

## Official Statement Dated August 29, 2017

### NEW ISSUE

**MOODY'S RATING: Aaa**  
(See "Ratings" herein)

*In the opinion of Bond Counsel, rendered in reliance upon and assuming the material accuracy of and continuing compliance with certain representations, statements of intention, reasonable expectations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing statutes and court decisions, interest on the Bonds (as defined herein) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest may be taken into account in computing the federal alternative minimum tax.*

*In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. (See "Tax Matters" herein.)*

## TOWN OF DARIEN, CONNECTICUT

**\$12,460,000**

### GENERAL OBLIGATION BONDS, ISSUE OF 2017 BOOK-ENTRY-ONLY

**Dated: Date of Delivery**

**Due: February 15, as shown herein**

The Bonds will be general obligations of the Town of Darien, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein).

The Bonds will bear interest payable on February 15 and August 15 in each year until maturity, commencing February 15, 2018. The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry Transfer System" herein).

**The Bonds are subject to redemption prior to maturity as described herein. (See "Optional Redemption" herein).**

This Official Statement is in a form "deemed final" by the Town for the purpose of Securities and Exchange Commission Rule 15c2-12, but it is subject to amendment or revision.

The Certifying, Registrar, Transfer and Paying Agent for the Bonds will be U.S. Bank National Association, of Hartford, Connecticut.

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*The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Pullman & Comley, LLC of Hartford and Bridgeport, Connecticut, Bond Counsel. It is expected that delivery of the Bonds in book-entry form will be made on or about September 14, 2017.*

# TOWN OF DARIEN, CONNECTICUT

## \$12,460,000

### GENERAL OBLIGATION BONDS, ISSUE OF 2017 BOOK-ENTRY-ONLY

**Dated: Date of Delivery**

**Due: February 15, as shown herein**

#### MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Interest Rate	Yield	CUSIP (1)	Maturity	Amount	Interest Rate	Yield	CUSIP (1)
2020	\$ 510,000	5.000%	0.820%	237217F66	2029	\$ 700,000	2.125%	2.250%	237217G73
2021	535,000	5.000	0.930	237217F74	2030	715,000	2.250	2.390	237217G81
2022	565,000	5.000	1.030	237217F82	2031	730,000	2.500	2.500*	237217G99
2023	590,000	5.000	1.160	237217F90	2032	750,000	2.500	2.583	237217H23
2024	620,000	4.000	1.370*	237217G24	2033	770,000	3.000	2.700*	237217H31
2025	645,000	2.000	1.650*	237217G32	2034	790,000	3.000	2.750*	237217H49
2026	660,000	2.000	1.850*	237217G40	2035	815,000	3.000	2.830*	237217H56
2027	675,000	2.000	2.000	237217G57	2036	840,000	3.000	2.900*	237217H64
2028	685,000	2.000	2.150	237217G65	2037	865,000	3.000	2.950*	237217H72

\* Priced assuming redemption on February 15, 2023; however any such redemption is at the option of the Town. (See "Optional Redemption" herein).

(1) Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesman or other person has been authorized by the Town of Darien, Connecticut (the "Town") to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

Other than as to matters expressly set forth in Appendix A - "Audited Financial Statements" herein, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Independent Bond and Investment Consultants LLC ("IBIC LLC"), the Town's Financial Advisor, has assisted the Town in the preparation of this Official Statement from information supplied by Town officials and other sources. IBIC LLC does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

The Town deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but it is subject to revision or amendment.

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events; and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The underwriter's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, the purchaser of the Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

**BOND COUNSEL**

**PULLMAN & COMLEY, LLC**

Hartford and Bridgeport, Connecticut  
(860) 424-4337

**INDEPENDENT FINANCIAL ADVISOR**

**INDEPENDENT BOND AND  
INVESTMENT CONSULTANTS LLC**

Madison, Connecticut  
(203) 245-8715

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## BOND SALE SUMMARY

The information in this Bond Sale Summary is qualified in its entirety by the Notice of Sale.

<b>Date of Sale:</b>	Tuesday, August 29, 2017, at 11:00 A.M. (E.S.T.).
<b>Location of Sale:</b>	Office of the Finance Director, Darien Town Hall, 2 Renshaw Road, Darien, Connecticut 06820.
<b>Issuer:</b>	Town of Darien, Connecticut (the "Town").
<b>Issue:</b>	\$12,460,000 General Obligation Bonds, Issue of 2017 (the "Bonds").
<b>Dated Date:</b>	September 14, 2017.
<b>Interest Due:</b>	February 15, 2018 and semiannually thereafter on August 15 and February 15 in each year.
<b>Principal Due:</b>	Serially, February 15, 2020-2037.
<b>Purpose and Authority:</b>	The Bonds are being issued to finance the Leroy – Mather Community Center, the DPW Garage Renovations – Design and Construction Phases, the Ox Ridge Land Acquisition, and the Darien High School Cafeteria undertaken by the Town and authorized by the Representative Town Meeting. (See "Authorization and Purpose" herein).
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein).
<b>Security:</b>	The Bonds will be general obligations of the Town of Darien, Connecticut, and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Bonds have been rated "Aaa" by Moody's Investors Service, Inc. ("Moody's"). The rating on the Town's outstanding general obligation bonds has recently been affirmed as "Aaa" by Moody's. (See "Ratings" herein).
<b>Basis of Award:</b>	Lowest True Interest Cost ("TIC") as of the dated date.
<b>Continuing Disclosure:</b>	See Appendix C – "Continuing Disclosure Agreement" herein.
<b>Tax Exemption:</b>	See Tax Exemption of the Bonds and Appendix B – "Form of Legal Opinion of Bond Counsel" herein.
<b>Bank Qualification:</b>	The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
<b>Certifying Bank Registrar, Transfer and Paying Agent:</b>	U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103.
<b>Legal Opinion:</b>	Pullman & Comley, LLC, of Hartford and Bridgeport, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry form will be made on or about September 14, 2017, against payment in Federal Funds.
<b>Issuer Official:</b>	Questions regarding the Town and this Official Statement should be directed to Jennifer A. Charneski, Finance Director, 2 Renshaw Road, Darien, Connecticut 06820 – Telephone (203) 656-7334.

## SECTION I - SECURITIES OFFERED

### Introduction

This Official Statement, including the cover page and appendices, has been prepared by the Town of Darien, Connecticut (the "Town") with assistance from its financial advisor in connection with the sale of the Town's \$12,460,000 General Obligation Bonds, Issue of 2017 (the "Bonds").

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in its opinion) and it makes no representation that it has independently verified the same.

### Description of the Bonds

The Bonds will be dated the date of delivery and will mature in annual installments on February 15 in each of the years and in the principal amounts set forth on the inside cover of this Official Statement. The Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the last business day of January and July in each year.

A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Certifying, Registrar, Transfer, Paying and Escrow Agent will be U.S. Bank National Association, in Hartford, Connecticut, 06103. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC, of Hartford and Bridgeport, Connecticut. (See "Appendix B" herein). The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended for purposes of the deduction by financial institutions for interest expense allocable to the Bonds. **The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein).**

### Optional Redemption

The Bonds maturing on or before February 15, 2023 are not subject to redemption prior to maturity. The Bonds maturing on February 15, 2024 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after February 15, 2023, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine at the following redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
February 15, 2023 and thereafter	100%

### Notice of Redemption

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty days prior to the date fixed for redemption to the registered owner of the Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

**Authorization and Purpose**

The Bonds are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town of Darien, and certain bond resolutions adopted by the Representative Town Meeting.

Purpose: Proceeds of the Bonds will be used to finance the following project:

Projects	Amount of Total Authorization	Previously Bonded	Notes Outstanding	Additions / (Reductions)	The Bonds (This Issue)
Leroy - Mather Community Center	\$ 6,979,000	\$ 6,900,000	\$ -	\$ 79,000	\$ 79,000
DPW Garage Renovations - Design Phase	230,000	-	-	230,000	230,000
DPW Garage Renovations - Construction Phase	6,315,000	-	-	5,311,000	5,311,000
OxRidge Land Acquisition	6,340,000	-	-	6,340,000	6,340,000
Darien High School Cafeteria	1,689,359	-	-	500,000	500,000
Total	<u>\$ 21,553,359</u>	<u>\$ 6,900,000</u>	<u>\$ -</u>	<u>\$ 12,460,000</u>	<u>\$ 12,460,000</u>

**Ratings**

The Bonds have been rated "Aaa" by Moody's Investors Service, Inc. ("Moody's"). The rating on the Town's outstanding general obligation bonds has recently been affirmed as "Aaa" by Moody's. Such rating reflects only the views of such organization and an explanation of the significance of such rating may be obtained from the rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by the rating agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the Town's bonds or notes, including the Bonds.

**Tax Exemption of the Bonds**

*Opinion of Bond Counsel*

**Federal Taxes.** In the opinion of Pullman & Comley, LLC, Bond Counsel, under existing statutes and court decisions, interest on the Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest may be taken into account in computing the federal alternative minimum tax.



Bond Counsel's opinion with respect to the Bonds will be rendered in reliance upon and assuming the material accuracy of and continuing compliance by the Town with its representations, statements of intention, reasonable expectations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds, as the case may be, irrespective of the date on which such noncompliance occurs. In the Tax Compliance Agreement, which will be delivered concurrently with the issuance of the Bonds, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Bond proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds.

**Original Issue Discount.** The initial public offering price of the Bonds may be less than the stated principal amount. Under existing law, the difference between the stated principal amount and the initial offering price of the Bonds will constitute original issue discount. The offering price relating to the yield set forth on the cover page of this Official Statement for the Bonds is expected to be the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of the Bonds are sold. Under existing law, original issue discount on the Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in a Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such Bond and will be added to the owner's basis. Original issue discount will accrue on a constant-yield-to-maturity method based on regular compounding. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such a Bond. For certain corporations (as defined for federal income tax purposes), a portion of the original issue discount that accrues in each year to such Bond will be included in the calculation of the corporation's federal alternative minimum tax liability. As a result, ownership of such a Bond by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

Prospective purchasers of Bonds at an original issue discount should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such Bonds.

**Original Issue Premium.** The initial public offering price of the Bonds may be more than their stated principal amount. An owner who purchases a Bond at a premium to its principal amount must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the Bond for federal income tax purposes. Prospective purchasers of the Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

**Other Federal Tax Matters.** Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences.

**State Taxes.** In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excludable from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on a Bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof.

***Proposed Legislation and Other Matters.*** Tax legislation and administrative actions taken by tax authorities (whether currently proposed, proposed in the future, or enacted) and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation, actions or decisions could affect the market price for, or the marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

***General.*** The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may come to their attention or any changes in law that may occur after the date of their opinion. Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds.

## **Security and Remedies**

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from the general property tax revenues of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town. Under existing statutes the State of Connecticut is obligated to pay to the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax such dwelling houses.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes, and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. A court of competent jurisdiction also has the power in appropriate proceedings to order payment of a judgment on such bonds or notes from funds lawfully available therefore or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

**THE TOWN OF DARIEN, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF  
PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.**

**Qualification for Financial Institutions**

The Bonds shall NOT be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

**Book-Entry Transfer System**

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes. DTC's records reflect only the identity of the Direct Participants to whose accounts such the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Town or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Town or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The Town takes no responsibility for the accuracy thereof.

### **Replacement Bonds**

The Town will provide for the issuance of fully registered Bond certificates directly to the Beneficial Owners of the Bonds or the nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Notes. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

### **DTC Practices**

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

## SECTION II - THE ISSUER

### Description of the Town

The Town, first settled as the parish of Middlesex, was incorporated and separated from Stamford in May, 1820 as Connecticut's 122<sup>nd</sup> town. Covering an area of 14.9 square miles, Darien is located in lower Fairfield County on Long Island Sound. It is located between Stamford and Norwalk and bordered to the north by New Canaan.

The Town is less than one hour from New York City by highway or rail transportation. It is served by the Connecticut Turnpike, I-95, and U.S. Route 1, the Boston Post Road. State Routes 106, 124 and 136 also traverse Darien and the Merritt Parkway, Route 15, is easily accessible to the north. Darien is on the main line of the Metro North Commuter Railroad, which provides convenient and fast commuter service to New York City from two high-level platform stations, one in Darien and one in Noroton Heights.

The Town, located in one of the highest per capita income areas of the United States, is a high quality suburban residential community with modern commercial and executive research office buildings. According to the 2011-2015 American Community Survey, the median family income was in excess of \$250,000 and the per capita income was \$95,767. A great number of the Town's residents are executives, professional, technical and managerial people employed in New York City and at the industrial and corporate headquarters of nationally known firms located in surrounding Fairfield County communities.

Despite its proximity to the larger retail centers of New York City, Stamford and Norwalk, Darien continues to be an active retail community. Its major retail areas are the many attractive and unique specialty shops along the Boston Post Road, easily accessible to I-95, the Goodwives Shopping Plaza and the shopping center of Noroton Heights. Banking institutions located in Darien include Citibank, HSBC, Bank of America, TD Bank, Darien/Rowayton Bank, People's United Bank and Webster Bank.

Life Study Fellowship Foundation, Inc. and Zotos International have corporate and executive headquarters located in Darien.

The Town established the Planning and Zoning Commission in 1926, which has placed great importance on sound town planning. Its first Town Plan of Development (the "Town Plan") was adopted in 1954 and was subsequently updated in 1967, 1984, 1996, 2006 and most recently in 2016. In recent years, Darien has witnessed significant changes in the use of its land, the composition of its population, and the economic function of the southwestern Connecticut/Fairfield County region. The Planning and Zoning Commission will be using the 2016 Town Plan to implement the policies over the next ten year period. A Vision Statement, prepared by the Board of Selectmen, notes that the Town Plan must balance growth and development with preservation and protection of the existing ecosystem. It goes on to state that the Town must adopt and implement high quality public policies promoting long-term growth, development and infrastructure improvements.

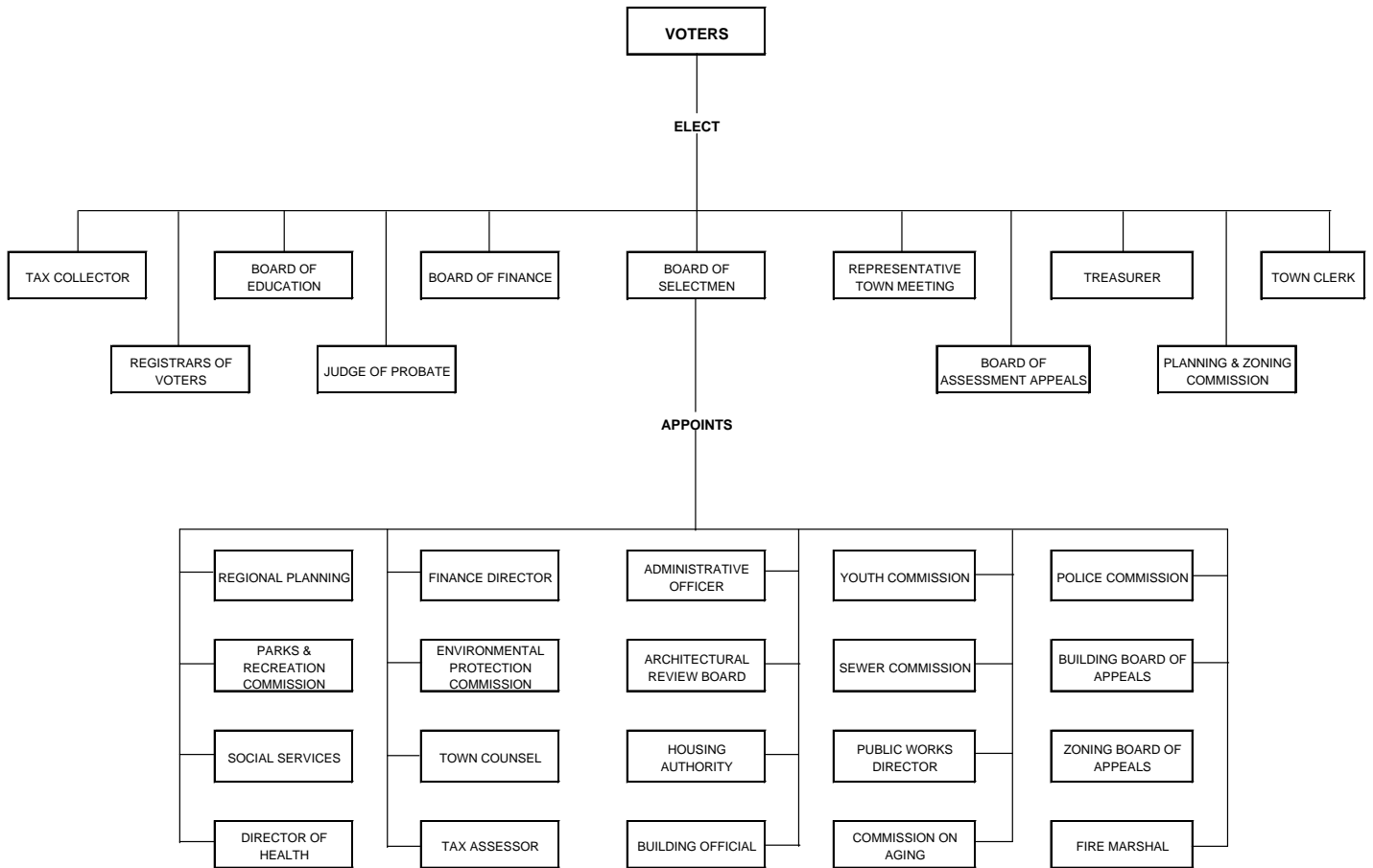
It is expected that population growth in Darien will continue to be gradual due to the limited amount of vacant land available for development. Over the next few years, much of the commercial and residential grand list growth will be a result of mixed-use redevelopment in downtown Darien and in the Noroton Heights commercial area, and will be implemented by private developers. Much of the new development in the single-family residential areas of the community will continue to consist of teardowns of existing single-family residences and the construction of new, replacement single-family residences in their place. The values of such new replacement single-family residences exceed a million dollars in nearly every instance, with waterfront properties generally continuing to be some of the highest-valued properties in Town.

The Town is located in one of the most attractive suburban regions of the country. Its natural beauty, attractive Long Island Sound setting, water recreational opportunities, and closeness to the New York metropolitan center have made this regional location most desirable to thousands of people over the years.

Darien has 16 miles of shoreline and a number of public parks, open space, and recreation facilities consisting of approximately 546 acres. The Town is also known for its private recreation facilities such as the Country Club of Darien, Wee Burn Country Club, Woodway Country Club, The Ox Ridge Hunt Club, Darien Boat Club and Noroton Yacht Club.

There are five taxing districts located within the Town of Darien jurisdiction - Delafield Island, Tokeneke, Crooked Mile Road, Allwood, and Ridge Acres. These districts are street associations created for the purpose of making street improvements within their respective jurisdictions.

## Organizational Chart



### Form of Government

The Town has a Representative Town Meeting (“RTM”) form of government with a Board of Selectmen and Board of Finance. The current Charter was adopted by the RTM on June 15, 1959 and became effective thirty days later. Subsequent amendments to the Charter have occurred periodically from 1961 to 2016.

The legislative power of the Town is vested in the RTM which presently has a 100 member limit. Minority representation is guaranteed on all boards and commissions. In addition to all power and privileges in the Charter, the inhabitants have the power and privileges conferred and granted to towns and cities under the Constitution and General Statutes of Connecticut.

The First Selectman is the Chief Executive Officer of the Town. She presides over the five member Board of Selectmen and has full voting privileges on the Board. The Board of Selectmen appoints numerous officials as indicated on the Town's organizational chart (See "Organizational Chart" herein). A professional Town Administrator and Finance Director are employed on a full-time basis.

The seven members of the Board of Finance are elected to serve four-year overlapping terms. As policy maker of Darien's financial affairs, the Board meets monthly. Subject to action by the RTM, it passes on all budgets and recommends the tax rate.

**Municipal Officials**

	Term of Office		Years of Service
Jayme J. Stevenson, First Selectman	Elected	2 years	6.0
Jon Zagrodzky, Chairman, Board of Finance	Elected	4 years	9.0
Kathleen C. Buch, Administrative Officer (1)	Appointed	Indefinite	17.0
Jennifer A. Charneski, Finance Director	Appointed	Indefinite	2.0
Joan D. Hendrickson, Treasurer	Elected	2 years	12.0
Donna E. Rajczewski, Town Clerk	Elected	2 years	18.0
Kathleen M. Larkins, Tax Collector	Elected	2 years	4.0
Dr. Daniel Brenner, Superintendent of Schools	Appointed	3 years	2.0

(1) Kathleen C. Buch was appointed Administrative Officer after serving 15 years as the Director of Finance.

**Summary of Municipal Services**

**Police Protection:** The Police Department is managed and controlled by a three-member Police Commission appointed to overlapping terms by the Board of Selectmen. The department includes 51 full-time officers, 7 full-time civilian employees, 2 part-time civilian employees and several traffic agents, including 8 school crossing guards. Department rolling stock/equipment consists of 28 vehicles, including one mobile command post, one boat and two trailers.

**Fire Protection:** Fire protection services are provided by three volunteer fire companies staffed by approximately 75 volunteer fire personnel and officers. A Board of Fire Commissioners, comprised of three members from each fire company, coordinates fire protection services. The fire companies receive appropriations from the Town for operational support, supplies, equipment and repairs. The respective companies own the station houses while the Town owns the majority of the fire apparatus.

**Sewers:** The Darien sanitary sewer system consists of 81 miles of mains, 14 pump stations and six pipeline crossings of the Noroton River and/or its outlet for delivery of wastewater to the City of Stamford treatment facility. The system is available to approximately 70% of properties in Town. All operational, maintenance and repair costs, and user fees paid to the City of Stamford, are paid solely from benefiting owners through user fees. No new municipally funded sewer extension projects are being considered at this time. There are currently one privately and one municipally financed sewer extension projects, one is almost complete. Once completed, these projects will be annexed to the Town's sanitary sewer system. There is currently a third project in the design phase which will be built in the near future.

**Solid Waste:** The Town has contracted City Carting Inc. of Stamford, Connecticut for disposal of solid waste and recycling. The Agreement with City Carting provides for hauling and disposal of acceptable solid waste, operation of the Town transfer station and recycling operations. There are no "put or pay" provisions in the Agreement. The current tipping fee is \$91.80 per ton, and escalates annually at the rate of 4%.

**Utilities:** Electricity and natural gas for the Town is provided by Eversource, a subsidiary of Northeast Utilities. Water for the Town is provided by Aquarion Water.

**Human Services:** A seven-member Board of Commissioners oversees the operation of the Human Services Department that provides a wide variety of services and support to Darien residents in need. These include, but are not limited to: short term financial support, counseling, information and referral, elderly outreach and the implementation of mandated state and federal programs. There is also a seven-member Youth Commission offering numerous youth social and recreational programs and a 10 member Commission on Aging offering various programs and services to Darien's elderly at the Mather Center.

**Public Works:** Is responsible for the maintenance of over 81 miles of town roads.

**Parks and Recreation:** The Department manages and cares for a variety of recreation facilities and offers varied programs for pre-school to adults. The department is governed by a nine-member board appointed by the Board of Selectmen, called the Parks and Recreation Commission. Department facilities include 13 parks consisting of 207 acres; 2 Town beaches with bathhouse facilities, public boat launch ramp, 10 tennis courts, 5 paddle tennis courts with operations building, basketball court, 9 athletic fields, several nature preserves with trails, 2 skating ponds (winter), 4 picnic areas, 2 gazebos, 4 children's play equipment areas, and general open space. Youth and adult recreation programs consist of: tennis and paddle lessons, basketball and baseball clinics and programs, golf lessons, piano, guitar and drum lessons, indoor and outdoor soccer clinics, summer sports camps, youth education activities, horseback riding lessons, school vacation camps, adult drop-in volleyball and basketball, and community gardens. The department co-sponsors events and programs such as: Darien Junior Sailing Team, movies on the beach, and special events throughout the parks.

**Education:** The School system is governed by a local nine-member Board of Education elected to three year staggered terms. The primary function of the Board is to establish policy. Some areas for which such policies are set include curriculum, budget request submissions, ensuring funds for education as appropriated by the Town are properly expended, implementation of both state and federal laws, and planning for facilities needed by the system, including construction and renovation. The Town's school system consists of seven schools located strategically in Town. The schools consist of five schools for pupils in grades K through 5, one middle school for pupils in grades 6-8, and one high school for pupils in grades 9-12.

**Educational Facilities**

Schools	Grades	Date Occupied	Additions/ Renovations	Enrollment 10/01/16	Capacity
<u>Elementary</u>					
Hindley School	K-5	1947	1976, 1995, 1996	491	550
Holmes School	K-5	1931	1995, 1996	472	525
Ox Ridge School	K-5	1966	1976, 1995, 1996	451	625
Royle School	Pre K-5	1948	1958, 1976, 1995, 1996	414	550
Tokeneke School	Pre K-5	2008		475	550
<u>Middle School</u>					
Middlesex Middle School	6-8	1937	1952, 2000	1,133	1,200
<u>High School</u>					
Darien High School	9-12	2005		1,356	1,300
Total				<u>4,792</u>	<u>5,300</u>

(1) Internal changes have altered this figure from original design capacities.

Source: Office of the Superintendent of Schools.

**School Enrollment History and Projections**

As of October 1	Actual				Total
	K-5	6 - 8	9 - 12		
2007	2,334	1,117	1,202		4,653
2008	2,341	1,133	1,253		4,727
2009	2,338	1,156	1,284		4,778
2010	2,348	1,158	1,335		4,841
2011	2,336	1,155	1,326		4,817
2012	2,381	1,135	1,330		4,846
2013	2,409	1,129	1,357		4,895
2014	2,404	1,124	1,371		4,899
2015	2,322	1,167	1,358		4,847
2016	2,303	1,133	1,356		4,792
	Projected				
2017	2,217	1,124	1,375		4,716
2018	2,168	1,096	1,408		4,672
2019	2,159	1,138	1,412		4,709
2020	2,194	1,122	1,400		4,716
2021	2,219	1,098	1,401		4,718

Source: Office of the Superintendent of Schools.

**Municipal Employment**

Fiscal Year	2018	2017	2016	2015	2014
General Government	143	138	141	138	137
Board of Education	802	797	799	785	785
Totals	<u>945</u>	<u>935</u>	<u>940</u>	<u>923</u>	<u>922</u>

Source: Town Officials



## Municipal Employment by Category

<u>Department</u>	<u>Employees</u>
<u>General Government</u>	
Public Works	29
Town Hall and Human Services	41
Sewer Authority	5
Police Personnel	59
Parks and Recreation Department	9
Subtotal	143
<u>Board of Education</u>	
Certified Staff	506
Non-Certified Employees	296
Subtotal	802
Total Town Employees	945

Source: Town Officials

## Municipal Employees Bargaining Organizations

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
<b><u>GENERAL GOVERNMENT</u></b>		
32	AFSCME, Council # 4, Local 1303-292 Public Works	6/30/17 (1)
47	Darien Police Association, Inc. Police Department	6/30/18
32	UPSEU Support Personnel	6/30/18
32	Non-Bargaining General Government Employees	
<b><u>BOARD OF EDUCATION</u></b>		
26	Darien Administrators' Association Administrators	6/30/21
485	Darien Education Association Teachers	6/30/20
16	Darien Registered Nurses' Association Nurses	6/30/17 (1)
34	UPSEU Secretaries	6/30/17 (1)
147	UPSEU Paraprofessionals	6/30/17 (1)
30	AFSCME, Council #4, Local 1303 Custodians	6/30/19
13	Darien School Maintenance Association	6/30/19
16	Darien School Cafeteria Association Council #4 Local 1303-357	6/30/19
35	Non-Bargaining Board of Education Employees	

(1) In negotiations.

Source: Town Officials

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

## SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

### Population Trends

Year	Town of Darien	Fairfield County	State of Connecticut
1970	20,336	792,814	3,032,217
1980	18,892	807,143	3,107,564
1990	18,196	857,270	3,287,116
2000	19,607	882,567	3,405,565
2015	21,392	939,983	3,593,222

Source: U.S. Department of Commerce, Bureau of Census and 2011-2015 American Community Survey.

### Age Characteristics of Population

Age	Town of Darien		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5	1,603	7.5	54,513	5.8	191,445	5.3
5 - 9	1,917	9.0	62,247	6.6	214,983	6.0
10 - 14	2,306	10.8	66,356	7.1	231,075	6.4
15 - 19	1,999	9.3	67,349	7.2	255,286	7.1
20 - 24	823	3.8	54,646	5.8	237,578	6.6
25 - 34	1,098	5.1	109,443	11.6	436,678	12.2
35 - 44	3,059	14.3	124,512	13.2	448,840	12.5
45 - 54	3,716	17.4	149,671	15.9	556,454	15.5
55 - 59	1,476	6.9	65,557	7.0	259,565	7.2
60 - 64	911	4.3	52,910	5.6	219,040	6.1
65 - 74	1,387	6.5	70,514	7.5	291,955	8.1
75 - 84	759	3.5	41,233	4.4	162,332	4.5
85 and over	338	1.6	21,032	2.2	87,991	2.4
Total	<u>21,392</u>	<u>100.0</u>	<u>939,983</u>	<u>100.0</u>	<u>3,593,222</u>	<u>100.0</u>

Source: U.S. Department of Commerce, 2011-2015 American Community Survey.

### Selected Wealth and Income Indicators

	Median Family Income		Per Capita Income	
	(2000)	(2015)	(2000)	(2015)
Town of Darien	\$173,777	\$250,000	\$77,519	\$96,767
Fairfield County	77,690	105,628	38,350	50,137
Connecticut	65,521	89,031	28,766	38,803
United States	49,600	66,011	21,690	28,930

Source: U.S. Department of Commerce, Bureau of Census, Census 2000 and 2011-2015 American Community Survey.

## Income Distribution

	Town of Darien		Fairfield County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ -0- to 9,999	93	1.7	6,750	2.9	30,926	3.5
10,000 to 14,999	36	0.7	3,621	1.6	18,063	2.0
15,000 to 24,999	93	1.7	10,727	4.6	46,085	5.1
25,000 to 34,999	69	1.3	13,457	5.8	55,715	6.2
35,000 to 49,999	187	3.4	19,260	8.3	83,173	9.3
50,000 to 74,999	219	4.0	29,399	12.6	139,724	15.6
75,000 to 99,999	345	6.3	27,256	11.7	126,557	14.1
100,000 to 149,999	596	10.8	42,317	18.2	183,030	20.4
150,000 to 199,999	588	10.7	25,625	11.0	94,575	10.6
200,000 or more	3,283	59.6	54,509	23.4	117,791	13.2
<b>TOTAL</b>	<b>5,509</b>	<b>100.0</b>	<b>232,921</b>	<b>100.0</b>	<b>895,639</b>	<b>100.0</b>

Source: U.S. Department of Commerce, 2011-2015 American Community Survey.

## Educational Attainment Years of School Completed, Age 25 & Over

	Town of Darien		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade	35	0.3	32,517	5.1	105,725	4.3
9th to 12th grade	162	1.3	33,101	5.2	144,132	5.9
High School Graduate	1,057	8.3	143,485	22.6	673,973	27.4
Some College	893	7.0	97,573	15.4	430,129	17.5
Associate Degree	394	3.1	37,348	5.9	183,289	7.4
Bachelor Degree	5,711	44.8	162,883	25.7	516,001	21.0
Graduate or Professional Degree	4,492	35.2	127,965	20.2	409,606	16.6
<b>TOTAL</b>	<b>12,744</b>	<b>100.0</b>	<b>634,872</b>	<b>100.0</b>	<b>2,462,855</b>	<b>100.0</b>
Percent High School Graduate or Higher		98.5%		89.7%		89.9%
Percent Bachelor Degree or Higher		80.1%		45.8%		37.6%

Source: U.S. Department of Commerce, 2011-2015 American Community Survey.

## Employment by Industry

Employment Sector	Town of Darien		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting & Mining	8	0.1	1,135	0.2	7,214	0.4
Construction	255	2.9	30,527	6.6	100,593	5.6
Manufacturing	406	4.7	38,373	8.3	191,286	10.7
Wholesale Trade	204	2.4	11,315	2.4	44,581	2.5
Retail Trade	650	7.5	48,861	10.5	193,799	10.9
Transportation, Warehousing & Utilities	174	2.0	14,699	3.2	66,850	3.8
Information	288	3.3	13,082	2.8	41,486	2.3
Finance, Insurance & Real Estate	2,840	32.7	56,394	12.2	163,822	9.2
Professional, Scientific & Management	1,435	16.5	71,595	15.4	199,942	11.2
Educational Services & Health Care	1,580	18.2	103,842	22.4	471,587	26.5
Arts, Entertainment, Recreation & Food Services	415	4.8	38,996	8.4	153,516	8.6
Other Service (including nonprofit)	324	3.7	23,865	5.1	79,998	4.5
Public Administration	101	1.2	10,926	2.4	66,743	3.7
<b>Total</b>	<b>8,680</b>	<b>100.0</b>	<b>463,610</b>	<b>100.0</b>	<b>1,781,417</b>	<b>100.0</b>

Source: U.S. Department of Commerce, 2011-2015 American Community Survey.

## Major Employers

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Estimated Number of Employees</u>
Town of Darien	Municipality	945
Zotos International	Hair Care Products - Corporate HQ	240
Colangelo Synergy Marketing	Marketing	160
Wee burn Country Club	Country Club	150
Rings' End, Inc.	Building Supplies	124
Woodway Country Club	Country Club	110
BMW of Darien	Automotive Sales and Service	94
Country Club of Darien	Country Club	70
Atria	Assisted Living Center	68
Maplewood	Assisted Living Center	41
U.S. Postal Service	Mail Delivery Services	30

Source: Town Officials

## Unemployment Rate Statistics

<u>Yearly Average</u>	<u>Town of Darien %</u>	<u>Bridgeport-Stamford Labor Market %</u>	<u>State of Connecticut %</u>	<u>United States %</u>
2006	2.8	3.9	4.3	4.6
2007	2.8	4.1	4.5	4.6
2008	3.9	5.3	5.8	5.8
2009	5.8	7.6	8.0	9.3
2010	6.1	8.4	9.0	9.6
2011	5.7	8.2	8.8	9.0
2012	6.1	7.8	8.3	8.1
2013	5.4	7.3	7.9	7.4
2014	5.1	6.4	6.6	6.2
2015	4.3	5.5	5.6	5.3
2016	4.1	5.1	5.0	4.7
<u>2017 Monthly</u>				
January	4.1	5.3	5.4	5.1
February	4.0	5.5	5.5	4.9
March	3.6	5.0	5.1	4.6
April	3.3	4.6	4.7	4.1
May	4.0	4.8	4.8	4.1
June	4.5	5.2	5.1	4.5

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

## Number and Value of Building Permits

Fiscal Year	Residential		Industrial/Commercial		Other Construction		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2017	414	\$ 83,123,000	41	\$ 39,769,500	359	\$ 12,939,000	814	\$ 135,831,500
2016	467	103,882,000	57	14,839,000	300	6,704,000	824	125,425,000
2015	422	101,423,500	47	9,508,000	264	9,906,000	733	120,837,500
2014	386	109,183,500	61	7,475,000	294	28,694,800	741	145,353,300
2013	422	98,940,000	65	18,019,000	319	12,341,000	806	129,300,000
2012	345	53,520,500	47	17,410,000	264	14,153,500	656	85,084,000
2011	343	65,493,000	41	10,337,000	316	5,942,000	700	81,772,000
2010	331	65,617,000	62	18,052,475	226	4,090,000	619	87,759,475
2009	307	66,290,000	40	24,787,000	208	6,970,000	555	98,047,000
2008	445	115,472,000	59	23,002,000	316	7,516,000	820	145,990,000

Source: Town Officials; Building Inspector's Office.

## Characteristics of Housing Units

Value of Owner Occupied Units	Town of Darien		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
\$ 0 to \$ 50,000	46	0.8	4,968	2.2	24,620	2.7
50,000 to 99,999	8	0.1	4,803	2.1	28,771	3.2
100,000 to 149,999	35	0.6	7,937	3.5	78,066	8.6
150,000 to 199,999	14	0.2	15,533	6.8	140,544	15.5
200,000 to 299,999	55	1.0	36,243	15.9	251,106	27.7
300,000 to 499,999	200	3.5	67,877	29.7	235,670	26.0
500,000 to 999,999	1,702	30.0	59,285	26.0	106,965	11.8
1,000,000 and over	3,620	63.7	31,735	13.9	40,485	4.5
<b>Total</b>	<b>5,680</b>	<b>100.0</b>	<b>228,381</b>	<b>100.0</b>	<b>906,227</b>	<b>100.0</b>
<b>Median Value</b>	\$1,279,900		\$416,000		\$270,500	

Source: U.S. Department of Commerce, 2011-2015 American Community Survey.

## Age Characteristics of Housing

Year Structure Built	Town of Darien		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier	1,899	27.4	77,360	21.3	331,829	22.2
1940 to 1949	729	10.5	27,949	7.7	105,253	7.1
1950 to 1959	1,492	21.5	60,611	16.7	230,868	15.5
1960 to 1969	690	9.9	52,996	14.6	200,380	13.4
1970 to 1979	609	8.8	48,000	13.2	199,447	13.4
1980 to 1989	349	5.0	41,637	11.5	193,595	13.0
1990 to 1999	295	4.3	25,149	6.9	115,076	7.7
2000 to 2009	712	10.3	25,574	7.0	103,911	7.0
2010 to 2013	141	2.0	4,032	1.1	10,815	0.7
2014 or later	24	0.3	248	0.1	615	0.0
Total housing units	<b>6,940</b>	<b>100.0</b>	<b>363,556</b>	<b>100.0</b>	<b>1,491,789</b>	<b>100.0</b>

Source: U.S. Department of Commerce, 2011-2015 American Community Survey.

**Number of Dwelling Units**

<u>2015</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>% Increase 2000-2015</u>	<u>% Increase 1990-2015</u>	<u>% Increase 1980-2015</u>
6,940	6,792	6,653	6,340	2.2%	4.3%	9.5%

Source: U. S. Department of Commerce, Bureau of Census and 2011-2015 American Community Survey.

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**SECTION IV - INDEBTEDNESS**

**Computation of Statutory Debt Limit**  
As of September 14, 2017 (Pro Forma)

Total Receipts for fiscal year ended June 30, 2016 (including interest and lien fees)	\$ 128,382,000
Town of Darien Taxing Districts	605,000
State Reimbursement for Revenue Loss on:	
Tax Relief for Elderly	<u>2,000</u>
Base for Establishing Debt Limit (Thousands) (1)	<u><u>\$ 128,989,000</u></u>

**Debt Limit**

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base)	\$ 290,225,250					
(4.50 times base)		\$ 580,450,500				
(3.75 times base)			\$ 483,708,750			
(3.25 times base)				\$419,214,250		
(3.00 times base)					\$386,967,000	
(7.00 times base)						\$ 902,923,000

**Indebtedness (Including the Bonds)**

Bonds Payable	\$ 21,196,000	\$ 28,478,000	\$ 2,761,000	\$ -	\$ -	\$ 52,435,000
The Bonds ( <i>This Issue</i> )	11,960,000	500,000	-	-	-	12,460,000
State of Connecticut Clean Water Fund Project Loan Obligation ("PLO") (2)	-	-	169,173	-	-	169,173
Authorized but Unissued Debt	<u>4,254,000</u>	<u>3,147,332</u>	<u>2,670,000</u>	<u>-</u>	<u>-</u>	<u>10,071,332</u>
Total Indebtedness	<u>37,410,000</u>	<u>32,125,332</u>	<u>5,600,173</u>	<u>-</u>	<u>-</u>	<u>75,135,505</u>
Less:						
Sewer assessments receivable (3)	-	-	(2,358,798)	-	-	(2,358,798)
School grants receivable (4)	-	(2,826)	-	-	-	(2,826)
Total Net Indebtedness	<u>37,410,000</u>	<u>32,122,506</u>	<u>3,241,375</u>	<u>-</u>	<u>-</u>	<u>72,773,881</u>
Excess of Limit Over Outstanding and Authorized Debt	<u>\$ 252,815,250</u>	<u>\$ 548,327,994</u>	<u>\$ 478,108,577</u>	<u>\$419,214,250</u>	<u>\$386,967,000</u>	<u>\$ 827,790,321</u>

- (1) Under Connecticut General Statutes, Town debt cannot exceed seven times the debt limit base or \$902,923,000.
- (2) On December 22, 1998 the Town signed an agreement with the State of Connecticut Department of Environmental Protection under the Clean Water Fund Program. The Agreement provides Clean Water Fund financing for the rehabilitation of the Town's sanitary system in the amount of \$1,498,500. Pursuant to the Agreement, the Town completed the project with a 2% Project Loan Obligation of \$894,671. As of September 14, 2017 the Town will have a balance outstanding of \$169,173.
- (3) Sewer Assessments receivable as of June 30, 2017.
- (4) As of September 14, 2017, the Town anticipates receiving State of Connecticut principal subsidy grants in the amount of \$2,826 over the remaining life of outstanding school bonds approved prior to July 1, 1996. (See "School Projects" herein.)

**Calculation of Net Direct Indebtedness**

As of September 14, 2017 (Pro Forma)

<b>Long-Term Indebtedness (1)</b>	
<b>Long Term Debt</b>	
The Bonds ( <i>This Issue</i> )	\$ 12,460,000
General Purpose	21,196,000
Schools	28,478,000
Sewers	2,761,000
State of Connecticut CWF Project Loan Obligation	<u>169,173</u>
<b>Total Long-Term Indebtedness</b>	<b>65,064,173</b>
<b>Short-Term Indebtedness</b>	
Notes Payable	<u>-</u>
<b>Total Direct Indebtedness</b>	<b>65,064,173</b>
<b>Exclusions:</b>	
(School building grants receivable) (2)	(2,826)
(Sewer assessments receivable) (3)	<u>(2,358,798)</u>
<b>Net Direct Indebtedness</b>	<b><u>\$ 62,702,549</u></b>

- (1) Does not include authorized but unissued debt of \$10,071,332. (See "Authorized but Unissued Debt" herein).
- (2) As of September 14, 2017 the Town estimates it has school building construction grants receivable in the amount \$2,826 for school projects approved prior to July 1, 1996. (See "School Projects" herein.).
- (3) Sewer Assessments receivable as of June 30, 2017.

Source: Town Officials.

**Current Debt Ratios**

As of September 14, 2017 (Pro Forma)

Total Direct Indebtedness	\$ 65,064,173
Total Net Direct Indebtedness	\$ 62,702,549
Population (1)	21,392
Net Taxable Grand List (10/1/16)	\$ 8,512,539,000
Estimated Full Value	\$ 12,160,770,000
Equalized Net Taxable Grand List (2014) (2)	\$ 13,560,177,773
Per Capita Income (2015) (1)	\$ 96,767
<b>Total Direct Indebtedness:</b>	
Per Capita	\$3,041.52
To Net Taxable Grand List	0.76%
To Estimated Full Value	0.54%
To Equalized Net Taxable Grand List	0.48%
Per Capita to Per Capita Income	3.14%
<b>Total Net Direct Indebtedness:</b>	
Per Capita	\$2,931.12
To Net Taxable Grand List	0.74%
To Estimated Full Value	0.52%
To Equalized Net Taxable Grand List	0.46%
Per Capita to Per Capita Income	3.03%

- (1) U.S. Census Bureau, 2011-2015 American Community Survey.
- (2) Office of Policy and Management, State of Connecticut.



## Historical Debt Statement

	2016-17 (1)	2015-16	2014-15	2013-14	2012-13
Population (2)	21,392	21,392	21,392	21,392	21,392
Net taxable grand list	\$ 8,451,514,000	\$ 8,366,000,000	\$ 8,285,455,000	\$ 8,896,458,000	\$ 8,856,221,000
Estimated full value	\$ 12,073,591,429	\$ 11,951,428,571	\$ 11,836,364,286	\$ 12,709,225,714	\$ 12,651,744,286
Equalized net taxable grand list (3)	\$ 13,560,177,773	\$ 13,560,177,773	\$ 11,786,964,074	\$ 12,451,401,017	\$ 11,544,162,952
Per capita income (2)	\$ 96,767	\$ 96,767	\$ 96,767	\$ 96,767	\$ 96,767
Short-term debt	\$ -	\$ -	\$ 1,925,000	\$ -	\$ -
Long-term debt	\$ 62,211,737	\$ 71,566,369	\$ 77,430,020	\$ 86,912,708	\$ 89,434,454
Total Direct Indebtedness	\$ 62,211,737	\$ 71,566,369	\$ 79,355,020	\$ 86,912,708	\$ 89,434,454
Net Direct Indebtedness	\$ 59,850,113	\$ 68,857,429	\$ 76,241,390	\$ 83,082,990	\$ 84,833,650

- (1) Unaudited Estimates.  
(2) U.S. Department of Commerce, 2011-2015 American Community Survey.  
(3) Office of Policy and Management, State of Connecticut.

## Historical Debt Ratios

	2016-17 (1)	2015-16	2014-15	2013-14	2012-13
<b>Total Direct Indebtedness:</b>					
Per capita	\$2,908.18	\$3,345.47	\$3,709.57	\$4,062.86	\$4,180.74
To net taxable grand list	0.74%	0.86%	0.96%	0.98%	1.01%
To estimated full value	0.52%	0.60%	0.67%	0.68%	0.71%
To equalized net taxable grand list	0.46%	0.53%	0.67%	0.70%	0.77%
Debt per capita to per capita income	3.01%	3.46%	3.83%	4.20%	4.32%
<b>Net Direct Indebtedness:</b>					
Per capita	\$2,797.78	\$3,218.84	\$3,564.01	\$3,883.83	\$3,965.67
To net taxable grand list	0.71%	0.82%	0.92%	0.93%	0.96%
To estimated full value	0.50%	0.58%	0.64%	0.65%	0.67%
To equalized net taxable grand list	0.44%	0.51%	0.65%	0.67%	0.73%
Debt per capita to per capita income	2.89%	3.33%	3.68%	4.01%	4.10%

- (1) Unaudited Estimates.

## Outstanding Short-Term Indebtedness

The Town has no short-term indebtedness.

## Capital Leases

The Town has no capital lease agreements as of June 30, 2017.

## Overlapping and Underlying Indebtedness

There are five taxing districts located within the Town of Darien - Delafield Island, Tokeneke, Crooked Mile Road, Allwood, and Ridge Acres. These districts are street associations created for the purpose of making street improvements within their respective jurisdiction. None of the taxing districts have outstanding indebtedness.

## Legal Requirements for Approval of Borrowing

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Under the Charter, bonds and notes are authorized by vote of the Representative Town Meeting.

## Clean Water Fund Program

The Town is a participant in the State of Connecticut Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan and denitrification projects which are funded by a 30% grant and 70% loan.)

Loans to each municipality are made pursuant to Project Grant and Project Loan Agreements (the "Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs ("Interim Funding Obligations"). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in equal monthly installments commencing one month after the scheduled completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement repayable thereafter in monthly installments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

The Town has the following Clean Water Fund loan outstanding:

<u>Project</u>	<u>Original 2% Loan Amount</u>	<u>Amount Outstanding As of September 14, 2017</u>
CWF PLO 407-C	\$ 894,671	\$ 169,173

## Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20<sup>th</sup> (1/30<sup>th</sup> for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except sewer notes issued in anticipation of state and/or federal grants. If written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15<sup>th</sup> of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

## School Projects

The State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. Debt service reimbursement will continue under the old program for all projects approved prior to July 1, 1996.

Under the old program, the State of Connecticut will reimburse the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds.

Under the new program, the State of Connecticut will make proportional progress payments for eligible construction costs during construction. The following projects will be reimbursed at the estimated reimbursement rates shown below:

Project	Amount of Total Authorization	Estimated Eligible Cost For Reimbursement	Reimbursement Rate (%)	Estimated Grant (1)
New Darien High School	\$ 75,400,000	\$ 61,005,348	20.7	\$ 12,628,107
Tokeneke Elementary School	23,170,000	17,204,116	20.7	3,561,252
<b>TOTAL</b>	<b>\$ 98,570,000</b>	<b>\$ 78,209,464</b>	<b>20.7</b>	<b>\$ 16,189,359</b>

(1) Estimated costs for entire authorization. Eligible costs to be determined during the course of the project.

## Authorized but Unissued Debt

Projects	Amount Authorized	Prior Financings	BANs Outstanding	Paydowns/ Grants	The Bonds (This Issue)	Authorized But Unissued
New Darien High School	\$ 75,400,000	\$ 62,713,727	\$ -	\$ 12,462,048	\$ -	\$ 224,225 (1)
Town Sewer Extension Projects	2,100,000	715,000	-	-	-	1,385,000
Tokeneke Elementary School	23,170,000	18,125,000	-	3,561,252	-	1,483,748 (1)
Library Building Acquisition	4,200,000	3,935,000	-	-	-	265,000 (1)
Police Station Project	17,680,000	16,125,000	-	-	-	1,555,000 (1)
Weed Beach Project	3,000,000	2,000,000	-	-	-	1,000,000 (1)
Goodwives Sewer Project	2,700,000	1,885,000	-	-	-	815,000
35 Leroy - Mather Community Center	6,979,000	6,900,000	-	-	79,000	-
Weed Beach Tennis Courts	460,000	400,000	-	-	-	60,000 (1)
Intervale Road Drainage Project	1,500,000	1,380,000	-	-	-	120,000
DPW Garage Renovations - Design Phase	230,000	-	-	-	230,000	-
DPW Garage Renovations - Construction Phase	6,315,000	-	-	-	5,311,000	1,004,000
OxRidge Land Acquisition	6,340,000	-	-	-	6,340,000	-
Sewer Expansion 2017	470,000	-	-	-	-	470,000
Darien High School Cafeteria	1,689,359	-	-	-	500,000	1,189,359
Darien High School Shed	250,000	-	-	-	-	250,000
Town Hall Generator	250,000	-	-	-	-	250,000
<b>Total</b>	<b>\$ 152,733,359</b>	<b>\$ 114,178,727</b>	<b>\$ -</b>	<b>\$ 16,023,300</b>	<b>\$ 12,460,000</b>	<b>\$ 10,071,332</b>

(1) The Town is in the process of deauthorizing these projects and does not expect to issue further debt for them.

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## **Existing and Future Capital Project Financing**

The Representative Town Meeting (the "RTM") adopted an appropriation and bond authorization of \$73,000,000 for the Darien High School project on October 22, 2001. The appropriation was sent to a vote by referendum held on December 4, 2001 and approved. The appropriation may be spent for the planning, acquisition and construction of the new Darien High School including engineering, administrative, legal, financing, capitalized interest and other expenses related to the project. This project was completed in May, 2009 and anticipates no further financing for this project. (See "School Projects" herein).

On March 7, 2005, the RTM adopted an appropriation of \$23,170,000 for the planning, design and construction of a new Tokeneke Elementary School including engineering, administrative, legal, financing, capitalized interest and other expenses related to the project. The project has been completed. The Town anticipates no further financing for this project. (See "School Projects" herein).

The RTM adopted an appropriation and bond authorization of \$2,100,000 for the design and construction of sewer extension projects on September 26, 2005. The appropriation may be spent for the planning, acquisition and construction of sewer extensions, upgrade and expansion including a pumping station, interceptor sewers, land acquisition and easements, and for engineering, administrative, and other expenses related to the project. No further projects are anticipated at this time.

On June 11, 2007, the RTM adopted an appropriation of \$4,200,000 for the acquisition of the Darien Library building and related property located at 35 Leroy Avenue in the Town of Darien. The Town anticipates no further financing for this project.

On April 28, 2008, the RTM adopted an appropriation and bond authorization of \$17,680,000 for an addition to and renovation of the Police Station and an appropriation of \$3,600,000 with authorization for up to \$2,000,000 in bonds for the purpose of renovations to Weed Beach, including but not limited to replacing the existing facilities. At the January 18, 2011 meeting of the RTM, the amount of bonding authorized for the Weed Beach project was raised to \$3,300,000, with no increase in the overall appropriation. Both projects are complete. The Town anticipates no further financing for this project.

On September 28, 2009, the RTM adopted an appropriation and bond authorization of \$2,700,000 for Sewer extension projects including, but not limited to the Goodwives River Road sewer project. This project is complete.

On November 1, 2011, the RTM adopted an appropriation and bond authorization of \$6,979,000 for the renovation of Town owned buildings at 35 Leroy – Mather Community Center. This action of the RTM was upheld by a referendum held on December 13, 2011. This project is complete.

On May 13, 2013, the RTM adopted an appropriation and bond authorization of \$460,000 for the renovation of tennis courts at Weed Beach and \$1,500,000 for a drainage project on Intervale Road. The tennis court project and construction phase of this project are complete. The Town anticipates no further financing for this project.

On June 6, 2016, the RTM adopted an appropriation of \$230,000 for design costs related to the renovation of the Town's Public Works garage. On June 12, 2017, the RTM adopted an appropriation of \$6,315,000 for the construction costs related to the garage renovation. The design is complete. Construction is underway and is expected to be complete by Fall 2018.

On February 27, 2017, the RTM adopted an appropriation of \$6,340,000 for the purchase of 16.296 acres of real property at 512 Middlesex Road. The purchase is complete. Also on February 27, 2017, the RTM adopted an appropriation of \$470,000 for the design and construction of sewer extension projects in various areas, including but not limited to Clocks Lane and Settlers Trail. All piping is in place. The project is expected to be complete in Fall 2017.

On June 12, 2017, the RTM adopted an appropriation of \$1,689,359 for the expansion of the Darien High School Cafeteria, \$250,000 for the purchase and installation of a generator at Town Hall and \$250,000 for the construction of a storage shed for the Darien High School athletic fields.

**Combined Schedule of Long Term Debt through Maturity**  
As of September 14, 2017 (Pro Forma)

Fiscal Year	Principal Payments (1,2)	Interest Payments	Total Debt Service (1,2)	The Bonds Principal	All Issues Principal (1)
2018	\$ 9,645,635	\$ 1,881,585	\$ 11,527,220	\$ -	\$ 9,645,635
2019	8,831,657	1,551,588	10,383,245	-	8,831,657
2020	8,427,699	1,232,514	9,660,213	510,000	8,937,699
2021	8,211,747	909,506	9,121,253	535,000	8,746,747
2022	7,540,000	644,906	8,184,906	565,000	8,105,000
2023	6,370,000	452,263	6,822,263	590,000	6,960,000
2024	4,550,000	300,006	4,850,006	620,000	5,170,000
2025	2,685,000	191,425	2,876,425	645,000	3,330,000
2026	2,670,000	116,513	2,786,513	660,000	3,330,000
2027	2,335,000	56,475	2,391,475	675,000	3,010,000
2028	945,000	14,175	959,175	685,000	1,630,000
2029	-	-	-	700,000	700,000
2030	-	-	-	715,000	715,000
2031	-	-	-	730,000	730,000
2032	-	-	-	750,000	750,000
2033	-	-	-	770,000	770,000
2034	-	-	-	790,000	790,000
2035	-	-	-	815,000	815,000
2036	-	-	-	840,000	840,000
2037	-	-	-	865,000	865,000
	<u>\$ 62,211,738</u>	<u>\$ 7,350,956</u>	<u>\$ 69,562,694</u>	<u>\$ 12,460,000</u>	<u>\$ 74,671,738</u>

(1) Does not reflect principal payments of \$9,607,564 made by the Town as of September 14, 2017.

(2) Includes sewer debt which is guaranteed by the full faith and credit of the Town. All of the debt service for sewer rehabilitation bonds is raised through sewer service charges and is reimbursed to the General Fund from the Sewer Operating Fund. The majority of the sewer construction bonds are paid through assessments to the benefiting property owners and is reimbursed to the General Fund by the Sewer Assessment Fund.

Source: Town Officials.

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## SECTION V - FINANCIAL DATA

### Accounting Policies

The Town's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to Financial Statements.

### Basis of Accounting

See Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" in the Notes to Financial Statements (Appendix A).

### Audit

Pursuant to the provisions as delineated in the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The firm of Blum Shapiro LLP, is the auditor, and is required to conduct an examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receive a copy of said audit report when completed.

The most recent annual audit covers the fiscal year ended June 30, 2016, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are Independent Auditor's Report, Management's Discussion and Analysis, the Town's Basic Financial Statements and the Notes to the Financial Statements, together with the report of the independent auditor as prepared by Blum Shapiro LLP, Independent Certified Public Accountants. The information contained in "Appendix A" is not the whole audit report. A full report is available from the Finance Director, Town of Darien, upon request. The auditors have not been asked nor have they given their consent to print the Financial Statements in this Official Statement.

**Certificate of Achievement for Excellence in Financial Reporting:** The Town of Darien has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its comprehensive annual financial reports for fiscal years ended June 30, 1990-2016. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted audited standards. The reports also contain a wide variety of information useful in evaluating the financial condition of a government and conform to certain generally accepted terminology and formatting standards established for the Certificate Program.

### Budgetary Procedures

All annual budgets are recommended by the Board of Selectmen and the Board of Finance for approval by the Representative Town Meeting ("RTM"). The Board of Finance is authorized to approve all inter-departmental budget transfers of \$1,000 and over that do not increase the operating budget. Additional appropriations or budget amendments are recommended by the Board of Finance for RTM approval. The Board of Selectmen approve all inter-departmental transfers under \$1,000 and recommends transfers over that amount for Board of Finance approval.

The budget calendar requires the Board of Selectmen and Board of Education to file their budgets with the Board of Finance on or before the first Tuesday in March.

A public hearing is held on the second Tuesday in March for taxpayers' comments. The Board of Finance subsequently reviews the requests.

During the budget reviews the Board of Finance meets in special session as frequently as twice a week. On or before the third Tuesday in April the Board of Finance files its recommended budget and approximate tax rate with the Town Clerk for action by the RTM. The RTM then meets on the second Monday in May to act on the budget. The RTM may decrease the budget recommended by the Board of Finance, but it does not have the power to increase it.

Connecticut General Statutes Section 4-66l ("Section 4-66l") creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the general statutes. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase to the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap and if so the amount by which the cap was exceeded. For the fiscal year ending June 30, 2018, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 32 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 32 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 32 mills. The Town's mill rate on motor vehicles for the fiscal year ending June 30, 2018 is 16.16 mills.

### **Employee Pension Systems**

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) are covered by the Town Plan. The Town Plan provides retirement benefits as well as death and disability benefits. All benefits vest after five years of employment.

Police are covered in the Town of Darien Police Pension Fund. The police plan is a single employer, contributory defined benefit plan covering all Town policemen. 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, in an amount equal to 2.5% of their average monthly pay, for each year of credited service, up to a maximum of 76% of their average monthly pay. Average monthly pay is the employee's monthly compensation, excluding overtime, for members beginning work after January 1, 1978, averaged over the last 21 months of service with the Town. There is no provision for early retirement.

Overtime pay for members who began work before January 1, 1978 is included and is averaged over the last 36 consecutive months of service with the Town. Police employees are required to contribute 6% of their salary to the Police Plan. If any employee leaves covered employment or dies before being eligible for a retirement, disability, or death benefit, accumulated employee contributions plus 3/4 of related investment earnings are refunded.

Teachers participate in a contributory defined benefit plan established under Chapter 167a of Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. All certified teachers are eligible to participate in the plan and are required to contribute 7% of their annual earnings. Neither the Board of Education nor the Town contributes to the plan. The State of Connecticut is legally responsible for making contributions to the plan.

Teachers are vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service teachers are fully vested and are entitled to a monthly pension benefit which is payable at age of sixty. The State of Connecticut contributes amounts based on actuarial estimates.

The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 67 effective Fiscal Year 2014. Net position is based on fair market value as of June 30, 2016 and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation date updated to July 1, 2014. The date of the Town's most recent actuarial valuation was July 1, 2015.

In accordance with GASB Statement No. 67, the components of the net pension liability of the Town's pension plans as of June 30 were as follows:

	<b>Town Pension Plan</b>		
	2016	2015	2014
Total pension liability	\$ 65,567,886	\$ 61,851,491	\$ 53,442,793
Plan fiduciary net position	67,754,671	65,992,512	62,292,267
Net pension liability	<u>\$ (2,186,785)</u>	<u>\$ (4,141,021)</u>	<u>\$ (8,849,474)</u>
Plan fiduciary net position as a % of total pension liability	103.3%	106.7%	116.6%

	<b>Police Pension Plan</b>		
	2016	2015	2014
Total pension liability	\$ 42,468,356	\$ 40,688,958	\$ 39,412,926
Plan fiduciary net position	46,266,885	45,791,663	43,681,027
Net pension liability	<u>\$ (3,798,529)</u>	<u>\$ (5,102,705)</u>	<u>\$ (4,268,101)</u>
Plan fiduciary net position as a % of total pension liability	108.9%	112.5%	110.8%

The following represents the net pension liability of the Town's pension plans, calculated using the discount rate of 6.5%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1 percentage point higher (7.5%) than the current rate as of June 30, 2016:

	<b>Current</b>		
	<b>1% Decrease 5.50%</b>	<b>Discount Rate 6.50%</b>	<b>1% Increase 7.50%</b>
Plan Net Position - Town	\$ 5,814,729	\$ (2,186,785)	\$ (8,940,985)
Plan Net Position - Police	(1,790,337)	(3,798,529)	(8,410,241)

An actuarial valuation is prepared biennially; the most recent actuarial valuation was performed as of July 1, 2015.

**Schedule of Funding Progress - Town Pension Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Overfunded) AAL (OAAL) (a-b)	Funded Ratio (a/b)
7/1/2008	\$ 31,440,757	\$ 35,427,363	\$ 3,986,606	88.7%
7/1/2009	33,150,591	38,943,751	5,793,160	85.1%
7/1/2011	38,173,965	44,995,779	6,821,814	84.8%
7/1/2013	44,316,163	49,865,217	5,549,054	88.9%
7/1/2015	63,185,141	61,851,491	(1,333,650)	102.2%

**Schedule of Funding Progress - Police Pension Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Overfunded) AAL (OAAL) (a-b)	Funded Ratio (a/b)
7/1/2008	\$ 24,830,877	\$ 28,911,419	\$ 4,080,542	85.9%
7/1/2009	25,437,366	31,211,236	5,773,870	81.5%
7/1/2011	27,839,876	34,662,756	6,822,880	80.3%
7/1/2013	31,299,703	37,697,217	6,397,514	83.0%
7/1/2015	43,800,935	40,688,958	(3,111,977)	107.6%



**Schedule of Employer Contributions - Town Pension Plan**

Year Ended June 30	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 1,667,416	\$ 1,667,416	100.0%
2015	1,716,498	1,716,498	100.0%
2016	1,506,621	1,506,621	100.0%
2017	1,347,529	1,347,529	100.0%
2018 (1)	1,325,367	1,325,367	100.0%

**Schedule of Employer Contributions - Police Pension Plan**

Year Ended June 30	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 1,220,507	\$ 1,220,507	100.0%
2015	1,073,353	1,073,353	100.0%
2016	925,034	925,034	100.0%
2017	278,285	278,285	100.0%
2018 (1)	231,886	231,886	100.0%

(1) As budgeted for fiscal year 2017-18.

For further information on the Town's Pension Plans, see Appendix A – Note 13, pages 44 through 53 and RSIs-4A, 4B, 5A, 5B, 6A, 6B and 7, pages 62 through 67.

**Other Post-Employment Benefits**

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

The Town funding and payment of postemployment benefits are currently accounted for in both the General Fund and in a Special Revenue Fund on a pay-as-you go basis. The Town established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines on September 28, 2009. The Town has funded the Police Plan since its inception in 2000. The Town began funding the Non-Police Plan in 2009, with a contribution of \$1,081,160 to the special revenue fund. The Town plans to continue a funding strategy that provides for normal cost and the amortization of the accrued liability. The Town's funding strategy for postemployment obligations are based upon characteristics of benefits on several distinct groups of employees established within their respective collective bargaining units or required by the state and include the following:

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

The Town of Darien's annual other postemployment benefit ("OPEB") cost is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation of the Police Plan, the aggregate cost method was used. The actuarial assumptions include a 6.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate ranges from 5 to 10%. The UAAL is being amortized as a 30 year level dollar amortization. In the actuarial valuation of the Non-Police Plan, the projected unit credit method was used. The actuarial assumptions include a 6.5% investment rate of return due to the establishment of a trust fund on September 28, 2009. The annual healthcare cost trend rate ranges from 5% to 10%. The UAAL is being amortized as a 30 year level dollar amortization.

An actuarial valuation is prepared biennially; the most recent actuarial valuation was performed as of June 30, 2016.

**Schedule of Funding Progress - Police**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Overfunded) AAL (OAAL) (a-b)	Funded Ratio (a/b)
6/30/2009	\$ 1,317,602	\$ 4,821,068	\$ 3,503,466	27.3%
6/30/2011	2,133,971	4,780,656	2,646,685	44.6%
6/30/2013	2,608,118	5,681,545	3,073,427	45.9%
6/30/2015	3,306,148	5,378,051	2,071,903	61.5%
6/30/2016	3,672,991	5,614,037	1,941,046	65.4%

**Schedule of Funding Progress - Non-Police**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Overfunded) AAL (OAAL) (a-b)	Funded Ratio (a/b)
6/30/2009	\$ 1,081,222	\$ 3,748,552	\$ 2,667,330	28.8%
6/30/2011	1,136,257	3,606,158	2,469,901	31.5%
6/30/2013	1,834,852	5,577,342	3,742,490	32.9%
6/30/2015	2,532,435	5,331,179	2,798,744	47.5%
6/30/2016	2,728,893	5,684,002	2,955,109	48.0%

### Schedule of Employer Contributions - Police

Year Ended June 30	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 444,733	\$ 354,897	79.8%
2015	465,340	465,340	100.0%
2016	733,556	643,556	87.7%
2017	398,165	398,165	100.0%
2018 (1)	458,670	458,670	100.0%

### Schedule of Employer Contributions - Non-Police

Year Ended June 30	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 367,484	\$ 367,484	100.0%
2015	566,010	566,010	100.0%
2016	606,153	606,153	100.0%
2017	425,482	425,482	100.0%
2018 (1)	446,816	446,816	100.0%

(1) As budgeted for fiscal year 2017-18.

For further information on the Town's OPEB Plans, see Appendix A – Note 12, pages 41 through 44.

### Investment Policies and Procedures

Under the Town Charter and under Connecticut General Statutes Sections 7-400 and 7-402, the Town may invest in 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Town's investment practices have been to invest only in the following investments: (1) certificates of deposit; (2) overnight repurchase agreements collateralized by U.S. government agency obligations which are priced daily; (3) money market funds; and (4) the State of Connecticut Short-Term Investment Fund ("STIF").

All Town pension funds are invested by pension fund administrators in mutual funds and securities. Board of Education pension funds are invested in a cost sharing, multiple employer public employees retirement system established by the State of Connecticut and administered by the State of Connecticut Retirement Commission to provide pension benefits for the employees of participating municipalities.

### Assessment Practices

The Town last revalued its real property effective October 1, 2013. Under Section 12-62 of the Connecticut General Statutes, the Town must view all real estate by physical inspection no later than ten years following the preceding physical inspection. The Town must conduct a statistical revaluation no later than five years after the last physical inspection. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Assessor's Office. The Grand List represents the total assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. Each year a Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70% of the estimated market value at the time of the last general revaluation.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the building official. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last general revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An Assessor's check and audit is completed periodically. Assessments for personal property are computed at 70% of present value.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1, are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70% of the annual appraisal of market value.

### **Motor Vehicle Property Tax Rate**

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles for the assessment year commencing October 1, 2015, and each assessment year thereafter. For the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall not exceed 37 mills. For the assessment year commencing October 1, 2016, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32 mills. Any municipality or special tax district may establish a mill rate for motor vehicles that is different from its mill rate for real property. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate (1) above 37 mills for the assessment year commencing October 1, 2015, or (2) above 32 mills for the assessment year commencing October 1, 2016, and each assessment year thereafter. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2016 (for fiscal year ending June 30, 2018) is 16.16 mills.

### **Tax Collection Procedure**

Real estate property taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one-half on July 1 and one-half on January 1. Personal property taxes are payable in one installment on July 1 with motor vehicle supplemental bills payable on January 1. Payments not received by August 1 and February 1, respectively, become delinquent. Motor vehicle property taxes are due in full on July 1 of each year. According to the provisions of Connecticut General Statute 12-145 and applicable to property taxes due on or after said date, delinquent property taxes were subject to interest at the rate of 1.5% per month (18% per annum). In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense 15 years after the due date in accordance with State statutes.

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**Tax Levies and Collections**

FY Ending 6/30	Net Taxable Grand List	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2016
2018	\$ 8,512,539,479	16.16	\$ 139,798,059	In Process	In Process	In Process
2017	8,451,514,000	15.77	132,975,907	In Process	In Process	In Process
2016	8,366,000,000	15.35	128,188,881	99.6	\$ 524,696	\$ 524,696
2015 (1)	8,285,455,000	15.01	123,644,319	99.6	508,304	271,496
2014	8,896,459,000	13.17	116,477,451	99.3	814,616	72,929
2013	8,856,217,761	12.68	111,676,352	99.5	562,295	16,697
2012	8,795,402,000	12.20	105,827,890	99.3	952,435	6,745
2011	8,753,257,000	11.74	102,097,652	99.4	628,636	6,675
2010	8,698,446,472	11.37	98,639,743	99.3	722,728	4,152
2009	6,606,255,385	14.55	96,009,567	99.2	805,270	5,479

(1) The Town's last revaluation was effective October 1, 2013. The basis of assessment is 70% of estimated full value as of October 1, 2013 for all property excluding personal property and motor vehicles which are assessed at 100% of full value annually.

Source: Town Officials.

**Taxable Grand List (Thousands)**

Grand List Dated	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/01/16	\$ 8,105,632	\$ 163,768	\$ 245,524	\$ 8,514,924	\$ 2,385	\$ 8,512,539
10/01/15	8,048,328	164,356	241,231	8,453,915	2,401	8,451,514
10/01/14	7,962,751	168,386	237,378	8,368,515	2,515	8,366,000
10/01/13 (1)	7,886,940	166,688	232,985	8,286,613	1,158	8,285,455
10/01/12	8,506,344	163,002	228,337	8,897,683	1,224	8,896,459
10/01/11	8,464,102	160,293	233,014	8,857,409	1,188	8,856,221
10/01/10	8,423,807	156,415	216,654	8,796,876	1,474	8,795,402
10/01/09	8,403,258	150,312	201,218	8,754,788	1,531	8,753,257
10/01/08 (1)	8,373,304	122,304	204,330	8,699,938	1,492	8,698,446
10/01/07	6,310,307	78,793	218,603	6,607,703	1,448	6,606,255

(1) Indicates years of revaluation.

Source: Town Officials.

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## Largest Taxpayers

The following table sets forth the ten largest taxpayers in the Town according to the Grand List dated October 1, 2016 pursuant to the State Office of Policy and Management M-13 filing:

Name of Taxpayer	Nature of Property	Grand List Amount
Eversource	Utility	\$ 86,563,461
Darien Financing LLC / Avalonbay	Apartment Complex	38,365,180
Steinkraus	Real Estate	31,637,760
Wee Burn Country Club, Inc.	Country Club	23,684,638
Country Club of Darien	Country Club	22,786,690
Woodway Country Club	Country Club	19,361,086
Contentamiento LLC	Real Estate	18,565,400
U.B. Darien Inc.	Shopping Center	17,876,390
Walsh, Kevin	Real Estate	17,117,800
Zotos International	Beauty Products Manufacturer	15,937,832
Total		<u>\$ 291,896,237</u> (1)

(1) Represents 3.43% of the net taxable Grand List of \$8,512,529,479 dated October 1, 2016.

Source: Town Officials.

## Revenues

The Town derives its revenues from a direct tax levy on property, state and federal aid, various fees and charges, and other miscellaneous sources. Town revenues are summarized for fiscal years ended 2012-2016 in "Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund" herein. The prior year's appropriated surplus is also included.

### Property Tax Revenues

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Tax As a % of General Fund Revenues
2018 (1)	\$ 143,565,254	\$ 136,798,059	95.3
2017 (1)	139,382,389	132,424,515	95.0
2016	149,248,923	128,492,997	86.1
2015	144,364,868	124,755,330	86.4
2014	137,248,698	116,637,973	85.0
2013	131,359,478	112,058,320	85.3
2012	124,826,191	106,517,751	85.3
2011	118,513,554	102,075,874	86.1
2010	114,202,224	98,967,727	86.7
2009	110,720,620	96,223,301	86.9

(1) Fiscal year 2016-17 estimated actuals and fiscal year 2017-18 adopted budget, budgetary basis of accounting, excludes on behalf payments to Connecticut State Teachers' Retirement System. All other fiscal years are reported on a GAAP basis of accounting which includes on behalf payments to Connecticut State Teachers' Retirement System.

Source: Town annual audited financial statements fiscal years 2008-09 through 2015-16; Fiscal year 2016-7 estimated actuals and fiscal year 2017-18 Town Budget Documents.

## Intergovernmental Revenues

Fiscal Year	General Fund Revenues	Federal & State Aid	Aid As a % of General Fund Revenue
2018 (1)	\$ 143,565,254	\$ 220,086	0.2
2017 (1)	139,382,389	979,447	0.7
2016	149,248,923	14,386,285	9.6
2015	144,364,868	13,420,590	9.3
2014	137,248,698	14,737,968	10.7
2013	131,359,478	13,371,320	10.2
2012	124,826,191	13,207,295	10.6
2011	118,513,554	11,556,311	9.8
2010	114,202,224	10,282,461	9.0
2009	110,720,620	10,883,824	9.8

- (1) Fiscal year 2016-17 estimated actuals and fiscal year 2017-18 adopted budget, budgetary basis of accounting, excludes on behalf payments to Connecticut State Teachers' Retirement System. All other fiscal years are reported on a GAAP basis of accounting which includes on behalf payments to Connecticut State Teachers' Retirement System.

Source: Town annual audited financial statements fiscal years 2008-09 through 2015-16; Fiscal year 2016-7 estimated actuals and fiscal year 2017-18 Town Budget Documents.

## Expenditures

Fiscal Year	Education %	Debt Service %	Public Safety %	General Overhead %	General Government %
2018 (1)	69.0	8.4	7.0	4.9	2.4
2017 (1)	69.7	8.6	6.7	4.5	2.4
2016	71.2	8.0	6.1	4.7	2.2
2015	70.4	8.3	6.1	4.8	2.3
2014	70.7	7.9	6.1	4.7	2.2
2013	70.4	8.0	6.3	4.6	2.3
2012	70.2	8.2	6.2	4.6	2.5
2011	69.3	8.1	6.4	4.9	2.6
2010	68.8	9.0	6.5	4.6	2.4
2009	69.1	9.9	6.5	4.1	2.5

- (1) Fiscal year 2016-17 estimated actuals and fiscal year 2017-18 adopted budget, budgetary basis of accounting, excludes on behalf payments to Connecticut State Teachers' Retirement System. All other fiscal years are reported on a GAAP basis of accounting which includes on behalf payments to Connecticut State Teachers' Retirement System.

Source: Town annual audited financial statements fiscal years 2008-09 through 2015-16; Fiscal year 2016-7 estimated actuals and fiscal year 2017-18 Town Budget Documents.

**Comparative General Fund Operating Statement**  
(Budget and Actual – Budgetary Basis)

	Fiscal Year 2015-16			2016-17	2017-18
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)	Estimated Actuals	Adopted Budget
<b>REVENUES</b>					
Property taxes	\$ 127,873,417	\$ 128,492,997	\$ 619,580	\$ 132,424,515	\$ 136,798,059
Licenses and permits	3,398,900	3,718,548	319,648	3,426,906	4,264,016
Intergovernmental revenue	2,350,781	1,890,623	(460,158)	979,447	220,086
Charges for services	1,612,125	1,885,199	273,074	1,845,470	1,728,375
Fines and forfeits	30,600	32,059	1,459	47,446	30,600
Investment income	100,000	155,361	55,361	192,991	125,000
Other revenues	372,923	578,669	205,746	465,614	399,118
<b>TOTAL REVENUES</b>	<b>135,738,746</b>	<b>136,753,456</b>	<b>1,014,710</b>	<b>139,382,389</b>	<b>143,565,254</b>
<b>EXPENDITURES</b>					
Current:					
General government	3,222,196	3,155,695	66,501	3,164,391	3,320,793
Community environment	716,653	691,868	24,785	767,777	831,415
Public safety	8,987,721	8,691,389	296,332	9,058,438	9,716,804
Public works	4,855,066	4,717,893	137,173	3,966,749	4,191,301
Health and social services	1,402,747	1,281,621	121,126	1,335,985	1,412,943
Parks and recreation	1,342,522	1,285,616	56,906	1,271,659	1,395,334
General overhead and miscellaneous	7,146,578	6,697,342	449,236	6,030,010	6,808,937
Library	3,506,220	3,502,928	3,292	3,583,457	3,685,375
Board of education -- operations	90,722,526	90,542,828	179,698	93,847,816	95,874,776
Debt service	10,897,358	10,851,228	46,130	11,545,371	11,738,861
<b>TOTAL EXPENDITURES</b>	<b>132,799,587</b>	<b>131,418,408</b>	<b>1,381,179</b>	<b>134,571,653</b>	<b>138,976,539</b>
Excess (deficiency) of revenues over expenditures	2,939,159	5,335,048	2,395,889	4,810,736	4,588,715
Other financing sources (uses):					
Operating transfers in	638,807	654,567	15,760	662,822	638,807
Operating transfers out	(4,977,966)	(4,977,966)	-	(6,076,370)	(6,327,522)
Appropriation of fund balance	1,400,000	-	(1,400,000)	-	1,100,000
Total other financing sources (uses)	(2,939,159)	(4,323,399)	(1,384,240)	(5,413,548)	(4,588,715)
Excess of Revenues and other financing sources over expenditures and other financing uses	\$ -	\$ 1,011,649	\$ 1,011,649	\$ (602,812)	\$ -

Source: Annual audited financial statements, fiscal year 2016-17 estimated actuals and fiscal year 2017-18 adopted budget; Town Officials.



**Comparative Balance Sheets - General Fund**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 18,222,936	\$ 22,234,552	\$ 18,341,222	\$ 17,319,051	\$ 15,391,790
Investments	5,284,539	5,334,370	4,847,344	7,430,040	7,535,066
Receivables:					
Net taxes and assessments receivable	1,566,363	1,247,797	1,934,072	1,995,683	1,927,527
Intergovernmental	670,002	551,849	204,670	-	-
Due from other funds	1,844,522	2,811,199	2,113,027	1,513,415	1,102,757
Other receivables	1,439,195	1,640,684	1,255,177	31,872	42,482
<b>TOTAL ASSETS</b>	<u>\$ 29,027,557</u>	<u>\$ 33,820,451</u>	<u>\$ 28,695,512</u>	<u>\$ 28,290,061</u>	<u>\$ 25,999,622</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts and other payables	\$ 2,163,927	\$ 3,761,393	\$ 2,797,935	\$ 4,181,927	\$ 4,585,500
Due to other funds	5,619,403	8,457,375	5,530,058	3,898,315	155,809
Deferred revenue	2,707,933	2,128,746	-	33,362	172,024
<b>TOTAL LIABILITIES</b>	<u>10,491,263</u>	<u>14,347,514</u>	<u>8,327,993</u>	<u>8,113,604</u>	<u>4,913,333</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	1,901,832	1,124,461	800,481
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>1,901,832</u>	<u>1,124,461</u>	<u>800,481</u>
<b>FUND BALANCE</b>					
Nonspendable	597,944	658,537	574,718	31,872	42,482
Committed	-	-	-	355,973	354,394
Assigned	930,449	1,410,002	1,408,502	1,970,677	1,645,899
Unassigned	17,007,901	17,404,398	16,482,467	16,693,474	18,243,033
<b>TOTAL FUND BALANCES</b>	<u>18,536,294</u>	<u>19,472,937</u>	<u>18,465,687</u>	<u>19,051,996</u>	<u>20,285,808</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 29,027,557</u>	<u>\$ 33,820,451</u>	<u>\$ 28,695,512</u>	<u>\$ 28,290,061</u>	<u>\$ 25,999,622</u>

Source: Town annual audited financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>REVENUES</b>					
Property taxes	\$ 106,517,751	\$ 112,058,320	\$ 116,637,973	\$ 124,755,330	\$ 128,492,997
Intergovernmental	13,207,295	13,371,459	14,737,968	13,420,590	14,386,285
Charges for services	4,543,123	5,253,930	5,320,306	5,351,400	5,635,806
Interest on investments	194,126	176,012	129,212	134,872	155,366
Miscellaneous	363,896	499,757	423,239	702,676	578,469
<b>TOTAL REVENUES</b>	<u>124,826,191</u>	<u>131,359,478</u>	<u>137,248,698</u>	<u>144,364,868</u>	<u>149,248,923</u>
<b>EXPENDITURES</b>					
General government	3,058,787	2,948,259	3,046,149	3,284,865	3,151,526
Community environment	590,670	597,535	618,838	644,535	691,869
Public safety	7,587,341	8,100,967	8,298,509	8,583,729	8,712,569
Health and social services	1,179,972	1,181,351	1,273,798	1,268,113	1,275,987
Library	3,186,016	3,263,537	3,400,566	3,479,389	3,502,928
Parks and recreation	1,122,428	1,110,258	1,226,178	1,333,748	1,285,618
Public works	4,201,841	4,475,334	4,790,208	4,739,795	4,718,654
Board of Education	86,509,642	90,216,733	96,322,274	99,103,639	102,402,057
General overhead	5,719,479	5,897,323	6,449,274	6,763,733	6,714,398
Solid waste	-	-	-	-	-
Debt service	10,095,354	10,288,202	10,802,073	11,640,656	11,460,700
<b>TOTAL EXPENDITURES</b>	<u>123,251,530</u>	<u>128,079,499</u>	<u>136,227,867</u>	<u>140,842,202</u>	<u>143,916,306</u>
Excess (deficiency) of revenues over expenditures	<u>1,574,661</u>	<u>3,279,979</u>	<u>1,020,831</u>	<u>3,522,666</u>	<u>5,332,617</u>
Other financing sources (uses)					
Operating transfers in	638,020	649,934	637,593	647,595	654,567
Operating transfers out	(1,405,575)	(2,993,270)	(2,665,674)	(3,741,955)	(4,960,910)
Issuance of refunding bonds	-	-	-	16,310,000	7,530,000
Payment to escrow agent	-	-	-	(17,861,972)	(8,088,223)
Bond premium	-	-	-	1,709,975	765,763
Total other financing sources (uses)	<u>(767,555)</u>	<u>(2,343,336)</u>	<u>(2,028,081)</u>	<u>(2,936,357)</u>	<u>(4,098,803)</u>
Net change in fund balances	807,106	936,643	(1,007,250)	586,309	1,233,814
Fund Balance - July 1	<u>17,729,188</u>	<u>18,536,294</u>	<u>19,472,937</u>	<u>18,465,687</u>	<u>19,051,996</u>
Fund Balance - June 30	<u>\$ 18,536,294</u>	<u>\$ 19,472,937</u>	<u>\$ 18,465,687</u>	<u>\$ 19,051,996</u>	<u>\$ 20,285,810</u>

Source: Town annual audited financial statements.

## SECTION VI – ADDITIONAL INFORMATION

### **Litigation**

In the opinion of the Town Attorney, there are no claims or litigation pending or to his knowledge threatened, which would individually or in the aggregate result in final judgments against the Town which would have a material adverse effect on the finances of the Town or which would impact the validity of the Bonds or the power of the Town to levy and collect taxes to pay the principal of and interest on the Bonds.

### **Availability of Continuing Disclosure Information**

The Town of Darien prepares, in accordance with State law, annual independent audited financial statements and files such annual reports with the State Office of Policy and Management on an annual basis. The Town provides, and will continue to provide Moody's Investors Service ongoing disclosure information in the form of annual financial reports, adopted budgets and other materials relating to its management and financial condition, as may be necessary or requested.

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events; and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The underwriter's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In accordance with the Securities and Exchange Commission's interpretive letter dated June 23, 1995 to the National Association of Bond Lawyers regarding Rule 15c2-12 and the Town's previous continuing disclosure agreements, as to the filing for the fiscal year ending June 30, 2015, since audited financial statements were not available by eight months after the close of the fiscal year, February 29, 2016, the Town filed unaudited financial statements as required and certain operating data on February 29, 2016. The Town has filed such audited financial statements when they became available, on March 10, 2016. In the past five (5) years, the Town has not failed to comply, in all material respects, with any of its undertakings under such agreements.

### **Financial Advisor**

The Town has retained Independent Bond and Investment Consultants LLC ("IBIC LLC") of Madison, Connecticut, as financial advisor in connection with the issuance and sale of the Bonds. Although IBIC LLC has assisted in the preparation of the Official Statement, IBIC LLC is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. IBIC LLC is an independent municipal bond advisory firm and is not engaged in the business of providing investment advice, underwriting, trading or distributing municipal securities or other public securities.

### **Documents Accompanying Delivery of the Bonds**

Upon the delivery of the Bonds, the winning bidder will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town, signed by the First Selectman, the Town Treasurer, and the Finance Director, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, as of the date of the Official Statement and the date of closing, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;

3. A receipt for the purchase price of the Bonds;
4. The approving opinion of Pullman & Comley, LLC, Bond Counsel;
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C; and
6. The Town will provide to each winning bidder 25 copies of the Official Statement prepared at the Issuer's expense and delivered not later than seven (7) business days of the of the bid opening. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. If the Town's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter of the Bonds.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of U.S. Bank National Association, of Hartford, Connecticut and will be available for examination upon reasonable request.

**Concluding Statement**

Additional information may be obtained upon request from the office of the Finance Director, Attention: Ms. Jennifer A. Charneski, Finance Director at (203) 656-7334 or from Independent Bond and Investment Consultants LLC at (203) 245-7264.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be constructed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds.

This Official Statement is submitted only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or part for any other purpose.

**TOWN OF DARIEN, CONNECTICUT**

By: /s/ Jayme J. Stevenson  
**JAYME J. STEVENSON**  
*First Selectman*

By: /s/ Joan D. Hendrickson  
**JOAN D. HENDRICKSON**  
*Treasurer*

By: /s/ Jennifer A. Charneski  
**JENNIFER A. CHARNESKI**  
*Finance Director*

**August 29, 2017**

**APPENDIX A - FINANCIAL STATEMENTS**

**TOWN OF DARIEN, CONNECTICUT**

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Appendix A – Basic Financial Statements – is taken from the Annual Financial Report of the Town of Darien for the Fiscal Year ended June 30, 2016, and does not include all the schedules or management letter in such report. A copy of the complete report is available upon request to the Town's Finance Director, Town of Darien, Connecticut.

# BlumShapiro

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## **Independent Auditors' Report**

To the Board of Finance  
Town of Darien, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Darien, Connecticut's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut, as of June 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2016, the Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, the budgetary comparison information on pages 55 through 61 and the pension schedules on pages 62 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2016 on our consideration of the Town of Darien, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Darien, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 15, 2016



**Town of Darien, Connecticut**  
**Management's Discussion and Analysis - unaudited**  
**June 30, 2016**  
**(In Thousands)**

This discussion and analysis of the Town of Darien, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2016. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX. All amounts are expressed in thousands unless otherwise noted.

**Financial Highlights**

- Net position of our governmental activities increased by \$6,658 or 4.5%.
- During the year, the Town had expenses that were \$6,658 less than the \$157,999 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$151,341 with no new programs added this year.
- The General Fund reported a fund balance this year of \$20,286.
- The resources available for appropriation were \$370 less than budgeted for the General Fund. Expenditures were \$1,381 less than budgeted.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

## Fund Financial Statements

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

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

## Government-Wide Financial Analysis

The Town's combined net position increased from a year ago increasing from \$146,888 to \$153,546. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Current assets	\$ 48,345	\$ 48,333
Capital assets, net of accumulated depreciation	181,031	183,594
Total assets	<u>229,376</u>	<u>231,927</u>
Deferred outflows of resources	<u>10,939</u>	<u>9,160</u>
Long-term liabilities outstanding	78,763	84,561
Other liabilities	6,723	7,926
Total liabilities	<u>85,486</u>	<u>92,487</u>
Deferred inflows of resources	<u>1,283</u>	<u>1,712</u>
Net Position:		
Net investment in capital assets	106,977	101,619
Unrestricted	<u>46,569</u>	<u>45,269</u>
Total Net Position	<u>\$ 153,546</u>	<u>\$ 146,888</u>

Net position of the Town's governmental activities increased by 4.5%. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - changed from \$45,269 at June 30, 2015 to \$46,569 at the end of this year.

This change in unrestricted governmental net position resulted primarily due to a reduction in long-term liabilities as the Town's debt is reduced. The Town's long-term liabilities are \$78,763.

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Revenues:		
Program revenues:		
Charges for services	\$ 13,188	\$ 12,795
Operating grants and contributions	14,772	13,657
Capital grants and contributions	678	635
General revenues:		
Property taxes	128,172	124,174
Grants and contributions not restricted to specific purposes	484	192
Unrestricted investment earnings	198	164
Other general revenues	507	644
Total revenues	<u>157,999</u>	<u>152,261</u>
Program expenses:		
General government	4,825	4,716
Community environment	1,124	894
Public safety	13,766	14,775
Health and social services	1,809	1,625
Library	3,503	3,479
Parks and recreation	2,024	2,258
Public works	8,027	7,225
Board of Education	110,911	105,076
Sewer operations	3,146	3,269
Debt service	2,206	2,338
Total program expenses	<u>151,341</u>	<u>145,655</u>
Change in Net Position	6,658	6,606
Beginning Net Position	<u>146,888</u>	<u>140,282</u>
Ending Net Position	<u>\$ 153,546</u>	<u>\$ 146,888</u>

The Town's total revenues (excluding special items) were \$157,999. The total cost of all programs and services was \$151,341. Our analysis below considers the operations of governmental activities.

### **Governmental Activities**

Property taxes were 81.1% of revenues and charges for services accounted for 8.3%. Capital grants of \$678 were primarily grants from the State of Connecticut for school construction projects and infrastructure. Operating grants and contributions increased by 8.2%. The 2015-16 property tax collection rate was 99.59%. Charges for Services increased by 3.3%. Intergovernmental revenue increased primarily due to an increase in the on-behalf contributions to the Connecticut State Teachers Retirement System. School principal and interest subsidy grants on pre-1996 construction projects continue to decline, which corresponds to the decline in the debt service for older school projects. Investment income increased slightly due to slight increases in interest rate available on certain investments.

On the expense side, public works increased due to an increase in capital outlay. Education expenses continue to be the most significant component accounting for 73%. Board of Education increased because of increased enrollment, negotiated wage increases, increased medical expenses and increased Special Education expenses. Debt service decreased slightly as a result of payment schedules from prior year debt issuances.

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

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
General government	\$ 4,825	\$ 4,716	\$ 2,848	\$ 2,827
Public safety	13,766	14,775	10,406	11,396
Public works	8,027	7,225	6,811	5,940
Education	110,911	105,076	93,894	89,417
Library	3,503	3,479	3,503	3,479
<b>Total</b>	<b>\$ 141,032</b>	<b>\$ 135,271</b>	<b>\$ 117,462</b>	<b>\$ 113,059</b>

### Town Funds Financial Analysis

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$32,847, which is an increase from last year's total of \$27,329. The most significant increase occurred in the Capital Projects funds resulting from the issuance of bonds to fund previously appropriated capital expenditures. The General Fund also experienced a significant increase of \$1,234. The deficit in the Cafeteria Fund was eliminated in FY2016.

The Internal Service Fund deficit fund balance decreased due to an increase in the premium equivalents. The Town plans to eliminate the deficit through continued increases in premium equivalent payments and FY2017 budgeted contributions from the General Fund, Sewer Fund and Parking Fund.

### General Fund Budgetary Highlights

There was an additional appropriation for the fiscal year ended June 30, 2016, in the amount of \$300. This was for the Intervale Road Drainage capital project. A contingency of \$995 was included in the original budget. This contingency covered items such as non-union wage increases and other unexpected expenses. The contingency was higher than the prior year due to the number of outstanding union contracts expected to settle.

Actual revenues were lower than budgetary estimates by approximately \$370. The budget assumed that \$1,400 of fund balance would be used to offset expenses; however this amount was not needed. Town Clerk fees were \$340 higher than budget, an indication of increased conveyance tax collections. Solid Waste fees were \$155 higher than budget due to an increase in volume. Intergovernmental revenues were \$460 lower than budget due to mid-year reductions in State grants. Prior year tax collection were lower than budget by \$173. This was due to a reduction in outstanding taxes as a result of prior year efforts of the Tax Collector to track some of the more significantly delinquent taxpayers and settle their outstanding debts. Actual expenditures were less than budgetary estimates by \$1,381. The largest single contributor to this was unused contingency funds.

## Capital Asset and Debt Administration

### Capital Assets

At June 30, 2016, the Town had \$181,031 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 decrease (including additions and deductions) of \$2,563, or 1.4%, from last year.

	Governmental Activities	
	2016	2015
Land	\$ 13,067	\$ 13,067
Buildings	145,761	148,734
Land improvement	1,826	1,857
Machinery and equipment	7,921	7,187
Infrastructure	10,958	11,428
Construction in progress	1,498	1,321
Totals	\$ <u>181,031</u>	\$ <u>183,594</u>

The Town's fiscal-year 2016-17 capital budget calls for it to spend another \$5,552 for capital and/or non-recurring projects, principally for capital equipment and replacement. More detailed information about the Town's capital assets is presented in Notes 1 and 5 to the financial statements.

### Long-Term Debt

At June 30, 2016, the Town had \$76,858 in bonds and notes outstanding versus \$82,583 last year.

Debt decreased due to \$8,719 in annual principal payments as well as a \$7,810 reduction due to refunded bonds. The Town issued \$10,665 in new general obligation bonds during the year, including the refunding bonds.

The Town's general obligation bonds continue to carry a rating of Aaa, the highest rating possible, a rating that has been assigned by national rating agencies to the Town's debt since 1973. The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$902,895 state-imposed limit.

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

### Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2017 budget tax rates, and fees that will be charged for services. One of those factors is the economy. Unemployment in the Town increased slightly to an average of 4.6% for the first six months of 2016, compared to 4.3% for 2015. This compares with the State's average unemployment rate of 5.9% and the national average rate of 5.0% for the same period.

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

These indicators were taken into account when adopting the General Fund budget for 2016-17. Amounts available for appropriation in the General Fund budget are \$140,597, an increase of 2.0% over the final 2016 budget of \$137,778. Property taxes (benefiting from the 2016 rate increases and growth in the grand list) are expected to lead this increase. The Town will use these increases in revenues to finance programs currently offered and to off-set the effect inflation is expected to have on program costs. Increased personnel costs and increased education expenses are the largest areas of expenditure increase. Fund balance will provide \$1,100 to support the budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to remain stable by June 30, 2017.

### **Contacting the Town's Financial Management**

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

## **Basic Financial Statements**

**TOWN OF DARIEN, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 29,559,029
Investments	7,535,066
Receivables, net	5,076,505
Prepaid expenses	52,452
Net pension asset	5,985,314
Net OPEB asset	137,234
Capital assets not being depreciated	14,565,357
Capital assets being depreciated, net of accumulated depreciation	<u>166,465,238</u>
Total assets	<u>229,376,195</u>
<b>Deferred Outflows of Resources:</b>	
Deferred charges on refunding	2,803,990
Pension net difference between projected and actual investment earnings	3,520,419
Pension change in assumptions	4,614,303
Total deferred outflows of resources	<u>10,938,712</u>
<b>Liabilities:</b>	
Accounts and other payables	6,416,267
Unearned revenue	306,393
<b>Noncurrent liabilities:</b>	
Due within one year	10,618,753
Due in more than one year	<u>68,144,890</u>
Total liabilities	<u>85,486,303</u>
<b>Deferred Inflows of Resources:</b>	
Pension differences between expected and actual experience	<u>1,282,543</u>
<b>Net Position:</b>	
Net investment in capital assets	106,976,946
Unrestricted	<u>46,569,115</u>
Total Net Position	<u>\$ 153,546,061</u>

The accompanying notes are an integral part of the financial statements



**TOWN OF DARIEN, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental activities:					
General government	\$ 4,824,566	\$ 1,957,632	\$ 18,716	\$	\$ (2,848,218)
Community environment	1,124,486	107,763			(1,016,723)
Public safety	13,766,482	3,330,035	30,751		(10,405,696)
Health and social services	1,808,509	175,155	238,515	41,333	(1,353,506)
Library	3,502,928				(3,502,928)
Parks and recreation	2,023,925	582,331			(1,441,594)
Public works	8,026,730	766,650		449,422	(6,810,658)
Board of Education	110,910,512	2,345,508	14,483,587	186,933	(93,894,484)
Sewer operations	3,146,152	3,923,171			777,019
Interest on long-term debt	2,206,332				(2,206,332)
<b>Total Governmental Activities</b>	<b>\$ 151,340,622</b>	<b>\$ 13,188,245</b>	<b>\$ 14,771,569</b>	<b>\$ 677,688</b>	<b>(122,703,120)</b>
General revenues:					
Property taxes					128,171,843
Grants and contributions not restricted to specific programs					483,751
Unrestricted investment earnings					198,562
Miscellaneous					506,874
Total general revenues					<u>129,361,030</u>
Change in net position					6,657,910
Net Position at Beginning of Year					<u>146,888,151</u>
Net Position at End of Year					<u>\$ 153,546,061</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<u>General</u>	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 15,391,790	\$ 3,634,947	\$ 832,424	\$ 6,478,417	\$ 3,221,451	\$ 29,559,029
Investments	7,535,066					7,535,066
Receivables, net	1,927,527	221,434	2,703,289		220,872	5,073,122
Due from other funds	1,102,757	2,338		154,924	5,885	1,265,904
Prepaid expenditures	42,482			9,970		52,452
Total Assets	<u>\$ 25,999,622</u>	<u>\$ 3,858,719</u>	<u>\$ 3,535,713</u>	<u>\$ 6,643,311</u>	<u>\$ 3,448,208</u>	<u>\$ 43,485,573</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts and other payables	\$ 4,585,500	\$ 48,476	\$ 42,844	\$ 638,392	\$ 120,508	\$ 5,435,720
Due to other funds	155,809			500,431	529,718	1,185,958
Unearned revenue	172,024				134,369	306,393
Total liabilities	<u>4,913,333</u>	<u>48,476</u>	<u>42,844</u>	<u>1,138,823</u>	<u>784,595</u>	<u>6,928,071</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	794,830					794,830
Unavailable revenue - sewer use		206,336				206,336
Unavailable revenue - sewer assessment			2,703,290			2,703,290
Unavailable revenue - school building grants	5,651					5,651
Total deferred inflows of resources	<u>800,481</u>	<u>206,336</u>	<u>2,703,290</u>	<u>-</u>	<u>-</u>	<u>3,710,107</u>
Fund Balances:						
Nonspendable	42,482					42,482
Restricted				5,504,488	403,217	5,907,705
Committed	354,394	3,603,907	789,579		2,260,396	7,008,276
Assigned	1,645,899					1,645,899
Unassigned	18,243,033					18,243,033
Total fund balances	<u>20,285,808</u>	<u>3,603,907</u>	<u>789,579</u>	<u>5,504,488</u>	<u>2,663,613</u>	<u>32,847,395</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,999,622</u>	<u>\$ 3,858,719</u>	<u>\$ 3,535,713</u>	<u>\$ 6,643,311</u>	<u>\$ 3,448,208</u>	<u>\$ 43,485,573</u>

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**TOWN OF DARIEN, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2016**

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 32,847,395
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Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 289,659,274	
Less accumulated depreciation	<u>(108,628,679)</u>	
Net capital assets		181,030,595

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

Property tax receivables greater than 60 days	578,454
Interest receivable on property taxes	216,376
Assessments receivable	2,703,290
Sewer use receivable	206,336
Receivable from the state for school construction projects	5,651
Deferred outflows related to pension changes in assumptions	4,614,303
Deferred outflows related to differences between projected and actual pension investment returns	3,520,419

Pension and OPEB assets:

Net pension asset	5,985,314
Net OPEB asset	137,234

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

(125,288)

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

Bonds and notes payable	(71,566,369)
Interest payable on bonds and notes	(931,822)
Compensated absences	(1,906,004)
Bond premium	(5,291,270)
Deferred charge on refunding	2,803,990
Deferred inflows related to pension differences between expected and actual experience	<u>(1,282,543)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 153,546,061</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>General</u>	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 128,492,997					\$ 128,492,997
Intergovernmental	14,386,285			186,546	1,083,703	15,656,534
Charges for services	5,635,806	3,743,772	516,375		3,898,268	13,794,221
Income on investments	155,366	8,595		31,726	2,875	198,562
Miscellaneous	578,469	10,037		24,841	108,356	721,703
Total revenues	<u>149,248,923</u>	<u>3,762,404</u>	<u>516,375</u>	<u>243,113</u>	<u>5,093,202</u>	<u>158,864,017</u>
Expenditures:						
Current:						
General government	3,151,528				11,615	3,163,143
Community environment	691,869					691,869
Public safety	8,712,569				805,004	9,517,573
Health and social services	1,275,987				22,337	1,298,324
Library	3,502,928					3,502,928
Parks and recreation	1,285,618					1,285,618
Public works	4,718,654				460,607	5,179,261
Board of Education	102,402,057				3,365,639	105,767,696
Sewer operations		3,146,152				3,146,152
General overhead	6,714,398					6,714,398
Capital outlay				4,959,995		4,959,995
Debt service	11,460,700			856		11,461,556
Total expenditures	<u>143,916,308</u>	<u>3,146,152</u>	<u>-</u>	<u>4,960,851</u>	<u>4,665,202</u>	<u>156,688,513</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,332,615</u>	<u>616,252</u>	<u>516,375</u>	<u>(4,717,738)</u>	<u>428,000</u>	<u>2,175,504</u>
Other Financing Sources (Uses):						
Transfers in	654,567			5,486,760		6,141,327
Transfers out	(4,960,910)	(343,807)	(550,000)		(286,610)	(6,141,327)
Bond premiums	98,402					98,402
Refunding bond premiums	667,361					667,361
Bond issuance				3,135,000		3,135,000
Issuance of refunding bonds	7,530,000					7,530,000
Payment to escrow agent	(8,088,223)					(8,088,223)
Total other financing sources (uses)	<u>(4,098,803)</u>	<u>(343,807)</u>	<u>(550,000)</u>	<u>8,621,760</u>	<u>(286,610)</u>	<u>3,342,540</u>
Net Change in Fund Balances	1,233,812	272,445	(33,625)	3,904,022	141,390	5,518,044
Fund Balances at Beginning of Year	19,051,996	3,331,462	823,204	1,600,466	2,522,223	27,329,351
Fund Balances at End of Year	<u>\$ 20,285,808</u>	<u>\$ 3,603,907</u>	<u>\$ 789,579</u>	<u>\$ 5,504,488</u>	<u>\$ 2,663,613</u>	<u>\$ 32,847,395</u>

(Continued on next page)

**TOWN OF DARIEN, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 5,518,044
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	2,775,940
Depreciation expense	(5,253,950)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.

	(85,629)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(2,826)
Property tax receivable - accrual basis change	(24,691)
Property tax interest and lien revenue - accrual basis change	(296,463)
Sewer assessment receivable - accrual basis change	(401,866)
Sewer use receivable - accrual basis change	(139,639)
Change in deferred outflows related to pension changes in assumptions	(1,022,427)
Change in deferred outflows related to differences between projected and actual pension investment returns	2,530,083

Change in pension and OPEB assets:

Net OPEB expense	(108,584)
Change in net pension asset	(3,258,412)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond and note principal payments	8,718,651
Issuance of bonds and notes	(3,135,000)
Refunding bond issuance	(7,530,000)
Payments to escrow agent	8,088,223
Premium on refunding bond debt issuance	(667,361)
Premium on bond issuance	(98,402)
Amortization of premiums on debt issuance	627,627

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

Compensated absences	71,428
Accrued interest	(84,098)
Amortization of deferred charge on refunding	(6,956)
Change in deferred inflows related to pension differences between expected and actual experience	429,335

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

	14,883
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Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>6,657,910</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT  
STATEMENT OF NET POSITION - PROPRIETARY FUND  
JUNE 30, 2016**

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	<b>Governmental Activities Internal Service Fund</b>
	<hr/>
Assets:	
Accounts receivable, net	\$ <u>3,383</u>
Liabilities:	
Accounts and other payables	48,725
Due to other funds	<u>79,946</u>
Total liabilities	<u>128,671</u>
Net Position:	
Unrestricted	\$ <u><u>(125,288)</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUND**  
**JUNE 30, 2016**

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	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
Operating Revenues:	
Charges for services	\$ <u>227,557</u>
Operating Expenses:	
Salaries, benefits and claims	<u>212,674</u>
Operating Income (Loss)	14,883
Net Position at Beginning of Year	<u>(140,171)</u>
Net Position at End of Year	\$ <u><u>(125,288)</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**JUNE 30, 2016**

	<b>Governmental Activities Internal Service Fund</b>
Cash Flows from Operating Activities:	
Receipts from customers	\$ 224,174
Payments to vendors	(224,174)
Net cash provided by (used in) operating activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ -</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ <u>14,883</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(3,383)
Increase (decrease) in due to other funds	(22,215)
Increase (decrease) in accounts payable	10,715
Total adjustments	<u>(14,883)</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements



**TOWN OF DARIEN, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2016**

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	<b>Pension and OPEB Trust Funds</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
Assets:		
Cash and cash equivalents	\$ 1,703,195	\$ 463,971
Investments:		
Equity securities	68,913,499	
Equity mutual funds	49,718,235	
Receivables:		
Interest and dividends	<u>150,695</u>	
Total assets	120,485,624	\$ <u><u>463,971</u></u>
Liabilities:		
Accounts and other payables	<u>62,175</u>	\$ <u><u>463,971</u></u>
Net Position:		
Restricted for Pensions and Postemployment Benefits	\$ <u><u>120,423,449</u></u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Pension and OPEB Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 3,466,965
Plan members	1,415,738
Total contributions	<u>4,882,703</u>
Investment income:	
Net change in fair value of investments	1,419,663
Interest and dividends	2,483,632
Net investment income	<u>3,903,295</u>
Total additions	<u>8,785,998</u>
Deductions:	
Benefits	5,400,757
Administration	584,559
Total deductions	<u>5,985,316</u>
Change in Net Position	2,800,682
Net Position at Beginning of Year	<u>117,622,767</u>
Net Position at End of Year	<u>\$ 120,423,449</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

**B. Government-Wide and Fund Financial Statements**

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except for agency funds which have no measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**TOWN OF DARIEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, other post-employment benefits, and claims and judgments, are recorded only when payment is due.

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

The Town reports the following major governmental funds:

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

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

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

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

Additionally, the Town reports the following proprietary and fiduciary funds:

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

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

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

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

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

**TOWN OF DARIEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**D. Deposits and Investments**

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

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

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

**E. Interfunds**

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

**F. Property Taxes**

The Town's property tax is levied each July 1, on the assessed value listed on the prior October 1, Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach the property does not exist until July 1. Therefore, taxes are due and payable in equal installments on July 1, and January 1, following the date of the Grand List. Interest of 1½% per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31, and are payable in one installment due January 1. An amount of \$77,340 has been established as an allowance for uncollectible taxes. At June 30, 2016, this represents approximately 6.7% of all property taxes receivable. All trade and property tax receivables are reported net of an allowance for uncollectibles.

**G. Restricted Assets**

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

**H. Inventories and Prepaid Items**

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

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

**TOWN OF DARIEN, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2016**

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**I. Capital Assets**

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

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

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

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

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

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

**J. Allowance for Doubtful Accounts**

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

**K. Compensated Absences**

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

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

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

**TOWN OF DARIEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

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

**L. Deferred Outflows/Inflows of Resources**

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

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

**M. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

**N. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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

**O. Net Pension Asset**

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

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

**OPEB Trust**

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

**Governmental Funds and Governmental Activities**

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

**Funding Policy**

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



**Q. Accounting Estimates**

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

**R. Net Position**

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

**Net Investment in Capital Assets**

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

**Restricted Net Position**

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

**Unrestricted Net Position**

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

**S. Fund Balance**

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

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

**TOWN OF DARIEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**Assigned Fund Balance**

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

**Unassigned Fund Balance**

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

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

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

- On the first Tuesday in March, the Boards of Selectmen and Education submit their respective budgets to the Board of Finance.
- On the second Tuesday in March, the Board of Finance conducts a public hearing at which taxpayer comments are heard.
- On the third Tuesday in April, the Board of Finance establishes its recommended Budget and the means to finance it including a tax rate for publication and submission to the Representative Town Meeting (RTM).
- On the second Monday in May, the Budget as approved by the Board of Finance is submitted to an RTM at which the budget is legally enacted through passage of a resolution by the RTM. The RTM has authority to either approve the recommended budget or reduce it; it is not permitted to vote an increase. The operating budget includes proposed expenditures and the means of financing them.
- The Board of Finance has the authority to transfer unexpended balances and to establish a process for transfer approval.
- Any subsequent appropriations that alter the total operating budget must be approved by the RTM.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- Except for the accounting for encumbrances, budgets are adopted on a modified accrual basis of accounting.

**TOWN OF DARIEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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- The Board of Education, which is not a separate legal entity but a separate department of the Town, is authorized under state law to make any transfers required within its budget at its discretion. Any additional appropriations must have Board of Education, Board of Finance and RTM approval.
- Budgeted amounts shown are as originally adopted, or as amended by the Board of Finance and RTM during the course of the year. Additional appropriations totaling \$300,000 were approved during the year.
- Generally, all unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward.
- The audited General Fund Balance at the end of the fiscal year should be no less than 10% of the audited General Fund Revenues for that fiscal year. It is the policy of the Board of Finance to keep the fund balance above the minimum level except under extraordinary events or in unanticipated situations.

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

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

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

### **3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

**TOWN OF DARIEN, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2016**

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

**A. Deposits**

**Deposit Custodial Credit Risk**

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$32,704,743 of the Town’s bank balance of \$35,223,402 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 29,256,187
Collateralized, held by banks	<u>3,448,556</u>
 Total Amount Subject to Custodial Credit Risk	 <u><u>\$ 32,704,743</u></u>

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

**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2016, the Town’s cash equivalents amounted to \$4,904,204. The following table provides a summary of the Town’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

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

**TOWN OF DARIEN, CONNECTICUT  
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**B. Investments**

Investments as of June 30, 2016 in all funds are as follows:

	Fair Value	Maturity in Years		
		Less Than 1	1 - 10	More Than 10
Interest-bearing investments:				
Certificate of Deposit	\$ 7,535,066	\$ 100,000	\$ 7,435,066	\$ -
Total	7,535,066	100,000	7,435,066	-
Other investments:				
Mutual Funds	49,718,235			
Common Stock	68,913,499			
Total Investments	\$ 126,166,800			

The Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. The new disclosure is presented below:

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2016:

	June 30, 2016	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
Common stock	\$ 68,913,499	\$ 68,913,499	\$ -	\$ -
Mutual funds	49,718,235	49,718,235	-	-
Total investments by fair value level	118,631,734	118,631,734	-	-
Certificates of Deposit	7,535,066			
Total Investments	\$ 126,166,800			

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

**Interest Rate Risk**

The Town's investment policy limits the maximum investment maturity to one year.

**Credit Risk - Investments**

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

**Concentration of Credit Risk**

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

**TOWN OF DARIEN, CONNECTICUT  
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**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town maintains a listing of financial institutions approved to provide custody based on their creditworthiness in accordance with the Town's investment policy. The investment policy details the information that must be provided by financial institutions on an annual basis to become or remain qualified for investment transactions. At June 30, 2016, the Town had \$68,913,499 worth of uninsured and unregistered common stock that was held by Wells Fargo or by its trust department or agent that was not in the Town's name.

**4. RECEIVABLES**

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

	<u>General</u>	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Interest on delinquent taxes	\$ 224,477	\$	\$	\$	\$ 224,477
Taxes	921,724				921,724
Accounts	772,804	192,641		223,794	1,189,239
Special assessments			2,703,289		2,703,289
Intergovernmental	10,867			461	11,328
Interest receivable		28,793			28,793
Investment income	74,995			150,695	225,690
Gross receivables	<u>2,004,867</u>	<u>221,434</u>	<u>2,703,289</u>	<u>374,950</u>	<u>5,304,540</u>
Less allowance for property tax uncollectibles	<u>(77,340)</u>				<u>(77,340)</u>
Net Total Receivables	<u>\$ 1,927,527</u>	<u>\$ 221,434</u>	<u>\$ 2,703,289</u>	<u>\$ 374,950</u>	<u>\$ 5,227,200</u>

**TOWN OF DARIEN, CONNECTICUT  
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**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 13,067,304	\$	\$	\$ 13,067,304
Construction in progress	<u>1,320,827</u>	<u>926,819</u>	<u>749,593</u>	<u>1,498,053</u>
Total capital assets not being depreciated	<u>14,388,131</u>	<u>926,819</u>	<u>749,593</u>	<u>14,565,357</u>
Capital assets being depreciated:				
Buildings	216,828,890	775,141	752,279	216,851,752
Land improvements	4,089,674			4,089,674
Machinery and equipment	14,856,720	1,823,573	735,692	15,944,601
Infrastructure	<u>38,207,890</u>			<u>38,207,890</u>
Total capital assets being depreciated	<u>273,983,174</u>	<u>2,598,714</u>	<u>1,487,971</u>	<u>275,093,917</u>
Less accumulated depreciation for:				
Buildings	68,094,806	3,708,892	713,095	71,090,603
Land improvements	2,232,507	31,255		2,263,762
Machinery and equipment	7,670,246	1,042,758	689,247	8,023,757
Infrastructure	<u>26,779,512</u>	<u>471,045</u>		<u>27,250,557</u>
Total accumulated depreciation	<u>104,777,071</u>	<u>5,253,950</u>	<u>1,402,342</u>	<u>108,628,679</u>
Total capital assets being depreciated, net	<u>169,206,103</u>	<u>(2,655,236)</u>	<u>85,629</u>	<u>166,465,238</u>
Governmental Activities Capital Assets, Net	<u>\$ 183,594,234</u>	<u>\$ (1,728,417)</u>	<u>\$ 835,222</u>	<u>\$ 181,030,595</u>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 243,509
Community development	6,691
Public Safety	858,746
Health and social services	159
Parks and recreation	163,303
Public works	721,593
Education	<u>3,259,949</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,253,950</u>

**TOWN OF DARIEN, CONNECTICUT  
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**Construction Commitments**

The Town has active construction projects as of June 30, 2016. A summary of capital projects is as follows:

	Project Expenditures							
	Project	Additions Deletions	Total Project Authorization	2015-2016	Prior Year Cumulative	Current Year Cumulative	Encumbrances	Balance
Sewer Capital	\$ 445,889	\$ 408,000	\$ 853,889	\$ 466,174	\$ 319,084	\$ 785,258	\$	\$ 68,631
Capital Non-Recurring Expenditures	19,450,483	4,227,977	23,678,460	3,159,454	18,540,394	21,699,848	1,065,890	912,722
Parking Capital	1,327,233	235,850	1,563,083	144,218	519,295	663,513	229	899,341
35 Leroy/Mather Center	6,979,000	401,933	7,380,933	203,749	8,154,820	8,358,569		(977,636)
Intervale Rd Drainage	1,500,000	300,000	1,800,000	692,880	31,165	724,045	1,031,602	44,353
Short Lane Property	1,925,000		1,925,000	(27,612)	1,869,514	1,841,902		83,098
Paving Projects	190,000	14,000	204,000			-	183,926	20,074
Police Boat	285,000		285,000			-	352,359	(67,359)
35 Leroy Heating	220,000	40,000	260,000	181,982		181,982	38,083	39,935
Parking Lot Improvements	512,000		512,000	93,945		93,945	11,520	406,535
DPW Garage Design		230,000	230,000			-	177,000	53,000

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Individual fund interfund receivable and payable balances at June 30, 2016 are as follows:

Receivable Fund	Payable Fund	Amount
Sewer Operating	Nonmajor Governmental	\$ 2,338
Nonmajor Governmental	Capital Projects	5,000
Nonmajor Governmental	General Fund	885
Capital Projects	General Fund	154,924
General Fund	Nonmajor Governmental	527,380
General Fund	Internal Service	79,946
General Fund	Capital Projects	495,431

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

Interfund Transfers:

	Transfers In		Total Transfers Out
	General Fund	Capital Projects	
Transfers out:			
General Fund	\$	\$ 4,960,910	\$ 4,960,910
Sewer Operating Fund	53,807	290,000	343,807
Sewer Assessment Fund	550,000		550,000
Nonmajor governmental Funds	50,760	235,850	286,610
Total Transfers In	\$ 654,567	\$ 5,486,760	\$ 6,141,327



**TOWN OF DARIEN, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
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Interfund transfers are included in the annual budget to:

- Move revenues from the General Fund to the Reserve for Capital and Nonrecurring Expenditures to fund capital projects and purchases approved in the annual budget.
- Move revenues from the Sewer Operating Fund to reimburse the General Fund for principal and interest payments on sewer rehabilitation bonds.
- Move revenues from the Sewer Operating Fund to the Sewer Capital Fund for capital projects and purchases that were approved in the annual budget.
- Move revenues from the Sewer Assessment Fund to reimburse the General Fund for principal and interest payments on sewer construction bonds.
- Move revenues from the Police Private Duty Fund to reimburse the General Fund for administrative expenses. The transfer, based on actual collections in the Private Duty fund, exceeded the budget by \$15,760.
- Move revenues from the Parking Operations Fund to the Parking Capital Fund for capital projects and purchases that were approved in the annual budget.

During the year ended June 30, 2016, the following additional transfers were approved:

- A transfer of \$300,000 from the General Fund to the Intervale Road Drainage capital fund to supplement the original appropriation, based on bids received for the construction phase of the project.
- A transfer of \$10,000 to the Reserve for Capital and Nonrecurring Expenditures to supplement the budget for repairs to the drill tower.
- A transfer of \$401,933 to the 35 Leroy/Mather Center capital fund to cover project overruns.

**7. LEASES**

**Operating Leases**

The Town leases some office equipment under operating leases. Total costs for such leases were \$351,271 for the year ended June 30, 2016. These leases are cancelable at any time before the expiration date of the year 2020. The future minimum lease payments for these leases are as follows:

**Year Ending June 30**

2017	\$ 327,876
2018	320,957
2019	310,378
2020	<u>137,411</u>
Total	<u>\$ 1,096,622</u>

**TOWN OF DARIEN, CONNECTICUT  
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**8. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 77,150,000	\$ 10,665,000	\$ 16,480,000	\$ 71,335,000	\$ 9,305,000
Clean water notes	280,020		48,651	231,369	49,633
Premiums on bonds	5,153,134	765,763	627,627	5,291,270	
Total bonds and notes payable	<u>82,583,154</u>	<u>11,430,763</u>	<u>17,156,278</u>	<u>76,857,639</u>	<u>9,354,633</u>
Compensated absences	<u>1,977,432</u>	<u>1,618,497</u>	<u>1,689,925</u>	<u>1,906,004</u>	<u>1,264,120</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 84,560,586</u>	<u>\$ 13,049,260</u>	<u>\$ 18,846,203</u>	<u>\$ 78,763,643</u>	<u>\$ 10,618,753</u>

Bonds and notes outstanding by issue at June 30, 2016 were:

<u>Description</u>	<u>Year of Maturity</u>	<u>Interest Rate (%)</u>	<u>Balance Outstanding June 30, 2016</u>
General Obligation Bonds:			
Refunding 2009	2018	2.00-5.00	\$ 4,855,000
Refunding 2010	2020	2.49-4.75	6,194,000
PD/35 Leroy 2011	2024	2.00	875,000
PD/35 Leroy 2012	2027	3.00	940,000
Refunding 2012	2027	1.75-5.00	27,159,000
General Purpose 2013	2028	2.00	2,190,000
Refunding 2014	2024	2.00-4.00	14,661,000
General Purpose 2016	2026	2.00-3.00	3,135,000
Refunding 2016	2027	2.00-4.00	7,303,000
Total general obligation bonds			<u>67,312,000</u>
Special Assessment Debt with Town Commitment:			
Refunding 2009	2018	2.00-5.00	340,000
Refunding 2010	2020	2.31-4.00	1,466,000
Goodwives River Road 2011	2017	2.00	125,000
Goodwives River Road 2012	2017	3.00	60,000
Refunding 2012	2028	1.75-5.00	686,000
Refunding 2014	2024	2.00-4.00	1,119,000
Refunding 2016	2027	2.00-4.00	227,000
Total special assessment debt with Town commitment			<u>4,023,000</u>
State Loans:			
Clean Water	2022	2	231,369
Total State Loans			<u>231,369</u>
Total Outstanding			<u>\$ 71,566,369</u>

**TOWN OF DARIEN, CONNECTICUT  
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During fiscal year 2016, principal and interest payments were funded by the General Fund. The Sewer Operating Fund and Sewer Assessment Fund reimbursed the General Fund \$53,807 and \$550,000, respectively, toward these payments. The Sewer Operating Fund is responsible for debt service of the sewer rehabilitation bonds, and the Sewer Assessment Fund is responsible for the majority of debt service for the sewer construction bonds. Payment of the principal and interest on Special Assessment Sewer Bonds is guaranteed by the full faith and credit of the Town.

The following is a summary of long-term debt principal and interest maturities. The State of Connecticut will provide future payments to subsidize the debt cost. Principal debt subsidies of \$5,651 and interest subsidies of \$391 will be received over the life of the outstanding debt.

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 9,354,633	\$ 2,190,741
2018	9,645,635	1,881,585
2019	8,831,657	1,551,588
2020	8,427,699	1,232,515
2021	8,211,747	909,507
2022-2026	23,814,998	1,705,114
2027-2029	<u>3,280,000</u>	<u>70,650</u>
Total	<u>\$ 71,566,369</u>	<u>\$ 9,541,700</u>

**Authorized Unissued Bonds**

At June 30, 2016, the Town of Darien had \$2,200,000 of authorized, unissued bonds for sewer line extension projects, \$12,686,273 for the Darien High School Building Project, \$5,045,000 for the Tokeneke Elementary School Project, \$265,000 for the purchase of the 35 Leroy Building, \$1,555,000 for the Police Station Project, \$1,000,000 for the Weed Beach Project, \$79,000 for the 35 Leroy/MCC project, \$60,000 for Weed Beach Tennis Courts, \$220,000 for Intervale Road Drainage and \$230,000 for DPW Garage Renovation Design. The Darien High School and Tokeneke Elementary School projects are partially offset by State of Connecticut grants. All projects, except Intervale Road Drainage and DPW Garage Renovation, are complete.

**Debt Limit**

The Town's total indebtedness does not exceed the limit of \$903 million allowed by State Statute.

**Refundings**

On April 14, 2016 the Town issued \$7,530,000 of general obligation refunding bonds with interest rates ranging from 2% to 4% to advance refund a portion of the outstanding principal amounts of \$830,000 General Obligation Bonds, dated February 23, 2010, \$4,400,000 General Obligation Bonds, dated March 28, 2012 and \$2,580,000 General Obligation Bonds, dated August 6, 2013.

The net proceeds of \$8,197,361 (including a premium of \$667,361, proceeds of \$1,985 and issuance costs of \$107,154 including underwriter's fees) will reduce total debt service payments over the next 10 years by \$720,464 and represent an economic gain (difference between present values of the debt service payments on the old and new debt) of \$521,665. As a result, the refunded bonds are considered defeased and all future interest and principal on the defeased bonds will be paid from the proceeds of the refunding issue, which were placed into an irrevocable escrow account until all the defeased bonds have been called.

**TOWN OF DARIEN, CONNECTICUT  
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In prior years and the current year, the town defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Town’s financial statements. The balance in escrow was \$14,953,917 at June 30, 2016. The outstanding balance of the defeased bonds as of June 30, 2016 is \$14,510,000.

**Compensated Absences**

The liability for compensated absences decreased by \$71,428 this year. These liabilities are paid by the General Fund, Sewer Operating Fund and Parking Operations Fund.

**9. BOND ANTICIPATION NOTES**

The following is a schedule of changes in bond anticipation notes for the year ended June 30, 2016:

<u>Project</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
4 Short Lane Acquisition	9/10/2014	9/9/2015	1	\$ 1,925,000	\$	\$ 1,925,000	\$ -

The notes were reported in the Capital Projects Fund and were retired during the year ended June 30, 2016.

**10. RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omission; or natural disasters. The Town purchases commercial insurance for all risks of loss, except dental claims as discussed below. During the year ended June 30, 2016, deductibles paid by the Town were insignificant. Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

**A. Risk Pooling**

The Town is a member of the CIRMA Workers’ Compensation Pool, a risk sharing pool. The Workers’ Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers’ Compensation Act. The premium paid in 2015/16 was \$1,010,923. The premium is subject to payroll audit at the close of the coverage period. CIRMA’s Workers’ Compensation Pool retains \$1,000,000 per occurrence.

**B. Self-Insurance Plans**

The Town manages certain of its risks internally and sets aside assets for claim settlements. The General Fund accounts for the Board of Education dental plan and the Town Dental plan is recorded as a self insured fund within the Internal Service fund. A third party administers the Town’s self-insurance program. There is no stop loss coverage.

**TOWN OF DARIEN, CONNECTICUT  
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The Town’s General Fund accounts for the Board of Education dental plan. The plan is funded through annual General Fund appropriations and the claims liability of \$33,231 reported at June 30, 2016 is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of the claim accrual is based on actual claims incurred prior to June 30, 2016 but paid in the next fiscal year. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

The Town’s Internal Service Fund accounts for the Town dental plan. The plan is funded through annual General Fund appropriations and the claims liability of \$5,956 reported at June 30, 2016 is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of the claim accrual is based on actual claims incurred prior to June 30, 2016 but paid in the next fiscal year. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

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

	<u>Claims Payable July 1,</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable June 30,</u>
2014-2015	\$ 31,547	\$ 1,102,142	\$ 1,084,894	\$ 48,795
2015-2016	48,795	937,948	947,556	39,187

**TOWN OF DARIEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**11. FUND BALANCE**

The components of fund balance for the governmental funds as of June 30, 2016 are as follows:

	<b>Major Special Revenue Funds</b>				<b>Nonmajor Governmental Funds</b>	<b>Total</b>
	<b>General Fund</b>	<b>Sewer Operating</b>	<b>Sewer Assessment</b>	<b>Capital Projects</b>		
Fund balances:						
Nonspendable:						
Prepaid expenses	\$ 42,482					\$ 42,482
Restricted for:						
Unspent grant balances					293,494	293,494
Capital projects				5,504,488		5,504,488
Park Pals Play area					30,617	30,617
Weed beach					4,289	4,289
Trusts					74,817	74,817
Committed to:						
Sewer operations		3,603,907				3,603,907
Sewer assessment projects			789,579			789,579
Animal control	28,431					28,431
Land purchase	59,842					59,842
Solid waste management	76,270					76,270
Special education	100,000					100,000
Waste disposal	89,851					89,851
Food services					37,786	37,786
Police services					492,537	492,537
Fire services					21,068	21,068
Parking operations					1,128,013	1,128,013
Affordable housing					363,895	363,895
Storm recovery					215,747	215,747
Stadium field					1,350	1,350
Assigned to:						
Purchases on order	545,899					545,899
Future year budgets	1,100,000					1,100,000
Unassigned	<u>18,243,033</u>					<u>18,243,033</u>
<b>Total Fund Balances</b>	<b>\$ <u>20,285,808</u></b>	<b>\$ <u>3,603,907</u></b>	<b>\$ <u>789,579</u></b>	<b>\$ <u>5,504,488</u></b>	<b>\$ <u>2,663,613</u></b>	<b>\$ <u>32,847,395</u></b>

Significant encumbrances of \$545,899, \$47,044, \$3,314,685 and \$154,927 are included in the above table in the committed and assigned categories of the General Fund, the committed category of the sewer operating fund, the restricted category of the capital projects fund, and the restricted and committed categories of the nonmajor governmental funds, respectively.

**Deficits**

The Internal Service fund has a net position deficit of \$125,288. The deficit will be funded by a budgeted one-time contribution in fiscal year 2017 and by future charges for services.

**TOWN OF DARIEN, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
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**12. OTHER POST-EMPLOYMENT BENEFITS**

**A. Plan Description**

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

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

	<b>Police Post-Retirement Medical Program</b>	<b>Non-Police Post-Retirement Medical Program</b>
Plan membership:		
Retirees and surviving spouses	16	44
Active plan members	<u>42</u>	<u>542</u>
Total Participants	<u><u>58</u></u>	<u><u>586</u></u>

**B. Funding Policy**

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

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

**TOWN OF DARIEN, CONNECTICUT  
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**C. Annual OPEB Cost and Net OPEB Obligations**

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

	<u>Police Post-Retirement Medical Program</u>	<u>Non-Police Post-Retirement Medical Program</u>
Annual required contribution (ARC)	\$ 733,556	\$ 606,153
Interest on net OPEB obligation	(15,978)	
Adjustment to annual required contribution	34,562	
Annual OPEB cost	<u>752,140</u>	<u>606,153</u>
Contributions made	<u>643,556</u>	<u>606,153</u>
Change in net OPEB asset	108,584	-
Net OPEB asset at beginning of year	<u>(245,818)</u>	<u>-</u>
Net OPEB Asset at End of Year	<u>\$ (137,234)</u>	<u>\$ -</u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for the fiscal years ended June 30, 2016, 2015 and 2014 are presented below.

**Police**

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2016	\$ 752,140	\$ 643,556	85.56%	\$ (137,234)
6/30/2015	472,473	465,340	98.49%	(245,818)
6/30/2014	453,917	354,733	78.15%	(252,951)

**Non-Police**

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2016	\$ 606,153	\$ 606,153	100.00%	\$ -
6/30/2015	566,010	566,010	100.00%	-
6/30/2014	367,484	367,484	100.00%	-



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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

**Schedule of Funding Progress**

<b>Actuarial Valuation</b>	<b>Actuarial Valuation of Assets</b>	<b>Actuarial Accrued Liability (AAL) Entry Age</b>	<b>Unfunded (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
<b>Police</b>						
7/1/2015	\$ 3,306,148	\$ 5,378,051	\$ 2,071,903	61.47%	\$ 4,277,538	48.44%
7/1/2014	3,016,525	6,680,994	3,664,469	45.15%	4,333,838	84.55%
7/1/2013	2,608,118	5,681,545	3,073,427	45.91%	4,187,283	73.40%
<b>Non-Police</b>						
7/1/2015	\$ 2,532,435	\$ 5,331,179	\$ 2,798,744	47.50%	\$ 45,122,787	6.20%
7/1/2014	2,518,395	6,634,898	4,116,503	37.96%	42,742,437	9.63%
7/1/2013	1,834,852	5,577,342	3,742,490	32.90%	44,403,093	8.43%

**Schedule of Employer Contributions**

<b>Year Ended June 30,</b>	<b>Police</b>		<b>Non-Police</b>	
	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2016	\$ 733,556	87.73%	\$ 606,153	100.00%
2015	465,340	100.00%	566,010	100.00%
2014	444,733	79.80%	367,484	100.00%
2013	424,706	77.60%	361,200	100.00%
2012	528,363	81.30%	452,050	100.00%
2011	504,575	80.40%	399,078	76.07%

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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Additional information as of the latest actuarial valuations follows:

	<u>Police</u>	<u>Non-Police</u>
Valuation date	June 30, 2015	June 30, 2015
Actuarial cost method	Aggregate	Projected Unit Credit
Amortization method	Level Percent	Level Percent
Remaining amortization period	30 years open	30 years open
Asset valuation method	Market Value	Market Value
Actuarial Assumptions:		
Investment rate of return	6.50%	6.50%
Inflation rate	3.25%	3.25%
<u>Health Care Trend</u>	<u>Increase</u>	<u>Increase</u>
2016-2017	7.50%	6.75%-7.50%
2017-2018	7.00%	6.50%-7.00%
2018-2019	6.50%	6.00%-6.50%
2019-2020	6.00%	5.50%-6.00%
2020-2021	5.50%	5.00%-5.50%
2021-2022	5.00%	4.50%-5.00%
2022-2023 and later	4.50%	4.5%

The aggregate actuarial cost method is used to determine the annual required contributions (ARC) of the Town for the Police Plan. Because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status is prepared using the projected unit credit cost method.

### **13. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

#### **Pension Plans**

##### **A. Plan Description**

##### **The Funded Retirement Plan of the Town of Darien**

The Town contributes to a single employer, contributory defined benefit pension plan (the Town Plan) covering substantially all Town employees (except police) and noncertified Board of Education employees.

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

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

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

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

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

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

**Town of Darien Police Pension Fund**

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

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

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

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

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

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**B. Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

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

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

**Method Used to Value Investments**

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

**Plan Description and Benefits Provided**

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

**C. Investments**

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

The following was the Pension Committee's adopted asset allocation policy as of June 30, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity (large cap)	60.00%
Fixed income	<u>40.00%</u>
Total	<u><u>100.00%</u></u>

**Rate of Return**

For the year ended June 30, 2016, the annual money-weighted rate of return on pension investments for the Town and Police Plans, net of pension plan investment expense, was 3.37% and 3.45%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**D. Net Pension Liability of the Town**

The Town's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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The components of the net pension liability (asset) of the Town at June 30, 2016 were as follows:

	<b>Town Pension Plan</b>	<b>Police Pension Plan</b>
Total pension liability	\$ 65,567,886	\$ 42,468,356
Plan fiduciary net position	<u>(67,754,671)</u>	<u>(46,266,885)</u>
Town's Net Pension Liability (Asset)	<u>\$ (2,186,785)</u>	<u>\$ (3,798,529)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.34%	108.94%

**Actuarial Assumptions**

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity (large cap)	8.06%
Fixed income	4.06%

**Discount Rate**

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

**TOWN OF DARIEN, CONNECTICUT  
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**Changes in the Net Pension Liability**

<b>Town Pension Fund</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a)-(b)</b>
Balances as of June 30, 2016	\$ 61,851,491	\$ 65,992,512	\$ (4,141,021)
Changes for the year:			
Service cost	2,520,756		2,520,756
Interest on total pension liability	4,091,560		4,091,560
Employer contributions		1,628,802	(1,628,802)
Member contributions		1,108,161	(1,108,161)
Net investment income		2,236,389	(2,236,389)
Benefit payments, including refund to employee contributions	(2,895,921)	(2,895,921)	-
Administrative expenses		(315,272)	315,272
Net changes	<u>3,716,395</u>	<u>1,762,159</u>	<u>1,954,236</u>
Balances as of June 30, 2016	<u>\$ 65,567,886</u>	<u>\$ 67,754,671</u>	<u>\$ (2,186,785)</u>
<b>Police Pension Fund</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a)-(b)</b>
Balances as of June 30, 2016	\$ 40,688,958	\$ 45,791,663	\$ (5,102,705)
Changes for the year:			
Service cost	891,095		891,095
Interest on total pension liability	2,646,463		2,646,463
Employer contributions		588,454	(588,454)
Member contributions		307,577	(307,577)
Net investment income		1,568,200	(1,568,200)
Benefit payments, including refund to employee contributions	(1,758,160)	(1,758,160)	-
Administrative expenses		(230,849)	230,849
Net changes	<u>1,779,398</u>	<u>475,222</u>	<u>1,304,176</u>
Balances as of June 30, 2016	<u>\$ 42,468,356</u>	<u>\$ 46,266,885</u>	<u>\$ (3,798,529)</u>

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

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

	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
Town Pension Plan	\$ 5,814,729	\$ (2,186,785)	\$ (8,940,985)
Police Pension Plan	(1,790,337)	(3,798,529)	(8,410,241)

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

For the year ended June 30, 2016, the Town recognized pension expense of (\$3,538,676). At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Town Pension Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 4,282,413	\$
Net difference between projected and actual earning on pension plan investments	2,108,832	
Difference between expected and actual experience		706,452
	<u>6,391,245</u>	<u>706,452</u>
Total	\$ <u>6,391,245</u>	\$ <u>706,452</u>
	<u>Police Pension Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 331,890	\$
Net difference between projected and actual earning on pension plan investments	1,411,587	
Difference between expected and actual experience		576,091
	<u>1,743,477</u>	<u>576,091</u>
Total	\$ <u>1,743,477</u>	\$ <u>576,091</u>

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

**Year Ending June 30**

2017	\$ 1,535,093
2018	1,535,092
2019	1,657,193
2020	1,409,608
2021	715,193

## **Teachers Retirement**

### **A. Plan Description**

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

### **B. Benefit Provisions**

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

#### **Normal Retirement**

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

#### **Early Retirement**

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

#### **Disability Retirement**

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

### **C. Contributions**

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

#### *Employer (School Districts)*

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

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

#### *Employees*

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



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

At June 30, 2016, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>116,930,465</u>
Total	<u>\$ 116,930,465</u>

The net pension liability was measured as of June 30 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2016, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2016, the Town recognized pension expense and revenue of \$9,369,076 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**E. Actuarial Assumptions**

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

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

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

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

**F. Discount Rate**

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**H. Other Information**

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

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**Pension and OPEB Fund Financial Statements**

	<u>Police Pension Trust Fund</u>	<u>Town Pension Trust Fund</u>	<u>Police Retiree Medical Reserve Trust Fund</u>	<u>Non-Police Retiree Benefit Trust Fund</u>	<u>Total Trust Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 159,924	\$ 310,285	\$ 697,878	\$ 535,108	\$ 1,703,195
<b>Investments:</b>					
Equity securities	27,925,950	40,987,549			68,913,499
Mutual funds	18,145,289	26,404,278	2,974,996	2,193,672	49,718,235
<b>Receivables:</b>					
Interest and dividends	<u>60,466</u>	<u>88,415</u>	<u>1,293</u>	<u>521</u>	<u>150,695</u>
Total assets	<u>46,291,629</u>	<u>67,790,527</u>	<u>3,674,167</u>	<u>2,729,301</u>	<u>120,485,624</u>
<b>Liabilities:</b>					
Accounts and other payables	<u>24,744</u>	<u>35,856</u>	<u>1,175</u>	<u>400</u>	<u>62,175</u>
<b>Net Position:</b>					
Restricted for Pension Benefits and Postemployment Benefits	<u>\$ 46,266,885</u>	<u>\$ 67,754,671</u>	<u>\$ 3,672,992</u>	<u>\$ 2,728,901</u>	<u>\$ 120,423,449</u>
<b>Additions:</b>					
<b>Contributions:</b>					
Employer	\$ 588,454	\$ 1,628,802	\$ 643,556	\$ 606,153	\$ 3,466,965
Plan members	307,577	1,108,161			1,415,738
Total contributions	<u>896,031</u>	<u>2,736,963</u>	<u>643,556</u>	<u>606,153</u>	<u>4,882,703</u>
<b>Investment income:</b>					
Net change in fair value of investments	588,588	811,768	12,352	6,955	1,419,663
Interest and dividends	979,612	1,424,621	41,575	37,824	2,483,632
Net investment income	<u>1,568,200</u>	<u>2,236,389</u>	<u>53,927</u>	<u>44,779</u>	<u>3,903,295</u>
Total additions	<u>2,464,231</u>	<u>4,973,352</u>	<u>697,483</u>	<u>650,932</u>	<u>8,785,998</u>
<b>Deductions:</b>					
Benefits	1,758,160	2,895,921	316,176	430,500	5,400,757
Administration	230,849	315,272	14,463	23,975	584,559
Total deductions	<u>1,989,009</u>	<u>3,211,193</u>	<u>330,639</u>	<u>454,475</u>	<u>5,985,316</u>
Change in Net Position	475,222	1,762,159	366,844	196,457	2,800,682
Net Position at Beginning of Year	<u>45,791,663</u>	<u>65,992,512</u>	<u>3,306,148</u>	<u>2,532,444</u>	<u>117,622,767</u>
Net Position at End of Year	<u>\$ 46,266,885</u>	<u>\$ 67,754,671</u>	<u>\$ 3,672,992</u>	<u>\$ 2,728,901</u>	<u>\$ 120,423,449</u>

**14. CONTINGENT LIABILITIES**

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

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

**15. SUBSEQUENT EVENTS**

On July 19, 2016 the town of Darien reached a stipulated assessment settlement at the Stamford Superior court with Wee Burn Country Club, Country Club of Darien and Woodway Country Club. The settlement resulted in a reduction in assessed values for each of the three country clubs. The total impact on expected fiscal year 2017 tax collections is a reduction of \$1,144,551. This is a result of credits for prior year payments (\$617,827) and reduced current year taxes (\$526,724). The impact is partially offset by the Town's practice of using a conservative tax collection rate when establishing the mill rate (98.9% vs average collections in excess of 99.5%) as well as conservative budgeting of anticipated intergovernmental revenue.

**Required Supplementary  
Information**

**TOWN OF DARIEN, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Property taxes:				
Property taxes current	\$ 126,814,417	\$ 126,814,417	\$ 127,601,628	\$ 787,211
Property taxes prior	600,000	600,000	427,138	(172,862)
Suspense tax collections	1,000	1,000	12,603	11,603
Telecommunication property tax	58,000	58,000	59,201	1,201
Interest and liens	400,000	400,000	392,427	(7,573)
Total property taxes	<u>127,873,417</u>	<u>127,873,417</u>	<u>128,492,997</u>	<u>619,580</u>
Licenses and permits:				
Town Clerk	1,600,000	1,600,000	1,939,749	339,749
Building, plumbing and other	1,363,400	1,363,400	1,334,990	(28,410)
Refuse disposal permits	285,000	285,000	286,106	1,106
Food establishment	70,000	70,000	78,413	8,413
Private disposal and water supply	38,000	38,000	26,300	(11,700)
Fire Marshal's revenue	7,500	7,500	8,686	1,186
Other	35,000	35,000	44,304	9,304
Total licenses and permits	<u>3,398,900</u>	<u>3,398,900</u>	<u>3,718,548</u>	<u>319,648</u>
Intergovernmental:				
Capital improvement grant	111,194	111,194	112,832	1,638
Taxes on State-owned land	108,952	108,952		(108,952)
Pequot distribution	8,858	8,858	9,708	850
Disabled persons	185	185	194	9
Circuit breaker	70,000	70,000	54,181	(15,819)
Veterans' exemption	2,000	2,000	2,164	164
Court fines	30,000	30,000	29,693	(307)
Infrastructure - Town aid	335,085	335,085	336,590	1,505
State school reimbursement	3,213	3,213	3,213	-
Education Cost Sharing Grant	1,616,006	1,616,006	1,326,476	(289,530)
Transportation	288	288	252	(36)
Other	65,000	65,000	15,320	(49,680)
Total intergovernmental	<u>2,350,781</u>	<u>2,350,781</u>	<u>1,890,623</u>	<u>(460,158)</u>

(Continued on next page)

**TOWN OF DARIEN, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Charges for services:				
Sale of codes, regulations, etc.	\$ 800	\$ 800	\$ 245	\$ (555)
Planning and zoning application	53,000	53,000	107,763	54,763
ZBA application fees	18,724	18,724		(18,724)
EPC application fees	12,000	12,000		(12,000)
Other planning fees	4,000	4,000		(4,000)
Services for Sewer Commission Authority	58,609	58,609	55,021	(3,588)
Solid Waste Fees	400,000	400,000	555,216	155,216
Services for Parking Fund	62,755	62,755	62,755	-
Parking Fees	257,000	257,000	274,968	17,968
Youth Commission fees	209,000	209,000	194,603	(14,397)
Parks and recreation	181,300	181,300	254,142	72,842
Beach parking permits	286,500	286,500	290,370	3,870
Senior Center Programs	50,337	50,337	57,387	7,050
Other	18,100	18,100	32,729	14,629
Total charges for services	<u>1,612,125</u>	<u>1,612,125</u>	<u>1,885,199</u>	<u>273,074</u>
Fines and forfeits	<u>30,600</u>	<u>30,600</u>	<u>32,059</u>	<u>1,459</u>
Investment income	<u>100,000</u>	<u>100,000</u>	<u>155,361</u>	<u>55,361</u>
Miscellaneous:				
Metro mobile rent	121,000	121,000	131,474	10,474
Coin operated Xerox machine	16,000	16,000	17,638	1,638
Commission on Aging - van	50,763	50,763	41,333	(9,430)
Sale of recyclables/metal/compost	67,000	67,000	85,452	18,452
Other rents	68,160	68,160	87,020	18,860
Insurance recoveries	40,000	40,000	39,211	(789)
Other	10,000	10,000	176,541	166,541
Total miscellaneous	<u>372,923</u>	<u>372,923</u>	<u>578,669</u>	<u>205,746</u>
Total revenues	<u>135,738,746</u>	<u>135,738,746</u>	<u>136,753,456</u>	<u>1,014,710</u>

(Continued on next page)

**TOWN OF DARIEN, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Other financing sources:				
Transfers in:				
Sewer Assessment Fund	\$ 550,000	\$ 550,000	\$ 550,000	\$ -
Sewer Operating Fund	53,807	53,807	53,807	-
Other Funds	35,000	35,000	50,760	15,760
Total transfers in	<u>638,807</u>	<u>638,807</u>	<u>654,567</u>	<u>15,760</u>
Appropriation of fund balance	<u>1,100,000</u>	<u>1,400,000</u>		<u>(1,400,000)</u>
Total other financing sources	<u>1,738,807</u>	<u>2,038,807</u>	<u>654,567</u>	<u>(1,384,240)</u>
Total Revenues and Other Financing Sources	\$ <u>137,477,553</u>	\$ <u>137,777,553</u>	137,408,023	\$ <u>(369,530)</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.	9,369,076
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.	(200)
The Town does not budget for refunding bond issuance.	7,530,000
The Town does not budget for land purchase option fund revenues.	5
The Town does not budget for premiums on refunding bond issuance.	667,361
The Town does not budget for premiums on bond issuance.	98,402
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.	<u>3,126,586</u>

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

\$ 158,199,253



**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, 2016**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General government:				
Selectmen's office	\$ 203,470	\$ 234,035	\$ 232,998	\$ 1,037
Administrative Officer	365,340	384,546	384,079	467
Human Resources	155,660	155,660	146,347	9,313
RTM	2,300	3,300	2,839	461
Financial management	442,919	443,264	409,966	33,298
Board of Finance	37,440	40,798	40,798	-
Tax Assessor	297,536	306,427	297,200	9,227
Tax Collector	256,532	263,259	257,451	5,808
Legal services	621,846	621,631	621,630	1
Town Clerk	301,650	310,923	307,893	3,030
Registrar of Voters	123,676	143,103	141,892	1,211
Information services	305,885	308,250	308,249	1
Probate court	7,000	7,000	4,353	2,647
Total general government	<u>3,121,254</u>	<u>3,222,196</u>	<u>3,155,695</u>	<u>66,501</u>
Community environment:				
Development Planning	584,269	634,228	619,838	14,390
Planning and Zoning	21,429	21,429	17,598	3,831
Environmental Protection	185	185	75	110
Regional Planning	7,003	7,003	7,003	-
Beautification	26,000	26,000	24,134	1,866
Celebrations and observances	22,548	22,548	18,284	4,264
Harbor Master	5,260	5,260	4,936	324
Total community environment	<u>666,694</u>	<u>716,653</u>	<u>691,868</u>	<u>24,785</u>
Public safety:				
Building Department	<u>379,284</u>	<u>385,882</u>	<u>379,076</u>	<u>6,806</u>
Police Department:				
Administration	711,584	764,871	707,577	57,294
Criminal Investigation	493,749	519,972	510,107	9,865
Patrol	4,156,775	4,300,660	4,249,205	51,455
Records	321,426	327,233	306,329	20,904
Youth	196,230	204,066	199,950	4,116
Marine Patrol	14,950	14,950	11,107	3,843
Professional Standards	177,720	185,257	174,917	10,340
Traffic and School Crossing	65,580	69,236	69,236	-
Fleet Services	121,927	117,802	111,220	6,582
Traffic control	4,489	4,489	3,840	649
Station maintenance and communication	382,346	396,408	349,484	46,924
Animal Control	76,334	79,559	76,394	3,165
Miscellaneous	1,700	1,700	1,076	624
Total Police Department	<u>6,724,810</u>	<u>6,986,203</u>	<u>6,770,442</u>	<u>215,761</u>

(Continued on next page)

## TOWN OF DARIEN, CONNECTICUT

## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL

## (NON-GAAP BUDGETARY BASIS) (CONTINUED)

## FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Fire service and emergency medical service:				
Darien Fire Department	\$ 162,300	\$ 162,300	\$ 152,573	\$ 9,727
Noroton Fire Department	181,994	196,392	188,683	7,709
Noroton Heights Fire Department	189,398	189,398	183,857	5,541
Board of Fire Commissioners	86,972	86,972	86,520	452
Fire Marshal	327,326	336,662	334,556	2,106
Hydrants and main rental	455,330	455,330	418,613	36,717
Disaster Preparedness	53,220	53,220	47,010	6,210
Emergency medical service	104,263	135,362	130,059	5,303
Total fire service and emergency medical service	1,560,803	1,615,636	1,541,871	73,765
Total public safety	8,664,897	8,987,721	8,691,389	296,332
Public works:				
Administration	347,059	356,309	350,983	5,326
Roadway and walkway maintenance	2,654,947	2,666,625	2,585,114	81,511
Waste Management	1,199,183	1,205,157	1,191,475	13,682
Public building management	557,190	569,150	548,780	20,370
Parking facility	55,795	57,825	41,541	16,284
Total public works	4,814,174	4,855,066	4,717,893	137,173
Health and social services:				
Social services	232,265	237,760	217,124	20,636
Social service - outside assistance	21,000	21,000	13,229	7,771
Senior Center	403,448	408,673	363,512	45,161
Senior transportation	50,192	50,192	41,333	8,859
Youth programs	346,294	348,748	319,199	29,549
Youth services grants	53,075	53,075	53,075	-
Other outreach services				-
Health Department	272,074	283,299	274,149	9,150
Total health and social services	1,378,348	1,402,747	1,281,621	121,126
Parks and recreation:				
Administration	445,116	458,481	453,378	5,103
Beach and court facilities	192,250	192,949	184,784	8,165
Maintenance and repair	415,925	421,880	410,827	11,053
Organized recreation activities	38,431	35,191	29,318	5,873
Grounds, fields, building	245,306	234,021	207,309	26,712
Total parks and recreation	1,337,028	1,342,522	1,285,616	56,906
Overhead and miscellaneous:				
Employee benefits	5,531,935	5,532,557	5,532,527	30
Risk management	1,174,041	1,174,041	1,149,315	24,726
Contingency	995,112	439,980	15,500	424,480
Total overhead and miscellaneous	7,701,088	7,146,578	6,697,342	449,236

(Continued on next page)

**TOWN OF DARIEN, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Library	\$ 3,506,220	\$ 3,506,220	\$ 3,502,928	\$ 3,292
Board of Education - operations	90,722,526	90,722,526	90,542,828	179,698
Debt service:				
Schools	7,024,620	7,024,620	7,024,620	-
Town	3,588,559	3,186,626	3,140,496	46,130
Sewer	686,112	686,112	686,112	-
Total debt service	<u>11,299,291</u>	<u>10,897,358</u>	<u>10,851,228</u>	<u>46,130</u>
Total expenditures	<u>133,211,520</u>	<u>132,799,587</u>	<u>131,418,408</u>	<u>1,381,179</u>
Other financing uses:				
Transfers out:				
Retiree Medical	17,056	17,056	17,056	-
Capital nonrecurring expenditures	<u>4,248,977</u>	<u>4,960,910</u>	<u>4,960,910</u>	<u>-</u>
Total	<u>\$ 137,477,553</u>	<u>\$ 137,777,553</u>	136,396,374	<u>\$ 1,381,179</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.			9,369,076	
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.			(257,173)	
The Town does not budget for payments to refunding bond escrow agent.			8,088,223	
The Town does not budget for bond issuance costs.			207,540	
The Town does not budget for land purchase option fund expenditures.			1,584	
The Board of Education does not budget for changes to the Dental IBNR liability.			33,231	
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.			<u>3,126,586</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 156,965,441</u>	

**TOWN OF DARIEN, CONNECTICUT  
SEWER OPERATING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Licenses and permits	\$ 10,000	\$ 10,000	\$ 16,800	\$ 6,800
Charges for services	3,328,489	3,328,489	3,667,554	339,065
Fines and forfeits	35,000	35,000	59,418	24,418
Investment income	25,000	25,000	8,595	(16,405)
Miscellaneous income			10,037	10,037
Total revenues	<u>3,398,489</u>	<u>3,398,489</u>	<u>3,762,404</u>	<u>363,915</u>
Expenditures:				
Sewer operations:				
Administration	330,239	339,376	323,764	15,612
Collection and pumping	469,583	469,583	431,657	37,926
Treatment service	2,152,500	2,152,500	2,190,000	(37,500)
Overhead and miscellaneous	352,360	343,223	224,769	118,454
Total expenditures	<u>3,304,682</u>	<u>3,304,682</u>	<u>3,170,190</u>	<u>134,492</u>
Excess of revenues over expenditures	93,807	93,807	592,214	498,407
Other financing sources (uses):				
Operating transfers out	(343,807)	(343,807)	(343,807)	-
Appropriation of fund balance	<u>250,000</u>	<u>250,000</u>		<u>(250,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	248,407	\$ <u>248,407</u>
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.			<u>24,038</u>	
GAAP Fund Balance Change, End of Year			\$ <u>272,445</u>	

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:			
Service cost	\$ 2,520,756	\$ 2,187,552	\$ 2,272,712
Interest	4,091,560	3,909,003	3,653,413
Changes of benefit terms			
Differences between expected and actual experience		(989,032)	
Changes of assumptions		5,995,377	
Benefit payments, including refunds of member contributions	<u>(2,895,921)</u>	<u>(2,694,202)</u>	<u>(2,348,549)</u>
Net change in total pension liability	3,716,395	8,408,698	3,577,576
Total pension liability - beginning	<u>61,851,491</u>	<u>53,442,793</u>	<u>49,865,217</u>
Total pension liability - ending	<u>65,567,886</u>	<u>61,851,491</u>	<u>53,442,793</u>
Plan fiduciary net position:			
Contributions - employer	1,628,802	1,716,498	1,667,416
Contributions - employee	1,108,161	1,041,347	1,000,728
Net investment income	2,236,389	3,925,756	8,969,636
Benefit payments, including refunds of member contributions	(2,895,921)	(2,694,202)	(2,348,549)
Administrative expense	<u>(315,272)</u>	<u>(289,154)</u>	<u>(265,239)</u>
Net change in plan fiduciary net position	1,762,159	3,700,245	9,023,992
Plan fiduciary net position - beginning	<u>65,992,512</u>	<u>62,292,267</u>	<u>53,268,275</u>
Plan fiduciary net position - ending	<u>67,754,671</u>	<u>65,992,512</u>	<u>62,292,267</u>
Net Pension Asset - Ending	<u>\$ (2,186,785)</u>	<u>\$ (4,141,021)</u>	<u>\$ (8,849,474)</u>
Plan fiduciary net position as a percentage of the total pension asset	103.34%	106.70%	116.56%
Covered-employee payroll	\$ 19,953,035	\$ 19,045,747	\$ 16,940,293
Net pension asset as a percentage of covered-employee payroll	10.96%	21.74%	52.24%

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

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 1,133,022	\$ 1,197,070	\$ 1,231,739	\$ 1,330,023	\$ 1,515,023	\$ 1,671,289	\$ 1,593,296	\$ 1,667,416	\$ 1,716,498	\$ 1,628,802
Contributions in relation to the actuarially determined contribution	<u>1,133,022</u>	<u>1,141,561</u>	<u>1,231,739</u>	<u>1,330,023</u>	<u>1,515,023</u>	<u>1,671,289</u>	<u>1,601,430</u>	<u>1,667,416</u>	<u>1,716,498</u>	<u>1,628,802</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>55,509</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(8,134)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	9,867,956	11,614,481	13,158,898	12,204,738	15,026,004	16,294,428	16,869,398	18,342,993	19,045,747	19,953,035
Contributions as a percentage of covered-employee payroll	11.5%	9.8%	9.4%	10.9%	10.1%	10.3%	9.5%	9.1%	9.0%	8.2%

**Notes to Schedule**

Valuation date: July 1, 2016  
Measurement date: June 30, 2016  
Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 675,337	\$ 807,655	\$ 800,558	\$ 866,685	\$ 1,027,782	\$ 1,133,728	\$ 1,119,967	\$ 1,220,507	\$ 1,073,353	\$ 588,454
Contributions in relation to the actuarially determined contribution	<u>675,337</u>	<u>807,655</u>	<u>800,558</u>	<u>866,685</u>	<u>1,027,782</u>	<u>1,133,728</u>	<u>1,125,594</u>	<u>1,220,507</u>	<u>1,073,353</u>	<u>588,454</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(5,627)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	3,587,053	4,186,479	4,159,694	4,344,424	4,537,382	4,660,227	4,741,817	4,777,671	4,888,424	5,059,519
Contributions as a percentage of covered-employee payroll	18.8%	19.3%	19.2%	19.9%	22.7%	24.3%	23.7%	25.5%	22.0%	11.6%

**Notes to Schedule**

Valuation date: July 1, 2016  
Measurement date: June 30, 2016  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

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



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

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

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

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

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

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>116,930,465</u>	<u>108,078,782</u>
Total	<u>\$ 116,930,465</u>	<u>\$ 108,078,782</u>
Town's covered-employee payroll	\$ 42,596,996	\$ 41,007,425
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	59.50%	61.51%
Changes in benefit terms	None	
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.	
Actuarial cost method	Entry age	
Amortization method	Level percent of salary, closed	
Remaining amortization period	22.4 years	
Asset valuation method	4-year smoothed market	

**APPENDIX B – OPINION OF BOND COUNSEL**

\_\_\_\_\_, 2017

Town of Darien, Connecticut  
2 Renshaw Road  
Darien, Connecticut 06820

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Darien, Connecticut (the “Town”) in connection with the issuance by the Town of its \$12,460,000 General Obligation Bonds, Issue of 2017 dated \_\_\_\_\_, 2017 (the “Bonds”). In such capacity, we have examined records of proceedings of the Town authorizing the Bonds, a Tax Compliance Agreement of the Town dated \_\_\_\_\_, 2017 (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Bonds are duly certified by U.S. Bank National Association, the Bonds will be valid and legally binding general bonds of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excludable from gross income. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the Federal treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the Town with the covenants set forth in the Agreement as to such tax matters.

In our opinion, under existing statutes and court decisions, (i) interest on the Bonds is excludable from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest may be taken into account in computing the federal alternative minimum tax. We express no opinion regarding other Federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We are further of the opinion that, under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excludable from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the Federal alternative minimum tax. We express no opinion regarding other State income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated August 21, 2017, as amended and other offering material relating to the Bonds.

We have not undertaken to advise whether any events after the date of issuance of the Bonds, including the adoption of Federal tax legislation, may affect the tax status of the Bonds.

Although we have rendered an opinion that interest on the Bonds is not includable in gross income for federal income tax purposes, federal income tax liability may otherwise be affected by the ownership or disposition of the Bonds. We express no opinion regarding any tax consequence caused by ownership or disposition of, or receipt of interest income on, the Bonds not specifically described herein.

Respectfully,

PULLMAN & COMLEY, LLC

**APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT**

**CONTINUING DISCLOSURE AGREEMENT**

**In Connection With the Issuance and Sale of  
\$12,460,000 General Obligation Bonds, Issue of 2017**

This Continuing Disclosure Agreement (“Agreement”) is executed and delivered as of \_\_\_\_\_, 2017, by the Town of Darien, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$12,460,000 General Obligation Bonds, Issue of 2017, dated \_\_\_\_\_, 2017 (the “Bonds”).

**Section 1. Definitions.** In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 2 of this Continuing Disclosure Agreement.

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 13 hereof.

“Final Official Statement” means the official statement of the Issuer dated \_\_\_\_\_, 2017, prepared in connection with the issuance of the Bonds.

“Fiscal Year End” shall mean the last day of the Issuer’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Continuing Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Rule” means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

**Section 2. Annual Reports.**

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer (commencing with the information and data for the fiscal year ending June 30, 2017):

(i) Audited financial statements of the Issuer as of and for the year ending on its Fiscal Year End prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer is required to prepare audited financial statements of its various funds and accounts.

(ii) To the extent not included in the audited financial statements described in (i) above, financial information and operating data as of and for the year ending on its Fiscal Year End of the following type:

- (A) the amounts of the gross and net taxable grand list;
- (B) the percentage and amount of the annual property tax levy collected and uncollected;
- (C) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer’s taxable valuation thereon;
- (D) a schedule of the long-term debt through maturity on outstanding long-term bonded indebtedness;

(E) a calculation of the total net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;

(G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the Issuer's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB's internet web site or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(c) Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

**Section 3. Timing.** The Issuer shall provide the information and data referenced in Section 2(a) not later than eight months after each Fiscal Year End for which such information is being provided. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.

**Section 4. Event Notices.**

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event:

(i) principal and interest payment delinquencies;

(ii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) substitution of credit or liquidity providers, or their failure to perform;

(v) adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the security;

(vi) tender offers;

(vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;

(viii) Bond defeasances; and

(ix) rating changes.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event, if material:

- (i) non-payment related defaults;
- (ii) modifications to rights of Bond holders;
- (iii) Bond calls;
- (iv) release, substitution, or sale of property securing repayment of the Bonds;
- (v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms; and
- (vi) appointment of a successor or additional trustee, or the change in the name of the trustee.

**Section 5. Notice of Failure.** The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Continuing Disclosure Agreement on or before the date set forth in Section 3 hereof.

**Section 6. Termination of Reporting Obligation.** The Issuer's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

**Section 7. Agent.** The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor agent.

**Section 8. Amendment; Waiver.** Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

**Section 9. Additional Information.** Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 10. Enforceability.** The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. The present address of the Issuer is Town of Darien, 2 Renshaw Road, Darien, CT 06820, Attn: First Selectman. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.



**Section 11. Governing Law.** This Agreement shall be governed by the laws of the State of Connecticut.

**Section 12. Method of Filing.** To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

**IN WITNESS WHEREOF**, the Issuer has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

**TOWN OF DARIEN, CONNECTICUT**

By: \_\_\_\_\_  
Jayme J. Stevenson  
First Selectman

**APPENDIX D – NOTICE OF SALE**

**TOWN OF DARIEN, CONNECTICUT  
\$12,460,000 GENERAL OBLIGATION BONDS, ISSUE OF 2017  
(the “Bonds”)**

ELECTRONIC BIDS via **PARITY®** will be received by the **TOWN OF DARIEN, CONNECTICUT** (the “Town”) at the Office of the Finance Director, Darien Town Hall, 2 Renshaw Road, Darien, Connecticut 06020, until **11:00 am (Eastern Time)**, Tuesday,

**AUGUST 29, 2017**

(the “Sale Date”) for the purchase of all (but not less than all) of \$12,460,000 General Obligation Bonds, Issue of 2017, of the Town (the “Bonds”), when issued, at not less than par, which mature on February 15 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2020	\$505,000*	2029	\$700,000*
2021	530,000*	2030	715,000*
2022	560,000*	2031	735,000*
2023	585,000*	2032	750,000*
2024	615,000*	2033	770,000*
2025	645,000*	2034	795,000*
2026	660,000*	2035	820,000*
2027	675,000*	2036	845,000*
2028	685,000*	2037	870,000*

**The Issue**

The full faith and credit of the Town will be pledged for the prompt payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The Bonds will be dated their date of delivery, with interest payable on February 15, 2018 and semiannually thereafter on each August 15 and February 15 in each year until maturity, or earlier redemption. The information in this Notice of Sale is only a brief summary of certain provisions of the Bonds. For further information about the Bonds, reference is hereby made to the Preliminary Official Statement, dated August 21, 2017.

**Optional Redemption**

The Bonds maturing on February 15, 2024 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after February 15, 2023, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine at the following redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) plus interest accrued and unpaid to the redemption date:

<u>Redemption Period</u>	<u>Redemption Price</u>
February 15, 2023 and thereafter	100%

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption.

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\* Preliminary, subject to change

## **Bank Qualification**

The Bonds **SHALL NOT** be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for federal income tax purposes of a portion of interest expense allocable to tax exempt obligations.

## **Ratings**

The Town has applied to Moody's Investors Service, Inc., for assignment of their municipal bond ratings to the Bonds. The assigned ratings may be obtained from the respective rating agency or will be posted through the facilities of **PARITY**<sup>®</sup> prior to sale.

## **Official Statement and Continuing Disclosure Agreement**

The Town has prepared a Preliminary Official Statement for the Bonds which is dated August 21, 2017, which is deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), except for omissions permitted thereby, but is subject to revision or amendment. The Town will make available to the winning purchaser twenty-five (25) copies of the Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received. If the Town's financial advisor is provided with the necessary information from the winning purchaser by noon of the date following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and any corrections. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file a final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data including audited financial statements, (ii) notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and (iii) timely notice of a failure by the Town to provide the required annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

## **Electronic Proposals Bidding Procedure**

Electronic bids for the purchase of the Bonds must be submitted electronically via **PARITY**<sup>®</sup>, in accordance with this Notice of Sale, until 11:00 am (Eastern Time) on Tuesday, August 29, 2017, but no bid will be received after the time for receiving bids specified herein. To the extent any instructions or directions set forth in **PARITY**<sup>®</sup> shall conflict with information in this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**<sup>®</sup>, including any fee charged, potential bidders may contact i-Deal LLC at 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, telephone: (212) 849-5021. Any prospective bidder must be a subscriber of i-Deal LLC's BiDCOMP competitive bidding system. The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY**<sup>®</sup> is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via **PARITY**<sup>®</sup>, the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. **The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY<sup>®</sup>, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY<sup>®</sup>, the use of PARITY<sup>®</sup> facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

For the purpose of the electronic bidding process, the time maintained on **PARITY**<sup>®</sup> shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, as described under “Award, Delivery and Payment” below, represented by the rate or rates of interest and the bid price specified in their respective bids. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

**Disclaimer.** Each **PARITY**<sup>®</sup> prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**<sup>®</sup> for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor **PARITY**<sup>®</sup> shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor **PARITY**<sup>®</sup> shall be responsible for a bidder’s failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY**<sup>®</sup>. The Town is using **PARITY**<sup>®</sup> as a communication mechanism, and not as the Town’s agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of **PARITY**<sup>®</sup> to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY**<sup>®</sup> are the sole responsibility of the bidders; and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY**<sup>®</sup> at (212) 849-5021.

### **Bid Requirements**

Each proposal for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and shall specify in a multiple of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%) the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than three percent (3%). Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than par will be considered.

### **Award, Delivery and Payment**

Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid will result in the lowest true interest cost (“TIC”) to the Town. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to September 14, 2017, the anticipated date of delivery of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. In the event that two or more bidders offer bids at the same lowest TIC, the Town will determine by lot which of such bidders will be awarded the Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to four decimal places. Such statement shall not be considered as a part of the proposal. The purchase price must be paid in Federal Funds.

Bids will be finally accepted or rejected promptly after opening and not later than 3:00 p.m. (Eastern Time) on the Sale Date in accordance with the provisions herein.

The Bonds will be delivered to The Depository Trust Company, New York, New York (“DTC”) or its agent via Fast Automated Securities Transfer (“FAST”) on or about September 14, 2017 against payment in immediately available Federal Funds. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder or bidders to obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the winning bidder or bidders to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

### **Adjustment of Principal and Amortization Schedule**

After selecting the winning bid, the principal amortization schedule may be adjusted as determined by the Town’s Financial Advisor in \$5,000 increments to create a level annual debt service.

Such adjustments will not change the aggregate principal amount of the Bonds to be issued or the amount of underwriter’s discount due to the successful bidder in accordance with the original bid. No annual par amount will be increased or decreased by more than 20%. The dollar amount bid for the Bonds by the winning bidder will be adjusted to reflect any increase or decrease in the gross production caused by the change to the principal amortization.

## Establishment of Issue Price

In order to provide the Town with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Town at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Town.

The Town intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Rule”) because:

- (1) the Town shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Town anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. Acceptance by the Town of a bid pursuant to this Notice of Sale shall constitute a written contract between the Town and the winning bidder.

In the event that the Competitive Sale Rule is not satisfied, the Town shall promptly advise the winning bidder. The Town may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the “Actual Sale Rule”) is sold to the Public as the issue price of that maturity, and/or (ii) the Initial Offering Price to the Public (as defined below) as of the Sale Date of any maturity of the Bonds as the issue price of that maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). In the event that the Competitive Sale Rule is not satisfied, upon the request of the Town, the winning bidder shall promptly advise the Town of all maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. The Town shall promptly advise the winning bidder, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the Actual Sales Rule or shall be subject to the Hold-the-Offering-Price Rule. Bids will not be subject to cancellation in the event that the Town determines to apply the Actual Sale Rule or the Hold-the-Offering-Price Rule to any maturity of the Bonds.

For any maturity of the Bonds to which the Town has determined to apply the Hold-the-Offering-Price-Rule, by submitting a bid, the winning bidder, with regard to such maturities, shall (i) confirm that the Underwriters (as defined below) have offered or will offer the Bonds to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise the Town when the Underwriters have sold 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (2) “*Related Party*” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (3) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

### **Closing Requirements**

At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with the approving opinion of Pullman & Comley, LLC, of Bridgeport, Connecticut, Bond Counsel, substantially in the form set out in Appendix B to the Official Statement. The successful bidder will also be furnished with a receipt of payment for the Bonds, a Signature and No Litigation Certificate dated as of the date of delivery of the Bonds, stating that there is no litigation pending, or to the knowledge of the signers thereof, threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them. A copy of the final Official Statement prepared for this Bond issue will also be furnished together with a certificate of Town Officials relating to the accuracy and completeness of the Official Statement.

The Town will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Town’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Town shall have no responsibility for such clearance, exemption or preparation.

### **Right to Reject Bids; Waiver**

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

### **Postponement; Change of Terms**

The Town reserves the right to alter any terms of the Bonds or this Notice of Sale and to postpone, from time to time, the date or time established for the receipt of the bids.

**Book-Entry-Only Form**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to DTC, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in the principal amount of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal, redemption premium, if any, and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, redemption premium, if any, and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will authenticate and deliver replacement Bonds in the form of fully registered Bond certificates directly to the Beneficial Owners of the Bonds or their nominees. (The record dates for the Bonds will be the close of business on the last day of January and July in each year, or the preceding business day if such last day is not a business day.)

**Additional Information**

For more information regarding the Bonds and the Town, reference is made to the Official Statement. Copies of the Official Statement may be obtained from Mark N. Chapman, Director, Independent Bond and Investment Consultants LLC, Madison, CT Tel: (203) 245-8715.

JAYME J. STEVENSON  
First Selectman

JOAN D. HENDRICKSON  
Treasurer

JENNIFER A. CHARNESKI  
Finance Director

August 21, 2017