year 2005, principal and interest payments were funded by the General Fund. The Sewer Operating Fund and Sewer Assessment Fund reimbursed the General Fund \$53,807 and \$360,182, respectively, toward these payments. The Sewer Operating Fund is responsible for debt service of the sewer rehabilitation bonds and the Sewer Assessment Fund is responsible for the majority of debt service for the sewer construction bonds. Payment of the principal and interest on Special Assessment Sewer Bonds is guaranteed by the full faith and credit of the Town.

The following is a summary of long-term debt principal and interest maturities. The State of Connecticut will provide future payments to subsidize the debt cost. Principal debt subsidies of \$2,328,767 and interest subsidies of \$528,892 will be received over the life of the outstanding debt.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 5,174,838	\$ 3,627,074
2007	5,285,643	3,335,158
2008	5,556,463	2,897,888
2009	5,577,300	2,707,126
2010	5,548,154	2,515,459
2011-2015	27,374,190	9,376,331
2016-2020	19,853,274	4,261,237
2021-2025	<u>9,726,746</u>	<u>929,548</u>
TOTAL	<u>\$84,096,608</u>	<u>\$29,649,821</u>

Authorized Unissued Bonds

At June 30, 2005, the Town had \$4,640,000 of authorized, unissued bonds for the Middle School Expansion Project, \$2,285,000 for sewer line extension projects and \$22,015,000 for the Darien High School Building Project. The Darien High School Project is estimated to receive \$15,835,000 in State of Connecticut grants to reduce the amount of borrowing required for the project. This amount is approximately 20.71% of total eligible costs.

Debt Limit

The Town's total indebtedness does not exceed the limit of \$525,686,000 allowed by State Statute.

Advance Refunding

In prior years, the Town defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2005, \$21,350,000 of the defeased debt is outstanding.

Compensated Absences

The liability for compensated absences increased by \$186,500 this year. These liabilities are paid by the General Fund and Sewer Operating Fund.

10. BOND ANTICIPATION NOTES

The Town issued \$17,400,000 of bond anticipation notes for the Darien High School project on May 18, 2004. The notes matured December 9, 2004 and were replaced with permanent financing.

11. 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 acts of God. The Town purchases commercial insurance for all risks of loss, except dental claims as discussed below. During the year ended June 30, 2005, deductibles paid by the Town were insignificant. Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

A. Risk Pooling

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

The Town is a member of CIRMA's Workers' Compensation Pool, a risk sharing pool, which was begun on July 1, 1980. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan and losses incurred in coverage period 2003/04 will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium paid in 2004/05 was \$652,282. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10 million per occurrence.

B. Self-Insurance Plans

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

A third party administers the Town's self-insurance program. There is no stop loss coverage. The Town's General Fund funds the claims through annual appropriations. The claims liability of \$17,251 reported at June 30, 2005, is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim which include past experience data, inflation and other

future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

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

	Claims Payable <u>July 1,</u>	Claims and Changes in <u>Estimates</u>	Claims <u>Paid</u>	Claims Payable <u>June 30,</u>
2003-2004	\$51,762	\$1,240,718	\$1,269,268	\$23,212
2004-2005	\$23,212	\$1,577,679	\$1,583,640	\$17,251

12. FUND BALANCE – RESERVATIONS

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

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

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

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

A summary of reserved fund balances at June 30, 2005 is presented below:

General Fund:	
Reserved for encumbrances	\$ 393,437
Sewer Operating:	
Reserved for encumbrances	77,315
Sewer Assessment Fund:	
Reserved debt service.....	422,045
Capital Projects Fund:	
Reserved for encumbrances	3,372,141
Other Governmental Funds:	
Reserved for inventory	12,932
Reserved for encumbrances	<u>6,747</u>
 TOTAL	 <u><u>\$4,284,617</u></u>

13. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 14, in accordance with contractual agreements, the Town provides, on a pay as you go basis, post-retirement health care benefits for those persons retiring from the police bargaining unit. Under the plan, retirees and their spouses may continue coverage under the Town plan up to age 65. Under the agreement, the employees who retired between 7/1/99 and 6/30/2002 will make a 10% cost sharing contribution, employees retiring on or after 7/1/2002 will make a 12% cost-sharing contribution and for all employees retiring after 7/1/99, the police union will make a 15% cost-sharing contribution. Eligible retirees may reject the coverage and receive in lieu of such coverage, a payment equal to 1/3 of the annual premium cost for the plan he or she most recently had and rejected. It is the Town’s plan to actuarially fund the post-retirement medical insurance benefit. As of June 30, 2005, thirteen (13)

retirees are receiving this benefit at a cost to the Town of \$92,764 for the year. The Board of Education also provides post-retirement health care benefits for non-certified employees who elect to retire at age 62 until they reach age 65 with various limitations based upon the particular contract of the retirees bargaining group. A payment of \$24,332 was made in 2004/05 for three (3) retirees. Retirees over age 65 who are eligible to receive a pension are paid \$850 annually, until their death, toward the purchase of a supplemental health care plan. Also, the Board pays such retirees the cost of participating in Medicare “B”. Payments to thirty-one (31) such retirees for Medical and Medicare “B” costs totaled approximately \$53,283 for the year ended June 30, 2005.

14. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Plan Description

The Funded Retirement Plan of the Town of Darien

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

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

At July 1, 2004 membership in the Town Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	155
Terminated members entitled to benefits but not yet receiving them.....	2
Current active members	<u>337</u>
 TOTAL	 <u>494</u>

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

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

Town of Darien Police Pension Fund

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

At July 1, 2004 membership in the Police Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	54
Current active members	<u>49</u>
TOTAL	<u>103</u>

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

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The pension trust funds' financial statements are prepared on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

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

Valuation of Investments

An actuarial asset valuation method is used to smooth out fluctuations in fair value. The actuarial asset value recognizes the appreciation (realized and unrealized gains and losses) in any one year over four years at a rate of 25% per year.

C. Contributions

In accordance with the pension plan for Town employees, the employee contribution increase is being phased in. Town employees were required to contribute 5.0% of their annual salary during fiscal year 2004-2005. The Police are required to contribute 6% of their annual salary. The Town is required by ordinance to contribute the remaining amounts necessary to provide the retirement benefits. The Town's contributions are actuarially determined on an annual basis. Administrative costs are financed through investment earnings.

D. Schedule of Funding Progress

	Actuarial Valuation Date <u>July 1,</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Under (Over) Funded AAL (OAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	Under (Over) Funded AAL as a % of Covered Payroll <u>((b-a)/c)</u>
Town							
2003*							
2002		\$23,754,848	\$23,389,933	\$ (364,915)	101.6%	\$10,336,236	(3.5)%
2001		24,279,441	19,103,118	(5,176,323)	127.15%	10,035,181	(51.6)%
2000		23,824,417	17,925,110	(5,899,307)	132.9%	9,475,244	(62.3)%
1999		22,392,536	16,888,233	(5,504,303)	132.6%	8,125,650	(67.7)%

Actuarial Valuation Date <u>July 1,</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Under (Over) Funded AAL (OAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	Under (Over) Funded AAL as a % of Covered Payroll <u>((b-a)/c)</u>
Police						
2003*						
2002	\$23,373,615	\$21,101,112	\$(2,272,503)	110.8%	\$3,082,706	(73.7)%
2001	24,048,094	20,323,584	(3,724,510)	118.3%	2,753,485	(135.3)%
2000	23,717,414	19,611,768	(4,105,646)	120.9%	2,805,216	(146.4)%
1999	22,117,314	18,326,065	(3,791,249)	120.7%	3,143,207	(120.6)%

* The Plans have changed to the Aggregate cost method as of July 1, 2003. Since the Aggregate cost method does not calculate an Actuarial Accrued Liability, this schedule will not include entries after 2002.

E. Schedule of Employer Contributions

Year Ended <u>June 30,</u>	Annual Required Contribution <u></u>	Actual Contribution <u></u>	Percentage Contributed <u></u>
Town			
2005	\$953,347	\$898,319	94.2%
2004	875,362	712,456	81.4%
2003	264,087	284,240	107.6%
2002	- 0 -	- 0 -	
2001	- 0 -	- 0 -	
2000	194,920	194,920	100.0%
Police			
2005	\$490,221	\$490,221	100.0%
2004	191,138	191,138	100.0%
2003	- 0 -	- 0 -	
2002	- 0 -	- 0 -	
2001	11,274	11,274	100.0%
2000	124,367	124,367	100.0%

F. Actuarial Assumptions

The data presented in the schedule of funding progress (Note 14.D) and schedule of employer contributions (Note 14.E) were determined as part of the actuarial valuation at the date indicated.

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date.....	July 1, 2003
Actuarial cost method.....	Aggregate
Asset valuation method	5 Years smoothed market
Actuarial assumptions:	
Rate of Return	7.5%
Projected salary increases	4.5%
COLA	None

G. Annual Pension Cost and Net Pension Asset

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

	<u>Town Plan</u>	<u>Police Plan</u>
Annual required contribution	\$ 953,347	\$ 420,221
Interest on net pension obligation	(2,871)	
Adjustment to annual required contribution.....	<u>19,660</u>	<u> </u>
Annual pension cost	970,136	420,221
Contributions made	<u>(898,319)</u>	<u>(420,221)</u>
Increase in net pension obligation.....	71,817	
Net pension (asset) obligation beginning of year.....	<u>(38,283)</u>	<u>- 0 -</u>
Net pension (asset) obligation end of year	<u>\$ 33,534</u>	<u>\$ - 0 -</u>

H. Trend Information

	<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
Town				
	2005	\$970,136	92.6%	\$ 33,534
	2004	861,326	82.7%	(38,283)
	2003	264,087	107.6%	(20,153)
Police				
	2005	\$490,221	100%	\$ - 0 -
	2004	191,138	100%	- 0 -
	2003	- 0 -	100%	- 0 -

I. Separate Plan Financial Information

	Schedule of Plan Net Assets		
	.....June 30, 2005.....		
	<u>Police</u>	<u>Town</u>	<u>Total</u>
Assets:			
Cash and cash equivalents		\$ 255,704	\$ 255,704
Investments:			
Unit trusts	\$ 451,659	504,883	956,542
Equity securities	13,952,849	15,571,350	29,524,199
Mutual funds.....	9,831,764	11,107,780	20,939,544
Receivables:			
Investment income.....	25,629	28,680	54,309
	<hr/>	<hr/>	<hr/>
Total.....	24,261,901	27,468,397	51,730,298
Liabilities:			
Accounts payable	4,497		4,497
	<hr/>		<hr/>
Net assets:			
Net assets held in trust	\$24,257,404	\$27,468,397	\$51,725,801

	Schedule of Changes in Plan Net Assets		
	....For The Year Ended June 30, 2005....		
	<u>Police</u>	<u>Town</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 490,221	\$ 898,319	\$ 1,388,540
Plan members.....	183,054	667,320	850,374
Other	64,999	54,891	119,890
	<hr/>	<hr/>	<hr/>
Total contribution	738,274	1,620,530	2,358,804
Investment income:			
Net appreciation in fair value of investments	1,593,198	1,792,057	3,385,255
Interest and dividends	644,719	711,335	1,356,054
	<hr/>	<hr/>	<hr/>
Total investment income.....	2,237,917	2,503,392	4,741,309
	<hr/>	<hr/>	<hr/>
Total additions.....	2,976,191	4,123,922	7,100,113
Deductions:			
Benefits	1,314,348	1,360,200	2,674,548
Administration	58,593	73,348	131,941
	<hr/>	<hr/>	<hr/>
Total deductions	1,372,941	1,433,548	2,806,489
	<hr/>	<hr/>	<hr/>
Net increase.....	1,603,250	2,690,374	4,293,624
Net assets held in trust for employees' pension benefits, July 1, 2004	22,654,154	24,778,023	47,432,177
	<hr/>	<hr/>	<hr/>
Net assets held in trust for employees' pension benefits, June 30, 2005.....	\$24,257,404	\$27,468,397	\$51,725,801

J. Teachers' Retirement Plan

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

- Attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut, or;
- Attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$22,100,838.

The retirement system for teachers is funded by the State based upon the recommendation of the Teacher's Retirement Board. Such contribution includes amortization of actuarially computed unfounded liability. For the year ended June 30, 2005 the Town has recorded in the General Fund intergovernmental revenue schools and schools expenditures in the amount of \$1,619,995 as payments made by the State of Connecticut on-behalf of the Town. The Town does not have any liability for teacher pension.

The State of Connecticut Teachers' Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

15. CONTINGENT LIABILITIES

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

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

TOWN OF DARIEN, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2005

	.....BUDGETED AMOUNTS.....			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
Property taxes:				
Property taxes current	\$73,354,686	\$73,354,686	\$73,869,377	\$ 514,691
Property taxes prior	290,000	290,000	482,567	192,567
Suspense tax collections			4,664	4,664
Telecommunication property tax	190,775	190,775	177,423	(13,352)
Interest and liens	250,000	250,000	331,774	81,774
Total property taxes.....	74,085,461	74,085,461	74,865,805	780,344
Licenses and permits:				
Town Clerk	700,000	701,800	2,086,133	1,384,333
Building, plumbing and other	669,400	669,400	944,441	275,041
Food establishment	28,000	28,000	34,371	6,371
Private disposal and water supply	20,000	20,000	33,795	13,795
Fire Marshal's revenue	4,000	4,000	4,109	109
Other	1,910	1,910	7,070	5,160
Total licenses and permits.....	1,423,310	1,425,110	3,109,919	1,684,809
Intergovernmental:				
Capital improvement grant	109,875	109,875	108,606	(1,269)
Housing Authority	60,000	60,000	88,573	28,573
Taxes on State-owned land	91,081	91,081	97,180	6,099
Pequot distribution	23,923	23,923	17,205	(6,718)
Disabled persons	425	425	63	(362)
Circuit breaker	68,000	68,000	70,398	2,398
Elderly tax relief	20,000	20,000	14,000	(6,000)
Veterans' exemption			6,104	6,104
Court fines	3,000	3,000	1,900	(1,100)
Boating safety enforcement	18,700	18,700	18,715	15
Infrastructure - Town aid	69,942	69,942	110,729	40,787
Emergency Storm Damage		29,500	50,341	20,841
State school reimbursement	383,194	383,194	340,972	(42,222)
Education cost sharing grant	831,082	831,082	1,055,770	224,688
Transportation	795	795	754	(41)
Other	14,000	14,000	10,267	(3,733)
Total intergovernmental.....	1,694,017	1,723,517	1,991,577	268,060

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TOWN OF DARIEN, CONNECTICUT
 GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

	.....BUDGETED AMOUNTS.....			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
Charges for services:				
Sale of codes, regulations, etc.	\$ 3,000	\$ 3,000	\$ 3,341	\$ 341
GIS fees			320	320
Planning and zoning application	14,000	14,000	21,597	7,597
ZBA application fees	6,000	6,000	13,635	7,635
EPC application fees			791	791
EMS services	1,000	1,000	170	(830)
Services for Sewer Commission Authority	40,000	40,000	40,000	
Services for Parking Fund	68,039	68,039		(68,039)
Parking meters and permits	91,150	91,150	118,038	26,888
Friendly visitor program	5,000	5,000		(5,000)
Youth Commission fees	144,500	144,500	170,850	26,350
Parks and recreation	85,000	85,000	93,850	8,850
Beach parking permits	119,000	119,000	174,921	55,921
Boat launch fees	4,000	4,000	8,090	4,090
Other	10,000	10,000	17,720	7,720
Total charges for services.....	590,689	590,689	663,323	72,634
Fines and forfeits	15,700	15,700	20,194	4,494
Board of Education	73,200	100,573	100,573	
Investment income	300,000	300,000	502,587	202,587
Miscellaneous:				
Metro mobile rent	80,000	80,000	88,915	8,915
Rebate on telephone	100	100		(100)
Coin operated Xerox machine	13,000	13,000	12,230	(770)
Commission on Aging - van	23,500	29,163	31,199	2,036
Other rents	22,200	22,200	26,996	4,796
Insurance recoveries	20,000	20,000	107,332	87,332
Other	20,000	109,994	246,127	136,133
Total miscellaneous.....	178,800	274,457	512,799	238,342
Total revenues	78,361,177	78,515,507	81,766,777	3,251,270

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TOWN OF DARIEN, CONNECTICUT
 GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

	.....BUDGETED AMOUNTS.....			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
Other financing sources:				
Transfers in:				
Sewer Assessment Fund	\$ 360,182	\$ 360,182	\$ 360,182	
Sewer Operating Fund	53,807	77,344	77,344	
Interest from other funds	300,000	368,786	371,846	\$ 3,060
Parking Operations Fund			245,538	245,538
Total transfers in.....	713,989	806,312	1,054,910	248,598
Appropriation of fund balance	800,000	845,000		(845,000)
Total other financing sources	1,513,989	1,651,312	1,054,910	(596,402)
Total revenues and other financing sources	<u>\$79,875,166</u>	<u>\$80,166,819</u>	82,821,687	<u>\$2,654,868</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			1,619,995	
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes			(77,448)	
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			882,744	
Total revenues and other financing sources as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$85,246,978</u>	

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TOWN OF DARIEN, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2005

	.....BUDGETED AMOUNTS.....			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
General government:				
Selectmen's office	\$ 145,593	\$ 145,931	\$ 144,308	\$ 1,623
Administrative Officer	329,697	331,834	330,778	1,056
Human Resources	103,422	76,705	74,499	2,206
RTM	2,130	2,130	1,842	288
Financial management	324,997	345,847	345,287	560
Board of Finance	28,500	29,000	29,000	
Tax Assessor	201,198	213,058	212,953	105
Tax Collector	197,725	200,975	200,972	3
Legal services	362,900	423,662	423,661	1
Town Clerk	219,869	225,654	222,487	3,167
Registrar of Voters	82,917	85,179	85,026	153
Information services	233,521	188,562	187,291	1,271
Probate court	9,300	9,523	9,398	125
Total general government.....	2,241,769	2,278,060	2,267,502	10,558
Community environment:				
Developmental Planning	388,165	384,781	379,738	5,043
Planning and Zoning	11,435	11,645	9,637	2,008
Zoning Appeals	4,180	6,138	5,913	225
Environmental Protection	4,275	5,060	3,819	1,241
Regional Planning	5,828	5,828	5,828	
Beautification	35,000	35,000	34,492	508
Celebrations and observances	15,525	15,525	8,875	6,650
Harbor Master	635	635	600	35
Total community environment.....	465,043	464,612	448,902	15,710
Public safety:				
Building Department	254,573	257,379	257,097	282
Police Department:				
Administration	408,421	520,478	519,180	1,298
Criminal Investigation	419,374	358,567	358,176	391
Patrol	2,889,185	2,861,635	2,859,779	1,856
Records	238,958	231,083	230,945	138
Youth	73,906	74,112	73,903	209
Marine Patrol	7,606	7,916	7,780	136
Training	114,509	120,568	119,128	1,440
Traffic and School Crossing	97,620	92,320	91,233	1,087
Fleet Services	193,550	196,519	196,238	281
Station maintenance and communication	124,590	134,265	131,443	2,822
Pension	490,221	490,221	490,221	
Miscellaneous	1,800	770	684	86
Total Police Department.....	5,059,740	5,088,454	5,078,710	9,744

TOWN OF DARIEN, CONNECTICUT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

		.....BUDGETED AMOUNTS.....			VARIANCE
		ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
Public safety (continued):					
Fire service and emergency medical service:					
	Darien Fire Department	\$ 105,467	\$ 105,467	\$ 105,257	\$ 210
	Noroton Fire Department	113,147	115,155	114,845	310
	Noroton Heights Fire Department	103,186	103,186	101,728	1,458
	Board of Fire Commissioners	57,697	58,022	56,935	1,087
	Fire Marshal	201,053	205,752	202,378	3,374
	Hydrants and main rental	281,133	270,490	270,489	1
	Civil Preparedness	800	800	687	113
	Emergency medical service	75,275	87,251	81,632	5,619
	Total fire service and emergency medical service	937,758	946,123	933,951	12,172
	Total public safety	6,252,071	6,291,956	6,269,758	22,198
Health and social services:					
	Social services	164,732	176,622	176,263	359
	Emergency assistance	12,000	12,000	9,918	2,082
	Home health care	5,000	60	60	
	Senior Center	158,076	165,608	165,395	213
	Senior transportation	25,537	31,200	31,199	1
	Youth programs	260,621	246,838	243,995	2,843
	Youth Options/LMG Grant	59,750	59,750	59,750	
	Depot Grant	22,000	22,000	22,000	
	Health Department	178,720	173,817	171,757	2,060
	Other Grants in Aid	6,825	7,225	7,225	
	Total health and social services	893,261	895,120	887,562	7,558
	Library	2,181,496	2,185,753	2,185,753	
Parks and recreation:					
	Administration	224,752	231,807	227,953	3,854
	Beach and court facilities	203,709	184,059	177,162	6,897
	Maintenance and repair	323,617	326,850	325,918	932
	Organized recreation activities	40,667	40,667	38,988	1,679
	Grounds, fields, building	208,470	202,240	187,248	14,992
	Total parks and recreation	1,001,215	985,623	957,269	28,354
Public works:					
	Administration	255,983	264,949	264,256	693
	Roadway and walkway maintenance	1,411,757	1,565,991	1,558,228	7,763
	Public building management	268,981	285,937	284,299	1,638
	Parking facility	26,163	41,546	41,387	159
	Total public works	1,962,884	2,158,423	2,148,170	10,253

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TOWN OF DARIEN, CONNECTICUT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

	.....BUDGETED AMOUNTS.....			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
Overhead and miscellaneous:				
Risk Management	\$ 835,680	\$ 820,837	\$ 816,622	\$ 4,215
Contingency	321,750	17		17
Employee benefits	2,150,670	2,207,788	2,201,810	5,978
Total overhead and miscellaneous.....	3,308,100	3,028,642	3,018,432	10,210
Board of Education - operations	52,149,247	52,149,247	51,823,492	325,755
Board of Education - other	73,200	100,573	100,573	
Debt service:				
Schools	6,427,088	6,569,141	6,569,140	1
Town	181,634	181,634	181,634	
Sewer	432,887	432,887	432,885	2
Servicing bonds	3,000	1,300	1,125	175
Total debt service.....	7,044,609	7,184,962	7,184,784	178
Total expenditures	77,572,895	77,722,971	77,292,197	430,774
Other financing uses:				
Transfers out:				
Animal Control	58,569	88,819	88,819	
Refuse disposal	240,874	240,874	240,874	
Retiree Medical	193,473	193,473	193,473	
Capital Non-Recurring Expenditures	1,809,355	1,920,682	1,920,682	
Total other financing uses.....	2,302,271	2,443,848	2,443,848	
TOTAL	<u>\$79,875,166</u>	<u>\$80,166,819</u>	79,736,045	<u>\$430,774</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut "on-behalf" payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted 1,619,995

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 (201,382)

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 882,744

Total expenditures and other financing sources as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds - Exhibit IV..... \$82,037,402

TOWN OF DARIEN, CONNECTICUTSEWER OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2005

	.....BUDGETED AMOUNTS.....		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
Revenues:				
Licenses and permits	\$ 6,000	\$ 6,000	\$ 6,780	\$ 780
Intergovernmental			1,459	1,459
Charges for services	2,176,640	2,176,640	2,315,337	138,697
Fines and forfeits	30,000	30,000	72,341	42,341
Investment income	75,000	75,000	124,615	49,615
Miscellaneous income			18,224	18,224
Total revenues.....	2,287,640	2,287,640	2,538,756	251,116
Expenditures:				
Sewer operations:				
Administration	286,687	268,963	269,420	(457)
Collection and pumping	766,493	757,383	674,127	83,256
Treatment service	1,020,003	1,021,644	955,641	66,003
Overhead and miscellaneous	160,650	161,689	161,485	204
Total expenditures.....	2,233,833	2,209,679	2,060,673	149,006
Excess of revenues over expenditures	53,807	77,961	478,083	400,122
Other financing sources (uses):				
Transfers out	(53,807)	(77,961)	(77,961)	
Net change in fund balances	\$ - 0 -	\$ - 0 -	\$ 400,122	\$400,122

Budgetary revenues are different than GAAP revenues because of encumbrances from prior years cancelled in the current year. The effect of this adjustment is to decrease budgetary revenues by \$14,374.

Budgetary expenditures are different than GAAP expenditures because 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. The effect of this adjustment is to decrease budgetary expenditures by \$79,942.

GENERAL FUND

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

TOWN OF DARIEN, CONNECTICUTGENERAL FUNDCOMPARATIVE BALANCE SHEET
JUNE 30, 2005 AND 2004

	2005	2004
<u>A S S E T S</u>		
Cash and cash equivalents	\$11,729,096	\$ 8,455,998
Receivables:		
Taxes	734,533	814,365
Intergovernmental	2,380,567	3,305,064
Other	510,014	460,250
Due from other funds	815,017	333,956
Advances to other organizations	<u> </u>	<u>260,608</u>
TOTAL	<u>\$16,169,227</u>	<u>\$13,630,241</u>
 L I A B I L I T I E S A N D <u>F U N D B A L A N C E</u>		
Liabilities:		
Accounts payable	\$ 1,576,737	\$ 1,345,227
Due to other funds	709,608	705,602
Deferred revenue	<u>3,205,476</u>	<u>4,111,582</u>
Total liabilities	<u>5,491,821</u>	<u>6,162,411</u>
Fund balance:		
Reserved for encumbrances	393,437	269,504
Unreserved:		
Designated for subsequent year budget	400,000	800,000
Undesignated	<u>9,883,969</u>	<u>6,398,326</u>
Total fund balance	<u>10,677,406</u>	<u>7,467,830</u>
TOTAL	<u>\$16,169,227</u>	<u>\$13,630,241</u>

TOWN OF DARIEN, CONNECTICUT

REPORT OF PROPERTY TAX COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2005

GRAND LIST YEAR	UNCOLLECTED TAXES JUNE 30, 2004	CURRENT LEVY	.....CORRECTIONS.....		TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	.....COLLECTIONS.....				UNCOLLECTED TAXES JUNE 30, 2005
			ADDITIONS	DEDUCTIONS			TAXES	INTEREST	LIENS	TOTAL	
1991	\$ 1,002					\$ 1,002					\$ 1,002
1992	3,059					3,059	\$ 2,024	\$ 2,508	\$ 24	\$ 4,556	1,035
1993	3,923					3,923	2,852	4,936	48	7,836	1,071
1994	7,986					7,986	3,832	9,705	48	13,585	4,154
1995	14,316					14,316	4,548	7,960	48	12,556	9,768
1996	22,967					22,967	10,615	10,312	96	21,023	12,352
1997	29,255		\$ 80			29,335	4,593	13,134	48	17,775	24,742
1998	84,681			\$ 3,088	\$34,908	46,685	17,670	16,962	72	34,704	29,015
1999	76,360			2,949	18,668	54,743	20,719	14,351	120	35,190	34,024
2000	104,769			2,231		102,538	33,609	20,005	120	53,734	68,929
2001	160,876		36,380	7,631		189,625	99,083	28,879	312	128,274	90,542
2002	353,729		87,163	19,669		421,223	266,230	45,888	872	312,990	154,993
Total prior years	862,923		123,623	35,568	53,576	897,402	465,775	174,640	1,808	642,223	431,627
2003		\$74,408,232	43,760	223,600		74,228,392	73,869,759	155,255	72	74,025,086	358,633
TOTAL	\$862,923	\$74,408,232	\$167,383	\$259,168	\$53,576	\$75,125,794	\$74,335,534	\$329,895	\$1,880	\$74,667,309	\$790,260

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SPECIAL REVENUE FUNDS

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

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

TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2005

	.....SPECIAL REVENUE.....							
	ANIMAL CONTROL	CAFETERIA	SPECIAL EDUCATION	LAND PURCHASE OPTION	SOLID WASTE MANAGEMENT	SPECIAL EDUCATION RESERVE	WASTE DISPOSAL	POLICE EXTRA DUTY
<u>A S S E T S</u>								
Cash and cash equivalents		\$58,040	\$ 76,783	\$64,162	\$164,805		\$82,557	\$ 93,147
Investments								
Receivables:								
Accounts	\$ 1,515				125,484			64,005
Intergovernmental		12,400	132,797					
Due from other funds	30,250		103,446		348	\$250,000		
Inventory		12,932						
TOTAL	<u>\$31,765</u>	<u>\$83,372</u>	<u>\$313,026</u>	<u>\$64,162</u>	<u>\$290,637</u>	<u>\$250,000</u>	<u>\$82,557</u>	<u>\$157,152</u>
<u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D B A L A N C E</u>								
Liabilities:								
Accounts and other payables	\$25,529	\$13,578	\$188,747		\$133,700			
Due to other funds					764			
Deferred revenue								
Total liabilities	<u>25,529</u>	<u>13,578</u>	<u>188,747</u>		<u>134,464</u>			
Fund balance:								
Reserved	379	12,932			6,368			
Unreserved reported in:								
Special Revenue Funds	5,857	56,862	124,279	\$64,162	149,805	\$250,000	\$82,557	\$157,152
Total fund balance	<u>6,236</u>	<u>69,794</u>	<u>124,279</u>	<u>64,162</u>	<u>156,173</u>	<u>250,000</u>	<u>82,557</u>	<u>157,152</u>
TOTAL	<u>\$31,765</u>	<u>\$83,372</u>	<u>\$313,026</u>	<u>\$64,162</u>	<u>\$290,637</u>	<u>\$250,000</u>	<u>\$82,557</u>	<u>\$157,152</u>

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TOWN OF DARIEN, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2005

	.....SPECIAL REVENUE.....						
	FIRE ALARM	STATE AND FEDERAL GRANTS	SOCIAL SERVICES GIFT	SARAH WILSON TRUST	HAROLD DEAN	GEORGE NELSON	BRUNO SCHOLARSHIP
<u>A S S E T S</u>							
Cash and cash equivalents	\$51,182	\$127,073	\$3,300	\$7,824	\$1,320	\$5,819	\$3,229
Investments							
Receivables:							
Accounts	1,576						
Intergovernmental							
Due from other funds							
Inventory							
TOTAL	<u>\$52,758</u>	<u>\$127,073</u>	<u>\$3,300</u>	<u>\$7,824</u>	<u>\$1,320</u>	<u>\$5,819</u>	<u>\$3,229</u>
<u>L I A B I L I T I E S</u>							
<u>A N D</u>							
<u>F U N D B A L A N C E</u>							
Liabilities:							
Accounts and other payables		\$ 895					
Due to other funds		103,446					
Deferred revenue		985					
Total liabilities		<u>105,326</u>					
Fund balance:							
Reserved							
Unreserved reported in:							
Special Revenue Funds	<u>\$52,758</u>	<u>21,747</u>	<u>\$3,300</u>	<u>\$7,824</u>	<u>\$1,320</u>	<u>\$5,819</u>	<u>\$3,229</u>
Total fund balance	<u>52,758</u>	<u>21,747</u>	<u>3,300</u>	<u>7,824</u>	<u>1,320</u>	<u>5,819</u>	<u>3,229</u>
TOTAL	<u>\$52,758</u>	<u>\$127,073</u>	<u>\$3,300</u>	<u>\$7,824</u>	<u>\$1,320</u>	<u>\$5,819</u>	<u>\$3,229</u>

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TOWN OF DARIEN, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2005

	.....SPECIAL REVENUE.....					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	POLICE MEDICAL RESERVE	STADIUM FIELD	POLICE SUPPLEMENTAL BENEFIT	FIREFIGHTERS MEMORIAL	PARKING OPERATIONS	ELIMINATIONS
<u>A S S E T S</u>						
Cash and cash equivalents	\$128,419	\$114,953	\$41,103	\$450	\$191,766	\$1,215,932
Investments	437,900					437,900
Receivables:						
Accounts	5				47,213	239,798
Intergovernmental						145,197
Due from other funds					8,944	289,542
Inventory						12,932
TOTAL	<u>\$566,324</u>	<u>\$114,953</u>	<u>\$41,103</u>	<u>\$450</u>	<u>\$247,923</u>	<u>\$2,341,301</u>
<u>L I A B I L I T I E S</u>						
<u>A N D</u>						
<u>F U N D B A L A N C E</u>						
Liabilities:						
Accounts and other payables					\$ 2,385	\$ 364,834
Due to other funds		\$105,655			245,538	351,957
Deferred revenue						985
Total liabilities		<u>105,655</u>			<u>247,923</u>	<u>717,776</u>
Fund balance:						
Reserved						19,679
Unreserved reported in:						
Special Revenue Funds	<u>\$566,324</u>	<u>9,298</u>	<u>\$41,103</u>	<u>\$450</u>		<u>1,603,846</u>
Total fund balance	<u>566,324</u>	<u>9,298</u>	<u>41,103</u>	<u>450</u>	<u>- 0 -</u>	<u>1,623,525</u>
TOTAL	<u>\$566,324</u>	<u>\$114,953</u>	<u>\$41,103</u>	<u>\$450</u>	<u>\$247,923</u>	<u>\$2,341,301</u>

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TOWN OF DARIEN, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

		.....SPECIAL REVENUE.....							
		ANIMAL CONTROL	CAFETERIA	SPECIAL EDUCATION	LAND PURCHASE OPTION	SOLID WASTE MANAGEMENT	SPECIAL EDUCATION RESERVE	WASTE DISPOSAL	POLICE EXTRA DUTY
Revenues:									
	Intergovernmental revenue - other		\$ 101,098	\$1,023,663					
	Licenses, permits and fees	\$ 2,818				\$ 220,006			
	Other sales and services		1,702,002			975,086			\$541,559
	Earnings on investments				\$ 1,455			\$ 1,881	
	Contributions								
	Other								
	Total revenues	2,818	1,803,100	1,023,663	1,455	1,195,092		1,881	541,559
Expenditures:									
Current:									
	General government								
	Community environment								
	Public safety	93,537							444,371
	Health and social services								
	Public works								
	Schools		1,787,855	962,549					
	Solid waste					1,417,756			
	Total expenditures	93,537	1,787,855	962,549		1,417,756			444,371
	Excess (deficiency) of revenues over expenditures	(90,719)	15,245	61,114	1,455	(222,664)		1,881	97,188
Other financing sources (uses):									
	Transfers in	88,819				241,222			
	Transfers out								
	Total other financing sources (uses) ..	88,819				241,222			
	Net change in fund balances	(1,900)	15,245	61,114	1,455	18,558		1,881	97,188
	Fund balance, July 1, 2004	8,136	54,549	63,165	62,707	137,615	\$250,000	80,676	59,964
	Fund balance, June 30, 2005	\$ 6,236	\$ 69,794	\$ 124,279	\$64,162	\$ 156,173	\$250,000	\$82,557	\$157,152

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TOWN OF DARIEN, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

	.....SPECIAL REVENUE.....						
	FIRE ALARM	STATE AND FEDERAL GRANTS	SOCIAL SERVICES GIFT	SARAH WILSON TRUST	HAROLD DEAN	GEORGE NELSON	BRUNO SCHOLARSHIP
Revenues:							
Intergovernmental revenue - other		\$169,445					
Licenses, permits and fees	\$20,007						
Other sales and services				\$ 140	\$ 24	\$ 104	\$ 65
Earnings on investments		7,000	\$1,430				
Contributions							
Other							
Total revenues	20,007	176,445	1,430	140	24	104	65
Expenditures:							
Current:							
General government		47,003					
Community environment		2,000					
Public safety	2,723						
Health and social services		9,745	1,604				
Public works							
Schools		103,446					500
Solid waste							
Total expenditures	2,723	162,194	1,604				500
Excess (deficiency) of revenues over expenditures	17,284	14,251	(174)	140	24	104	(435)
Other financing sources (uses):							
Transfers in							
Transfers out							
Total other financing sources (uses) ..							
Net change in fund balances	17,284	14,251	(174)	140	24	104	(435)
Fund balance, July 1, 2004	35,474	7,496	3,474	7,684	1,296	5,715	3,664
Fund balance, June 30, 2005	\$52,758	\$ 21,747	\$3,300	\$7,824	\$1,320	\$5,819	\$3,229

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TOWN OF DARIEN, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

	.....SPECIAL REVENUE.....						TOTAL
	POLICE MEDICAL RESERVE	STADIUM FIELD	POLICE SUPPLEMENTAL BENEFIT	FIREFIGHTERS MEMORIAL	PARKING OPERATIONS	ELIMINATIONS	NONMAJOR GOVERNMENTAL FUNDS
Revenues:							
Intergovernmental revenue - other					\$ 19,698		\$1,313,904
Licenses, permits and fees			\$23,842		632,183		898,856
Other sales and services							3,218,647
Earnings on investments	\$ 14,781	\$ 14,005	586				33,041
Contributions		26,940					35,370
Other					19,120		19,120
Total revenues	14,781	40,945	24,428		671,001		5,518,938
Expenditures:							
Current:							
General government							47,003
Community environment							2,000
Public safety	93,009						633,640
Health and social services							11,349
Public works					425,732		425,732
Schools							2,854,350
Solid waste							1,417,756
Total expenditures	93,009				425,732		5,391,830
Excess (deficiency) of revenues over expenditures	(78,228)	40,945	24,428		245,269		127,108
Other financing sources (uses):							
Transfers in	193,473				269		523,783
Transfers out		(105,655)			(245,538)		(351,193)
Total other financing sources (uses) ..	193,473	(105,655)			(245,269)		172,590
Net change in fund balances	115,245	(64,710)	24,428		- 0 -		299,698
Fund balance, July 1, 2004	451,079	74,008	16,675	\$450	- 0 -	\$ - 0 -	1,323,827
Fund balance, June 30, 2005	\$566,324	\$ 9,298	\$41,103	\$450	\$ - 0 -	\$ - 0 -	\$1,623,525

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TOWN OF DARIEN, CONNECTICUT

ANIMAL CONTROL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2005

	.....BUDGETED AMOUNTS.....			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
Revenues:				
Licenses and permits	\$ 3,000	\$ 3,000	\$ 1,272	\$(1,728)
Fines and forfeits	2,000	2,000	1,546	(454)
Investment income	400	400		(400)
Total revenues.....	5,400	5,400	2,818	(2,582)
Expenditures:				
Public safety	63,669	93,919	93,916	3
Excess (deficiency) of revenues over expenditures	(58,269)	(88,519)	(91,098)	(2,579)
Other financing sources (uses):				
Transfers in	58,269	88,519	88,519	
Net change in fund balances	\$ - 0 -	\$ - 0 -	\$ (2,579)	\$(2,579)

Budgetary expenditures are different than GAAP expenditures because 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. The effect of this adjustment is to decrease budgetary expenditures by \$379.

TOWN OF DARIEN, CONNECTICUT

WASTE MANAGEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2005

	.....BUDGETED AMOUNTS.....		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Revenues:				
Licenses and permits	\$ 190,000	\$ 190,000	\$ 206,011	\$ 16,011
Charges for services	1,000,253	1,000,253	975,086	(25,167)
Fines and forfeits	4,000	4,000	13,995	9,995
Total revenues.....	1,194,253	1,194,253	1,195,092	839
Expenditures:				
Solid waste management	1,435,127	1,435,475	1,424,124	11,351
Excess (deficiency) of revenues over expenditures	(240,874)	(241,222)	(229,032)	12,190
Other financing sources:				
Transfers in	240,874	241,222	241,222	
Net change in fund balances	\$ - 0 -	\$ - 0 -	\$ 12,190	\$ 12,190

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Budgetary expenditures are different than GAAP expenditures because 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. The effect of this adjustment is to decrease budgetary expenditures by \$6,368.

TOWN OF DARIEN, CONNECTICUT

PARKING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2005

	.....BUDGETED AMOUNTS.....		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Revenues:				
Licenses and permits	\$352,726	\$352,726	\$ 560,586	\$ 207,860
Intergovernmental		18,900	19,698	798
Fines and forfeits	54,300	54,300	71,597	17,297
Investment income	100	100		(100)
Miscellaneous income	15,000	15,000	19,120	4,120
Total revenues.....	422,126	441,026	671,001	229,975
Expenditures:				
Parking operations	422,126	441,295	425,732	15,563
Excess (deficiency) of revenues over expenditures		(269)	245,269	245,538
Other financing sources (uses):				
Transfers in		269	269	
Transfers out			(245,538)	(245,538)
Total other financing sources (uses).....		269	(245,269)	(245,538)
Net change in fund balances	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -

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FIDUCIARY FUNDS

Agency Fund

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

TOWN OF DARIEN, CONNECTICUTAGENCY FUNDSTUDENT ACTIVITIESSTATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2005

	BALANCE			BALANCE
	JULY 1, 2004	ADDITIONS	DEDUCTIONS	JUNE 30, 2005
<u>A S S E T S</u>				
Cash and cash equivalents...	<u>\$230,982</u>	<u>\$1,263,176</u>	<u>\$1,177,754</u>	<u>\$316,404</u>
<u>L I A B I L I T I E S</u>				
Accounts and other payables.	<u>\$230,982</u>	<u>\$1,263,176</u>	<u>\$1,177,754</u>	<u>\$316,404</u>

Capital Assets Used in the Operation of Governmental Funds

The following schedules present only the capital asset balances related to governmental funds. The assets are reported at historical cost or estimated historical cost.

The Town's capitalization policy requires the recording of capital assets with original cost of \$5,000 or more. Infrastructure assets are recorded based on a threshold of \$100,000. Provision for depreciation is not included in the schedules.

TOWN OF DARIEN, CONNECTICUTCAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDSSCHEDULE OF CHANGES BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2005

	CAPITAL ASSETS			CAPITAL ASSETS
	JUNE 30, 2004	ADDITIONS	DELETIONS	JUNE 30, 2005
GENERAL FIXED ASSETS:				
Land	\$ 7,096,698			\$ 7,096,698
Land Improvements	916,300	\$ 16,960		933,260
Buildings	106,269,930			106,269,930
Infrastructure	183,723			183,723
Machinery and equipment	7,988,323	784,297	\$242,748	8,529,872
Construction in progress	44,323,818	22,430,236		66,754,054
TOTAL	<u>\$166,778,792</u>	<u>\$23,231,493</u>	<u>\$242,748</u>	<u>\$189,767,537</u>
INVESTMENT IN GENERAL FIXED ASSETS FROM:				
Capital Projects Funds	\$155,521,351	\$23,231,493	\$191,832	\$178,561,012
General Fund revenue ..	5,780,582		50,916	5,729,666
Donations	61,464			61,464
Total by source ...	161,363,397	23,231,493	242,748	184,352,142
Investment in years prior to June 30, 1990	5,415,395			5,415,395
TOTAL	<u>\$166,778,792</u>	<u>\$23,231,493</u>	<u>\$242,748</u>	<u>\$189,767,537</u>

TOWN OF DARIEN, CONNECTICUTCAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDSSCHEDULE BY FUNCTION AND CLASSIFICATION
JUNE 30, 2005

FUNCTION	LAND	LAND IMPROVEMENTS	BUILDINGS	MACHINERY AND EQUIPMENT	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS	TOTAL JUNE 30, 2005
General government	\$ 101,228		\$ 6,974,098	\$ 461,856			\$ 7,537,182
Community environment				42,096			42,096
Public safety	335,501		3,605,002	4,516,326			8,456,829
Health and social services	219,500		754,279				973,779
Parks and recreation	4,231,745		648,615	659,115		\$ 242,457	5,781,932
Public works	117,750	\$916,300	3,832,314	1,703,821	\$183,723	443,616	7,197,524
Board of Education	2,090,974	16,960	90,455,622	1,146,658		66,067,981	159,778,195
TOTAL	<u>\$7,096,698</u>	<u>\$933,260</u>	<u>\$106,269,930</u>	<u>\$8,529,872</u>	<u>\$183,723</u>	<u>\$66,754,054</u>	<u>\$189,767,537</u>

TOWN OF DARIEN, CONNECTICUTCAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDSSCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2005

	GOVERNMENTAL FUNDS		DELETIONS	GOVERNMENTAL FUNDS
	CAPITAL ASSETS JULY 1, 2004	ADDITIONS		CAPITAL ASSETS JUNE 30, 2005
General government	\$ 7,529,607	\$ 7,575		\$ 7,537,182
Community environment .	41,994	11,378	\$ 11,276	42,096
Public safety	8,295,640	299,502	138,313	8,456,829
Health and social services	973,779			973,779
Parks and recreation ..	5,496,793	314,831	29,692	5,781,932
Public works	6,519,038	741,953	63,467	7,197,524
Board of Education	<u>137,921,941</u>	<u>21,856,254</u>		<u>159,778,195</u>
TOTAL	<u>\$166,778,792</u>	<u>\$23,231,493</u>	<u>\$242,748</u>	<u>\$189,767,537</u>

TOWN OF DARIEN, CONNECTICUT
 GOVERNMENT-WIDE EXPENSES BY FUNCTION
 LAST THREE FISCAL YEARS

FISCAL YEAR	GENERAL GOVERNMENT	COMMUNITY ENVIRONMENTAL	PUBLIC SAFETY	HEALTH AND SOCIAL SERVICES	LIBRARY	PARKS AND RECREATION	PUBLIC WORKS	EDUCATION	SEWER OPERATIONS	SOLID WASTE	DEBT SERVICE	TOTAL
2005 ...	\$3,127	\$655	\$9,145	\$1,079	\$2,186	\$1,296	\$3,297	\$60,356	\$2,140	\$1,418	\$3,421	\$88,120
2004 ...	3,442	563	7,725	1,061	1,983	1,483	4,106	55,938	1,905	1,464	2,869	82,539
2003* ..	3,032	634	8,399	933	1,905	1,257	3,443	52,025	2,046	1,313	2,541	77,528

*As restated

TOWN OF DARIEN, CONNECTICUT

GOVERNMENT-WIDE REVENUES
LAST THREE FISCAL YEARS

FISCAL YEAR	.....PROGRAM REVENUES.....			.....GENERAL REVENUES.....				TOTAL
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PROPERTY TAXES	GRANTS AND CONTRIBUTIONS NOT RESTRICTED TO SPECIFIC PURPOSES	UNRESTRICTED INVESTMENT EARNINGS	OTHER	
2005 ...	\$10,827	\$5,407	\$4,120	\$74,497	\$293	\$867	\$469	\$96,480
2004 ...	9,496	4,375	5,847	68,059	272	601	385	89,035
2003 ...	8,134	4,343	2,256	63,002	511	715	14	78,975

TOWN OF DARIEN, CONNECTICUT

GENERAL FUND REVENUES BY SOURCE AND OTHER FINANCING SOURCES - BUDGETARY BASIS
 LAST TEN FISCAL YEARS
 (UNAUDITED)

YEAR ENDED JUNE 30,	PROPERTY TAXES	LICENSES AND PERMITS	INTER- GOVERNMENTAL	CHARGES FOR SERVICES	RENTS	FINES AND FORFEITS	BOARD OF EDUCATION	INVESTMENT INCOME	MISCELLANEOUS	OTHER FINANCING SOURCES	TOTAL
1996	\$40,811,375	\$ 828,871	\$ 800,282	\$1,298,293		\$454,870	\$176,775	\$ 829,805	\$174,675	\$ 760,861	\$46,135,807
1997	43,509,572	920,983	1,444,618	1,129,516		399,343	170,314	956,120	272,088	1,359,506	50,162,060
1998	46,476,935	1,046,052	1,475,905	1,199,143		386,681	202,545	990,182	183,098	976,848	52,937,389
1999	49,243,516	1,119,261	1,515,733	1,229,634		280,671	197,182	1,026,772	276,681	1,224,778	56,114,228
2000	52,300,877	1,334,637	1,441,268	1,045,863	\$591,206	92,184	64,500	1,258,264	56,109	898,500	59,083,408
2001	55,288,801	1,365,464	1,343,703	1,099,586	555,748	93,863	70,265	1,252,078	240,723	765,000	62,075,231
2002	59,399,547	1,580,308	1,791,125	1,040,254	553,924	65,785	41,584	592,812	218,673	936,008	66,220,020
2003	63,354,902	1,856,626	1,806,572	400,653	607,778	60,836	94,051	327,256	77,392	835,022	69,421,088
2004	68,132,134	2,790,174	1,568,613	956,932		57,329	84,956	294,262	333,788	574,567	74,792,755
2005	74,865,805	3,109,919	1,991,577	663,323		20,194	100,573	502,587	512,799	1,054,910	82,821,687

TOWN OF DARIEN, CONNECTICUTGENERAL FUND EXPENDITURES BY FUNCTION AND OTHER FINANCING USES BUDGETARY BASIS
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR ENDED JUNE 30,	GENERAL GOVERNMENT	COMMUNITY ENVIRONMENT	PUBLIC SAFETY	HEALTH AND SOCIAL SERVICES	LIBRARY	PARKS AND RECREATION	PUBLIC WORKS	OVERHEAD AND MISCELLANEOUS	BOARD OF EDUCATION	ELDERLY PROPERTY TAX RELIEF	CAPITAL OUTLAY	DEBT SERVICE	OTHER FINANCING USES	TOTAL
1996	\$4,045,476		\$4,527,016	\$1,642,221		\$569,487	\$2,784,580		\$28,614,828	\$210,000	\$ 438,456	\$2,307,306	\$ 632,407	\$45,771,777
1997	4,095,425		4,714,684	1,716,092		574,658	2,569,796		31,353,359	215,000	799,403	3,568,027	541,542	50,147,986
1998	4,035,151		4,837,031	1,817,943		603,987	2,727,889		32,855,882	215,000	590,988	3,949,023	598,633	52,231,527
1999	4,009,141		5,052,363	1,898,812		625,824	2,867,352		34,394,083	215,000	802,879	4,998,150	1,154,389	56,017,993
2000	1,882,758	\$364,736	5,043,389	827,454	\$1,481,377	655,834	2,879,750	\$1,787,713	36,207,078	215,000	1,270,760	5,167,071	547,200	58,330,120
2001	1,889,287	380,417	5,117,284	693,154	1,597,305	786,495	3,113,276	1,822,323	39,261,000	235,000		5,254,132	1,541,460	61,691,133
2002	2,323,049	410,251	5,339,490	726,315	1,701,556	855,557	2,991,751	2,077,207	42,642,578	235,000		5,452,372	1,946,476	66,701,602
2003	2,247,250	429,617	5,521,293	753,345	1,904,723	895,919	2,070,539	2,571,688	45,336,042			5,684,887	2,348,828	69,764,131
2004	2,422,233	436,976	5,633,866	840,914	1,982,655	950,602	2,295,498	2,761,882	48,570,636			6,300,645	2,734,070	74,929,977
2005	2,267,502	448,902	6,269,758	887,562	2,185,753	957,269	2,148,170	3,018,432	51,924,065			7,184,784	2,443,848	79,736,045

TOWN OF DARIEN, CONNECTICUT

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR ENDED JUNE 30,	TAX RATE IN MILLS	GRAND LIST OF OCTOBER 1, (1)	TOTAL ADJUSTED TAX LEVY (2)	CURRENT TAX COLLECTIONS	PERCENT OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	RATIO OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY	OUTSTANDING DELINQUENT TAXES	RATIO OF DELINQUENT TAXES TO TOTAL TAX LEVY
1996	14.49	1994	\$40,492,513	\$40,048,120	98.90%	\$567,489	\$40,615,609	100.30%	\$ 952,345	2.4%
1997	15.32	1995	43,407,604	42,883,291	98.79%	425,314	43,308,605	99.77%	1,029,221	2.4%
1998	16.13	1996	46,142,918	45,780,522	99.21%	505,355	46,285,877	100.31%	877,441	1.9%
1999	17.05	1997	49,258,773	48,881,573	99.23%	292,845	49,174,418	99.83%	960,611	2.0%
2000	17.72	1998	52,006,336	51,372,064	98.78%	435,305	51,807,369	99.62%	1,196,843	2.3%
2001	13.06	1999	54,631,487	54,208,455	99.23%	444,092	54,652,547	100.04%	1,101,604	2.0%
2002	14.02	2000	58,772,372	58,387,013	99.34%	273,013	58,660,026	99.81%	1,054,254	1.9%
2003	14.98	2001	62,948,741	62,545,870	99.36%	271,594	62,817,464	99.79%	855,619	1.4%
2004	16.00	2002	67,767,842	67,414,113	99.48%	276,591	67,690,704	99.89%	862,923	1.3%
2005	11.95	2003	74,228,392	73,869,759	99.52%	465,775	74,335,534	100.14%	790,260	1.1%

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(1) Property revalued for the Grand List of October 1, 1998.
(2) Tax levy is per \$1,000 of the assessed value of taxable property.

TOWN OF DARIEN, CONNECTICUT

ASSESSED VALUE AND ESTIMATED FULL VALUE OF ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR ENDED JUNE 30,	GRAND LIST OF OCTOBER 1,	.....REAL PROPERTY.....		.....PERSONAL PROPERTY.....		EXEMPTIONS REAL AND PERSONAL	.....TOTAL.....	
		ASSESSED VALUE	ESTIMATED FULL VALUE (1)	ASSESSED VALUE	ESTIMATED FULL VALUE (1)		ASSESSED VALUE	ESTIMATED FULL VALUE
1996	1994	\$2,645,420,734	\$3,779,172,477	\$157,624,869	\$225,178,384	\$2,245,350	\$2,800,800,253	\$4,004,350,861
1997	1995	2,650,203,458	3,786,004,940	125,000,578	178,572,254	2,139,879	2,773,064,157	3,964,577,194
1998	1996	2,664,238,628	3,806,055,183	177,785,697	253,979,567	2,098,839	2,839,925,486	4,060,034,750
1999	1997	2,701,797,264	3,859,710,377	194,968,988	278,527,126	2,353,589	2,894,412,663	4,138,237,503
2000	1998	2,694,200,480	3,848,857,829	209,312,220	299,017,457	2,042,917	2,901,469,783	4,147,875,286
2001	1999	3,960,726,860	5,658,181,229	242,624,815	346,606,879	2,057,835	4,201,293,840	6,004,788,108
2002	2000	3,988,428,240	5,697,754,629	253,239,716	361,771,023	1,709,689	4,239,958,267	6,059,525,652
2003	2001	4,012,273,234	5,731,818,906	253,376,389	361,966,270	1,715,000	4,263,934,623	6,093,785,176
2004	2002	3,987,146,022	5,695,922,888	267,561,396	382,230,566	2,062,203	4,254,707,418	6,078,153,454
2005	2003	5,965,862,819	8,522,661,170	258,428,492	369,183,560	1,840,730	6,222,450,581	8,891,844,730

(1) 70% Assessment ratio used to estimate full value.

TOWN OF DARIEN, CONNECTICUTPRINCIPAL TAXPAYERS
(UNAUDITED)

NAME	NATURE OF BUSINESS	TOTAL ASSESSMENT OCTOBER 1, 2003	% OF TAXABLE GRAND LIST (1)
The Wee Burn Country Club, Inc.	Country Club	\$30,884,890	0.50%
Country Club of Darien	Country Club	\$22,717,880	0.37%
Woodway Country Club	Country Club	\$21,588,220	0.35%
Estate of Helen M. Rivoire, et al	Real Estate	\$20,108,060	0.32%
Connecticut Light & Power Company	Utility	\$17,333,010	0.28%
Helen Steinkraus & William Ziegler	Real Estate	\$16,936,080	0.27%
The Nielsen Company	Offices	\$15,817,205	0.25%
Avalonbay Communications, Inc.	Apartment Complex	\$14,327,880	0.23%
William Ziegler III, et al	Real Estate	\$13,167,980	0.21%
UB Darien, Inc.	Shopping Center	\$12,627,510	0.20%

(1) Based on 10/1/03 Net Taxable Grand List of \$6,222,450,581

TOWN OF DARIEN, CONNECTICUT
 SPECIAL ASSESSMENT COLLECTIONS
 LAST TEN FISCAL YEARS
 (UNAUDITED)

YEAR ENDED JUNE 30,	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	RATIO OF COLLECTIONS TO AMOUNT DUE	TOTAL CURRENT AND DEFERRED ASSESSMENTS OUTSTANDING
1996	\$175,193	\$158,106	90.2%	\$ 361,094
1997	255,998	238,867	93.3%	2,164,852
1998	357,521	342,783	95.9%	1,901,855
1999	370,916	352,221	95.0%	2,615,777
2000	340,642	309,025	90.7%	2,789,678
2001	348,541	304,246	87.3%	2,955,693
2002	403,541	355,771	88.2%	3,060,279
2003	565,756	390,107	69.0%	2,758,843
2004	379,229	368,875	97.3%	2,875,524
2005	375,812	363,920	96.8	2,808,152

TOWN OF DARIEN, CONNECTICUTCOMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2005

(thousands)

Total tax collections (including interest and lien fees):					
For the year ended June 30, 2005:					
Town of Darien					\$74,667
Taxing districts					417
Reimbursement for revenue loss:					
Tax relief for elderly freeze					<u>14</u>
BASE.....					<u>\$75,098</u>
	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base.	\$168,970				
4-1/2 times base.		\$337,941			
3-3/4 times base.			\$281,617		
3-1/4 times base.				\$244,068	
3 times base.....					<u>\$225,294</u>
Total debt limitation ..	<u>168,970</u>	<u>337,941</u>	<u>281,617</u>	<u>244,068</u>	<u>225,294</u>
Indebtedness:					
Bonds payable (1)	879	78,834	4,384		
Bond authorized but unissued ...		26,655	2,285		
Less: School building grants receivable		<u>(8,509)</u>			
Total indebtedness	<u>879</u>	<u>96,980</u>	<u>6,669</u>		
Debt limitation in excess of indebtedness.....	<u>\$168,091</u>	<u>\$240,961</u>	<u>\$274,948</u>	<u>\$244,068</u>	<u>\$225,294</u>

Note 1: Total net indebtedness above amounts to \$104,528 but in no event shall total indebtedness exceed \$525,686 (seven times the base for debt limitation).

Note 2: There is no overlapping debt.

Note 3: School building grants receivable include \$2,329 of bond principal grants from the State of Connecticut. Additionally, progress payments of \$6,180 (or approximately 20.71%) of eligible project costs on the High School project are included.

TOWN OF DARIEN, CONNECTICUT

RATIO OF NET LONG-TERM BONDED DEBT TO ASSESSED VALUE AND NET LONG-TERM BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR ENDED JUNE 30,	POPULATION (1)	ASSESSED VALUE (2)	GROSS LONG-TERM BONDED DEBT	GROSS SHORT-TERM DEBT (3)	LESS DEBT PAYABLE FROM NONTAX REVENUE	NET OVERALL DEBT	RATIO OF NET OVERALL DEBT TO ASSESSED VALUE	NET OVERALL DEBT PER CAPITA
1996	19,108	\$2,800,800,253	\$21,575,000	\$ 2,065,000	\$3,611,114	\$20,028,886	0.72%	\$1,048
1997	19,108	2,773,064,157	29,350,000	3,300,000	6,030,165	26,619,835	0.96%	1,393
1998	19,271	2,839,925,486	42,300,000		8,449,672	33,850,328	1.19%	1,757
1999	18,085	2,894,412,663	50,595,000		8,781,784	41,813,216	1.44%	2,312
2000	19,607	2,901,469,783	47,930,000		8,059,585	39,870,415	1.37%	2,033
2001	19,607	4,201,293,840	44,510,000	2,364,084	7,599,045	39,275,039	0.93%	2,003
2002	19,607	4,239,958,267	47,006,457		7,138,429	39,868,028	0.94%	2,033
2003	20,049	4,263,934,623	73,388,936		6,714,754	66,674,182	1.56%	3,326
2004	20,049	4,254,707,418	70,186,784	17,400,000	7,543,094	80,732,565	1.88%	3,992
2005	20,049	6,222,450,581	84,096,608		7,011,596	77,085,012	1.24%	3,845

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

(2) Source - From Table 4.

(3) Includes bond anticipation notes only.

TOWN OF DARIEN, CONNECTICUT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE (2)	TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
1996	\$1,375,000	\$ 930,748	\$2,305,748	\$45,771,777	5.04%
1997	1,925,000	1,641,495	3,566,495	50,147,986	7.11%
1998	2,300,000	1,647,467	3,947,467	52,231,527	7.56%
1999	3,055,000	1,841,700	4,896,700 (3)	56,017,993	8.74%
2000	2,665,000	2,292,471	4,957,471	58,330,120	8.50%
2001	3,220,000	2,032,782	5,252,782	61,691,133	8.51%
2002	3,398,214	2,052,808	5,451,022	66,701,602	8.17%
2003	3,617,520	2,066,867	5,684,387	69,764,131	8.15%
2004	3,373,278	2,926,867	6,300,145	74,929,977	8.41%
2005	4,179,050	2,810,312	6,989,362	79,736,045	8.76%

(1) Reflects General Fund expenditures and other financing uses on a budgetary basis.

(2) Excludes bond registration fees and other miscellaneous charges.

(3) Excludes \$100,000 reserved for future debt service.

TOWN OF DARIEN, CONNECTICUTDEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR ENDED JUNE 30,	POPULATION (1)	REGISTERED VOTERS (2)	SCHOOL ENROLLMENT (3)	UNEMPLOYMENT RATE (4)
1996	19,108	11,011	3,108	2.5%
1997	19,108	11,391	3,260	2.3%
1998	19,271	10,934	3,310	2.2%
1999	18,085	10,832	3,497	1.4%
2000	19,607	11,638	3,662	1.1%
2001	19,607	11,370	3,874	1.9%
2002	19,695	11,397	3,927	2.0%
2003	20,049	11,175	4,116	2.8%
2004	20,049	11,397	3,927	2.0%
2005	20,049	12,307	4,378	3.6%

The 1990 census reported the median age for the Town as 38.2 years.

(1) Source - U.S. Department of Commerce, Bureau of Census and State of Connecticut Department of Health

(2) Source - Town of Darien, Registrars of Voters.

(3) Source - Town of Darien, Board of Education.

(4) Source - State Labor Department.

TOWN OF DARIEN, CONNECTICUT
 PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
 LAST TEN FISCAL YEARS
 (UNAUDITED)

YEAR ENDED JUNE 30,	.....REAL PROPERTY VALUE (1).....			PERMITS	.....CONSTRUCTION VALUE (2).....			BANK DEPOSITS (3)
	RESIDENTIAL	COMMERCIAL	TOTAL		RESIDENTIAL	COMMERCIAL	TOTAL	(DEPOSITS IN \$000S)
1996	\$3,394,222,734	\$384,949,743	\$3,779,172,477	687	\$ 33,338,000	\$ 7,654,000	\$ 40,992,000	\$568,524
1997	3,386,125,111	399,879,829	3,786,004,940	770	37,364,000	12,001,000	49,365,000	552,647
1998	3,403,227,068	402,828,115	3,806,055,183	780	50,000,000	6,461,000	56,461,000	602,307
1999	3,442,861,657	416,848,720	3,859,710,377	705	56,209,000	6,534,000	62,743,000	613,852
2000	3,425,483,468	423,374,361	3,848,857,829	749	86,120,000	13,060,000	99,180,000	651,816
2001	5,658,181,229	346,606,879	6,004,788,108	816	92,734,000	9,456,000	102,190,000	679,187
2002	5,697,754,629	361,771,023	6,059,525,652	871	93,011,000	15,196,000	108,207,000	730,791
2003	5,731,818,906	361,966,270	6,093,785,176	820	115,619,000	6,519,000	122,138,000	867,526
2004	5,695,922,888	382,230,566	6,078,153,454	826	119,007,000	9,641,000	128,648,000	922,095
2005	8,522,661,170	369,183,560	8,891,844,730	885	153,757,000	11,019,119	164,776,119	897,794

(1) Source - Estimated actual value from Table 4.

(2) Source - Town of Darien, Building Department.

(3) Source - State Banking Commission and Federal Deposit Insurance Corporation (Information about bank deposits within the Town are not available for the entire State of Connecticut).

TOWN OF DARIEN, CONNECTICUT

MISCELLANEOUS STATISTICS

JUNE 30, 2005

(UNAUDITED)

Date of Incorporation	1820
Form of Government	Selectmen/Representative Town Meeting
Area in square miles	14.9 miles
Miles of streets	110 (includes private and state)
Number of street lights	827
Number of Employees (Full and permanent part-time):	
Town	137
Board of Education	672
Recreation:	
Community Centers	1 (Senior Center)
Parks	13
Park acreage	207 acres
Tennis courts	10
Fire Protection:	
Number of stations	3
Number of volunteer fire personnel and officers	80
Number of calls answered	1,299
Number of fire hydrants:	
Public	500
Private	22
Police Protection:	
Number of stations	1
Number of calls answered	20,839
Number of law violations:	
Criminal arrests	206
Motor vehicle arrests	1,993
Motor vehicle warnings	929
Accidents	685
Education:	
Number of elementary schools	5
Number of elementary school instructors	184
Number of middle schools	1
Number of middle school instructors	113
Number of high schools	1
Number of high school instructors	108
Number of private schools	1
