

Official Statement Dated August 28, 2014

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing law, interest on the Notes is not included in 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 is taken into account in computing the federal alternative minimum tax. In the opinion of Bond Counsel, under existing statutes, interest on the Notes is 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 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 Notes. See "Tax Exemption of the Notes" herein.

TOWN OF DARIEN, CONNECTICUT

\$1,925,000

GENERAL OBLIGATION BOND ANTICIPATION NOTES BOOK-ENTRY-ONLY

Dated: September 10, 2014

Due: September 9, 2015

The Notes 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 Notes when due. (See "Security and Remedies" herein).

The Notes will be 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 Notes. Purchases of the Notes will be made in book-entry form, in denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership in the Notes. So long as Cede & Co. is the Noteowner, as nominee of DTC, reference herein to the Noteowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes. (See "Book-Entry Transfer System" herein).

The Notes are NOT subject to redemption prior to maturity.

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 Notes will be U.S. Bank National Association, of Hartford, Connecticut.

<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u>
1.000%	0.180%	237217D27

EASTERN BANK

The Notes 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 Notes in book-entry form will be made on or about September 10, 2014.

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 Notes 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, notice of the occurrence of certain events within 10 business days of the occurrence of such events on or before the date specified in the Continuing Disclosure Agreement. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement.

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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NOTE SALE SUMMARY

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

Date of Sale:	Thursday, August 28, 2014, at 11:00 A.M. (E.D.T.).
Location of Sale:	Office of the Finance Director, Darien Town Hall, 2 Renshaw Road, Darien, Connecticut 06820.
Issuer:	Town of Darien, Connecticut (the "Town").
Issue:	\$1,925,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	September 10, 2014.
Interest Due:	September 9, 2015.
Principal Due:	September 9, 2015.
Purpose and Authority:	The Notes are being issued to finance the land acquisition of 4 Short Lane undertaken by the Town and authorized by the Representative Town Meeting.
Redemption:	The Notes are NOT subject to redemption prior to maturity.
Security:	The Notes 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 Notes when due.
Credit Rating:	The Town has not applied for a rating on this issue. The Town's current bond rating by Moody's Investors Service, Inc. is "Aaa".
Basis of Award:	Lowest Net Interest Cost ("NIC") as of the dated date.
Tax Exemption:	See Appendix D – "Form of Legal Opinion of Bond Counsel" herein.
Continuing Disclosure:	See Appendix C – "Continuing Disclosure Agreement" herein.
Bank Qualification:	The Notes 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 Notes.
Certifying Bank Registrar, Transfer and Paying Agent:	U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC, of Hartford and Bridgeport, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry form will be made on or about September 10, 2014, against payment in Federal Funds.
Issuer Official:	Questions regarding the Town and this Official Statement should be directed to Kathleen C. Buch, 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 \$1,925,000 General Obligation Bond Anticipation Notes (the "Notes").

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 Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes 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 Notes

The Notes will be dated September 10, 2014 and principal and interest on the Notes are due at maturity on September 9, 2015. The Notes are NOT subject to redemption prior to maturity. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months at the rate or rates per annum specified by the successful bidder. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof, 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 Registrar, Certifying, Transfer and Paying Agent for the Notes will be U.S. Bank National Association, of Hartford, Connecticut. The legal opinion on the Notes will be rendered by Pullman & Comley LLC, of Bridgeport and Hartford, Connecticut. (See Appendix B - "Form of Legal Opinion of Bond Counsel" herein.) The Notes 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 and described herein.

Authorization and Purpose

The Notes 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 Notes will be used to finance the following project:

Projects	Amount of Total Authorization	Previously Bonded	Additions / (Reductions)	The Notes (<i>This Issue</i>)
4 Short Lane Acquisition	\$ 1,925,000	\$ -	\$ 1,925,000	\$ 1,925,000

Ratings

The Town has not made application for a note rating for this issue. The Town's underlying bond rating is "Aaa" by Moody's Investors Service, Inc. ("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 Notes.

Tax Exemption of the Notes

Federal Taxes.

In the opinion of Pullman & Comley, LLC, Bond Counsel, under existing law, interest on the Notes is not included in 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 is taken into account in computing the federal alternative minimum tax.

Bond Counsel's opinion with respect to the Notes will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations 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 Notes be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes irrespective of the date on which such noncompliance occurs. In the Tax Compliance Agreement, which will be delivered concurrently with the issuance of the Notes, 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 Note proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Notes 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 Notes.

Original Issue Discount.

The initial public offering prices of the Notes of certain maturities may be less than the stated principal amount. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the Notes will constitute original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement for such Notes is expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the Notes are sold. Under existing law, original issue discount on the Notes 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 Notes is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in a Note purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such Note 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 Note. For certain corporations (as defined for federal income tax purposes), a portion of the original issue discount that accrues in each year to such Note will be included in the calculation of the corporation's federal alternative minimum tax liability. As a result, ownership of such a Note 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 Notes 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 Noteowners purchasing such Notes after the initial offering and sale, and the state and local tax consequences of owning or disposing of such Notes.

Original Issue Premium.

The initial public offering prices of certain maturities of the Notes may be more than their stated principal amounts. An owner who purchases a Note 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 Note for federal income tax purposes. Prospective purchasers of the Notes should consult their tax advisors regarding the amortization of premium and the effect upon basis.

Other Federal Tax Matters.

Prospective purchasers of the Notes should be aware that ownership of the Notes 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 Notes 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 Notes is 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.

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

Accrued original issue discount on a Note 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 Notes 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 Notes.

Owners of the Notes should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Notes 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 Notes under federal or state law or otherwise prevent beneficial owners of the Notes 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 Notes.

Prospective purchasers of the Notes 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 Notes. Prospective owners of the Notes, 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 Notes.

Security and Remedies

The Notes 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 Notes when due.

Unless paid from other sources, the Notes 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 Notes 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 Notes.

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 Notes, 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 Notes 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 Notes 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 Notes.

Book-Entry Transfer System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Notes. The Notes 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 Note certificate will be issued for each maturity of the Notes 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.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all the Notes 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 Notes 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 Notes 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes 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 Notes 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, Note 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, Note 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 Notes

The Town will provide for the issuance of fully registered note certificates directly to the Beneficial Owners of the Notes or the nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Notes, and the Town fails to identify another qualified securities depository for the Notes 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 Notes, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Notes.

DTC Practices

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Notes 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 Notes 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 Notes 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 Notes 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 122nd 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 2008-2012 American Community Survey, the median family income was \$250,000 and the per capita income was \$94,301. 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 was adopted in 1954 and was subsequently updated in 1967, 1984, 1996 and most recently in June 2006. Since 1967 Darien has witnessed significant changes in the use of its land, the composition of its population, and the economic function of the South Western Planning Region. This Region consists of the communities of Darien, Greenwich, New Canaan, Norwalk, Stamford, Weston, Westport and Wilton. The Planning and Zoning Commission uses the 2006 Town Plan to implement the policies necessary to achieve its most basic goal - the preservation of an attractive suburban living environment.

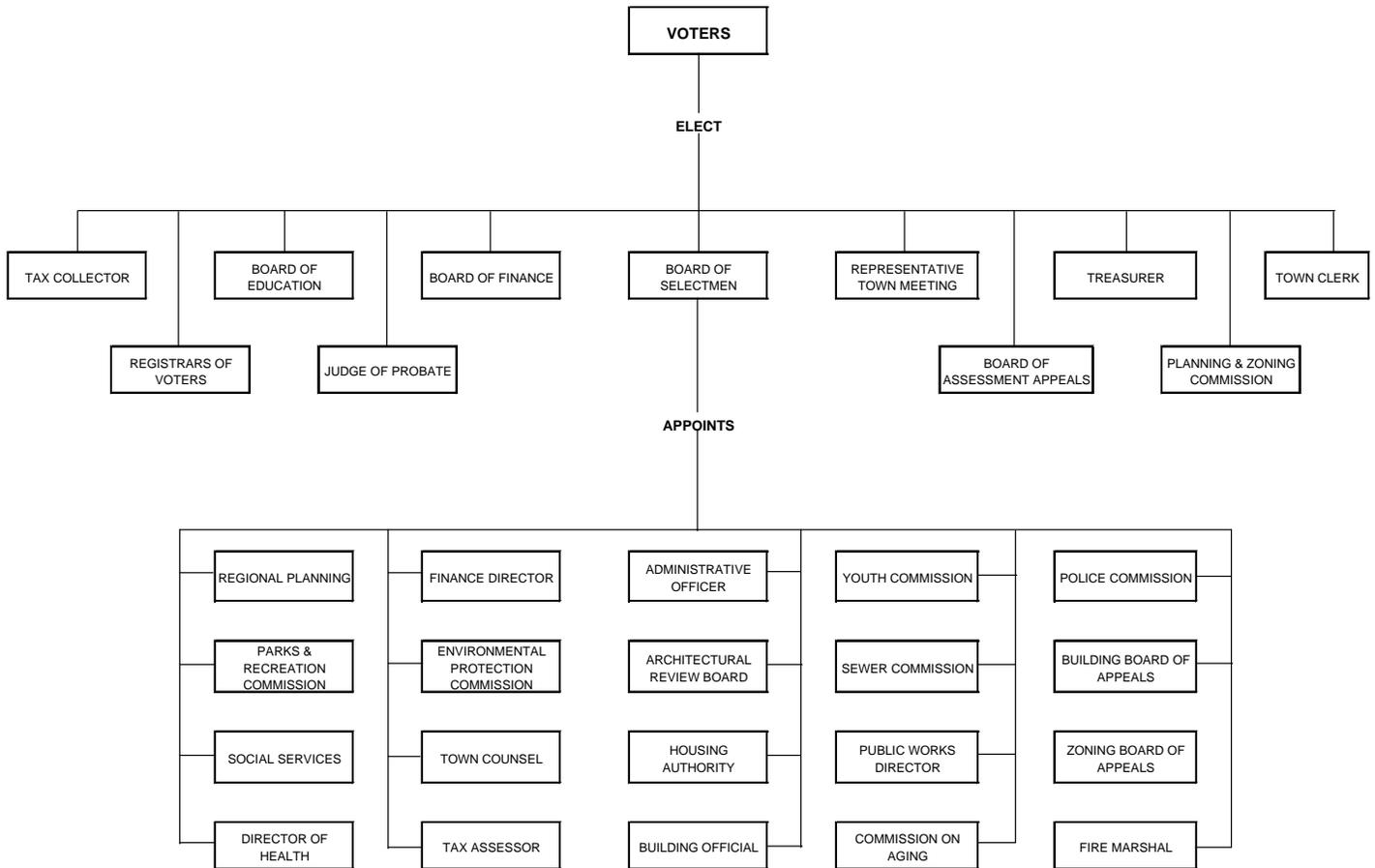
It is expected that population growth in Darien will be gradual due to the limited amount of land available for development (approximately 606.5 acres or 7.0% of the Town according to the Plan of Development). The values of new homes range from approximately \$500,000 to \$650,000 with many in the \$1,000,000 to \$3,000,000 bracket and some over the \$5,000,000 value.

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 530 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 2011.

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 Administrative Officer 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
Jayne J. Stevenson, First Selectman	Elected	2 years	2.8
Elizabeth Smith Mao, Chairman, Board of Finance	Elected	4 years	6.0
Karl Kilduff, Administrative Officer	Appointed	Indefinite	6.0
Kathleen C. Buch, Finance Director	Appointed	Indefinite	14.0
Joan D. Hendrickson, Treasurer	Elected	2 years	8.5
Donna E. Rajczewski, Town Clerk	Elected	2 years	14.5
Kathleen M. Larkins, Tax Collector	Elected	2 years	1.0
Lynne Pierson, Interim Superintendent of Schools	Appointed	Interim	8 months

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, 6 full-time civilian employees, several traffic agents, including 9 school crossing guards. Department rolling stock/equipment consists of 22 vehicles, including one underwater recovery vehicle, one boat and three 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 two privately financed sewer extension projects that are almost complete while a third will be on-line in the near future. Once completed, these projects will be annexed to the Town's sanitary sewer system.

Solid Waste: The Town has contracted City Carting Inc. of Stamford, CT 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 new Agreement. The current tipping fee is \$87.60 per ton, and escalates annually at the rate of 4%.

Utilities: Electricity for the Town is provided by the Connecticut Light & Power Company, a subsidiary of Northeast Utilities.

Social Services: A five-member Board of Commissioners oversees the operation of the Social Services Department that provides financial and medical care to all Darien residents in need. In addition, counseling, information and referral, and elderly outreach services are offered. There is also a seven-member Youth Commission offering numerous youth social and instructional programs and an 11 member Commission on Aging offering various programs and services to Darien's elderly through a Senior Activities 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 and adults. The department is governed by a nine-member board appointed by the Board of Selectmen, called the Park 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, 3 pavilions, 5 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 and guitar 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 10/01/13	Capacity (1)
<u>Elementary</u>					
Hindley School	K-5	1947	1976, 1995, 1996	566	550
Holmes School	K-5	1931	1995, 1996	455	525
OxRidge School	K-5	1966	1976, 1995, 1996	458	625
Royle School	Pre K-5	1948	1958, 1976, 1995, 1996	452	550
Tokeneke School	Pre K-5	2008		478	550
<u>Middle School</u>					
Middlesex Middle School	6-8	1937	1952, 1976, 2000	1,129	1,200
<u>High School</u>					
Darien High School	9-12	2005		1,357	1,300
Total				4,895	5,300

(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	K-5	6 - 8	9 - 12	Total
2004	2,362	1,065	951	4,378
2005	2,310	1,054	1,091	4,455
2006	2,345	1,100	1,142	4,587
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
Projected				
2014	2,433	1,119	1,371	4,923
2015	2,389	1,168	1,386	4,943
2016	2,400	1,173	1,369	4,942
2017	2,389	1,189	1,366	4,944
2018	2,378	1,143	1,359	4,880

Source: Office of the Superintendent of Schools.

Municipal Employment

Fiscal Year	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government	138	137	139	139	140	142	140	135	135	136
Board of Education	785	785	764	760	762	760	716	721	721	698
Totals	923	922	903	899	902	902	856	856	856	834

Source: Town Officials

Municipal Employment by Category

<u>Department</u>	<u>Employees</u>
<u>General Government</u>	
Public Works	26
Town Hall and Human Services	41
Sewer Authority	3
Police Personnel	58
Parks and Recreation Department	10
Subtotal	138
<u>Board of Education</u>	
Certified Staff	504
Non-Certified Employees	281
Subtotal	785
Total Town Employees	923

Source: Town Officials

Municipal Employees Bargaining Organizations

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
<u>GENERAL GOVERNMENT</u>		
27	AFSCME, Council # 4, Local 1303-292 Public Works	6/30/14 (1)
48	Darien Police Association, Inc. Police Department	6/30/14 (1)
30	UPSEU Support Personnel	6/30/14 (1)
35	Non-Bargaining General Government Employees	
<u>BOARD OF EDUCATION</u>		
22	Darien Administrators' Association Administrators	6/30/17
482	Darien Education Association Teachers	6/30/15
14	Darien Registered Nurses' Association Nurses	6/30/17
32	UPSEU Secretaries	6/30/17
146	UPSEU Paraprofessionals	6/30/17
30	AFSCME, Council #4, Local 1303 Custodians	6/30/16
13	Darien School Maintenance Association	6/30/16
25	Darien School Cafeteria Association Council #4 Local 1303-357	6/30/16
21	Non-Bargaining Board of Education Employees	

(1) Contracts 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
1960	18,437	653,589	2,535,234
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
2012	20,758	918,892	3,572,213

Source: U.S. Department of Commerce, Bureau of Census and 2008-2012 American Community Survey.

Age Characteristics of Population

Age	Town of Darien		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5	1,513	7.3	56,435	6.1	200,031	5.6
5 - 9	2,175	10.5	62,800	6.8	221,806	6.2
10 - 14	2,445	11.8	66,492	7.2	238,955	6.7
15 - 19	1,757	8.5	63,854	6.9	254,462	7.1
20 - 24	363	1.7	49,930	5.4	225,619	6.3
25 - 34	937	4.5	106,140	11.6	421,617	11.8
35 - 44	3,262	15.7	131,714	14.3	485,127	13.6
45 - 54	3,830	18.5	148,685	16.2	570,253	16.0
55 - 59	1,055	5.1	58,038	6.3	238,882	6.7
60 - 64	884	4.3	49,755	5.4	205,639	5.8
65 - 74	1,261	6.1	63,211	6.9	258,464	7.2
75 - 84	945	4.6	41,751	4.5	166,552	4.7
85 and over	331	1.6	20,087	2.2	84,806	2.4
Total	<u>20,758</u>	<u>100.0</u>	<u>918,892</u>	<u>100.0</u>	<u>3,572,213</u>	<u>100.0</u>

Source: U.S. Department of Commerce, 2008-2012 American Community Survey.

Selected Wealth and Income Indicators

	Median Family Income		Per Capita Income	
	(2000)	(2012)	(2000)	(2012)
Town of Darien	\$ 173,777	\$ 250,000	\$ 77,519	\$ 94,301
Fairfield County	77,690	104,952	38,350	48,900
Connecticut	65,521	87,182	28,766	37,807
United States	49,600	64,585	21,690	28,051

Source: U.S. Department of Commerce, Bureau of Census, Census 2000 and 2008-2012 American Community Survey.

Income Distribution

	Town of Darien		Fairfield County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ -0- to 9,999	82	1.5	6,334	2.7	29,554	3.3
10,000 to 14,999	61	1.1	3,614	1.6	19,067	2.1
15,000 to 24,999	106	2.0	10,741	4.7	46,703	5.1
25,000 to 34,999	38	0.7	12,992	5.6	56,959	6.3
35,000 to 49,999	176	3.3	18,164	7.9	86,314	9.5
50,000 to 74,999	369	6.8	30,514	13.2	145,557	16.0
75,000 to 99,999	192	3.6	27,781	12.1	135,431	14.9
100,000 to 149,999	638	11.8	45,233	19.6	190,762	21.0
150,000 to 199,999	606	11.2	24,839	10.8	89,839	9.9
200,000 or more	3,126	58.0	50,184	21.8	107,414	11.8
TOTAL	5,394	100.0	230,396	100.0	907,600	100.0

Source: U.S. Department of Commerce, 2008-2012 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	43	0.3	33,065	5.3	109,649	4.5
9th to 12th grade	204	1.6	35,008	5.7	158,805	6.5
High School Graduate	1,044	8.3	143,004	23.1	677,253	27.9
Some College	843	6.7	95,069	15.3	429,013	17.6
Associate Degree	480	3.8	37,043	6.0	177,531	7.3
Bachelor Degree	5,171	41.4	156,603	25.3	494,197	20.3
Graduate or Professional Degree	4,720	37.7	119,589	19.3	384,892	15.8
TOTAL	12,505	100.0	619,381	100.0	2,431,340	100.0
Percent High School Graduate or Higher		98.0%		89.0%		89.0%
Percent Bachelor Degree or Higher		79.1%		44.6%		36.2%

Source: U.S. Department of Commerce, 2008-2012 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	7	0.1	1,075	0.2	6,786	0.4
Manufacturing	259	3.4	30,167	6.8	102,566	5.8
Construction	368	4.8	40,103	9.0	197,445	11.2
Wholesale Trade	136	1.8	11,024	2.5	43,172	2.4
Retail Trade	508	6.6	47,984	10.8	193,133	11.0
Transportation, Warehousing & Utilities	136	1.8	14,104	3.2	66,436	3.8
Information	344	4.5	12,720	2.9	43,327	2.5
Finance, Insurance & Real Estate	2,684	35.0	54,111	12.2	165,347	9.4
Professional, Scientific & Management	1,455	19.0	67,540	15.2	190,556	10.8
Educational Services & Health Care	1,099	14.3	96,759	21.7	459,463	26.1
Arts, Entertainment, Recreation & Food Services	321	4.2	33,487	7.5	145,799	8.3
Other Service (including nonprofit)	243	3.2	25,149	5.6	80,847	4.6
Public Administration	113	1.5	11,128	2.5	67,830	3.8
Total	7,673	100.0	445,351	100.0	1,762,707	100.0

Source: U.S. Department of Commerce, 2008-2012 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	922
Zotos International	Hair Care Products - Corporate HQ	240
Colangelo Synergy Marketing	Marketing	160
Rings' End, Inc.	Building Supplies	124
BMW of Darien	Automotive Sales and Service	94
CRA Rogers Casey	Investment Consulting Firm - Corporate HQ	80
Miller Automotive	Automotive Sales	70
Sterling Glen	Assisted Living Center	68
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 (1) %</u>	<u>State of Connecticut %</u>	<u>United States %</u>
2004	2.0	2.9	4.7	5.5
2005	3.3	4.5	4.9	5.1
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
<u>2014 Monthly</u>				
January	4.6	7.0	7.5	7.0
February	4.6	7.0	7.4	7.0
March	4.6	7.0	7.4	6.8
April	4.5	6.2	6.6	5.9
May	5.0	6.5	6.9	6.1
June	4.3	6.0	6.4	6.3

(1) Effective January 2005 the Bridgeport and Stamford Labor Markets have been combined.

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

Number and Value of Building Permits

Fiscal Year	Number of		Number of		Number of		Number of	
	Permits	Value	Permits	Value	Permits	Value	Permits	Value
2014 (1)	355	\$ 101,785,500	53	\$ 6,562,000	265	\$27,976,800	673	\$ 136,324,300
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
2007	490	122,999,000	46	47,104,000	490	7,823,000	1,026	177,926,000
2006	461	142,336,000	51	9,029,000	389	8,256,000	901	159,621,000
2005	485	146,620,000	48	11,019,119	352	7,137,000	885	164,776,119

(1) As of May 31, 2014.

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	0	0.0	2,921	1.3	17,515	1.9
50,000 to 99,999	8	0.1	3,577	1.5	21,595	2.3
100,000 to 149,999	27	0.5	5,815	2.5	60,303	6.5
150,000 to 199,999	60	1.0	11,984	5.2	129,791	14.0
200,000 to 299,999	69	1.2	34,911	15.0	272,261	29.3
300,000 to 499,999	161	2.7	72,643	31.3	262,321	28.2
500,000 to 999,999	1,868	31.8	66,929	28.8	121,757	13.1
1,000,000 and over	3,673	62.6	33,348	14.4	44,017	4.7
Total	5,866	100.0	232,128	100.0	929,560	100.0
Median Value	\$1,000,000 +		\$447,500		\$285,900	

Source: U.S. Department of Commerce, 2008-2012 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	1,816	25.9	78,478	21.8	342,631	23.1
1940 to 1949	722	10.3	28,579	7.9	105,863	7.1
1950 to 1959	1,718	24.5	61,682	17.1	228,672	15.4
1960 to 1969	794	11.3	52,457	14.5	200,398	13.5
1970 to 1979	546	7.8	49,821	13.8	202,110	13.6
1980 to 1989	463	6.6	41,533	11.5	193,255	13.0
1990 to 1999	242	3.4	24,083	6.7	110,651	7.4
2000 to 2009	706	10.1	23,184	6.4	99,443	6.7
2010 or later	15	0.2	875	0.2	2,422	0.2
Total housing units	7,022	100.0	360,692	100.0	1,485,445	100.0

Source: U.S. Department of Commerce, 2008-2012 American Community Survey.

Number of Dwelling Units

2012	2000	1990	1980	% Increase 2000-2012	% Increase 1990-2012	% Increase 1980-2012
7,022	6,792	6,653	6,340	3.4%	5.5%	10.8%

Source: U. S. Department of Commerce, Bureau of Census and 2008-2012 American Community Survey.

SECTION IV - INDEBTEDNESS

Computation of Statutory Debt Limit As of September 10, 2014 (Pro Forma)

Total Receipts for fiscal year ended June 30, 2014 (1)	\$ 115,335,000
(including interest and lien fees)	
Town of Darien Taxing Districts	605,000
State Reimbursement for Revenue Loss on:	
Tax Relief for Elderly	2,000
Base for Establishing Debt Limit (Thousands) (2)	\$ 115,942,000

Debt Limit

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base)	\$ 260,869,500					
(4.50 times base)		\$ 521,739,000				
(3.75 times base)			\$ 434,782,500			
(3.25 times base)				\$ 376,811,500		
(3.00 times base)					\$ 347,826,000	
(7.00 times base)						\$ 811,594,000

Indebtedness (Including the Notes)

Bonds Payable	\$ 28,826,750	\$ 47,498,250	\$ 4,630,000	\$ -	\$ -	\$ 80,955,000
The Notes (<i>This Issue</i>)	1,925,000	-	-	-	-	1,925,000
State of Connecticut Clean Water Fund Project Loan Obligation ("PLO") (3)	-	-	315,876	-	-	315,876
Authorized but Unissued Debt	3,079,000	1,707,973	2,200,000	-	-	6,986,973
Total Indebtedness	33,830,750	49,206,223	7,145,876	-	-	90,182,849
Less:						
Sewer assessments receivable (4)	-	-	(3,632,367)	-	-	(3,632,367)
School grants receivable (5)	-	(204,670)	-	-	-	(204,670)
Total Net Indebtedness	33,830,750	49,001,553	3,513,509	-	-	86,345,812
Excess of Limit Over Outstanding and Authorized Debt	\$ 227,038,750	\$ 472,737,447	\$ 427,636,624	\$ 376,811,500	\$ 347,826,000	\$ 721,615,821

(1) Unaudited estimates.

(2) Under Connecticut General Statutes, Town debt cannot exceed seven times the debt limit base or \$811,594,000.

(3) 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 10, 2014 the Town will have a balance outstanding of \$315,876.

(4) Sewer Assessments receivable as of June 30, 2014.

(5) As of September 10, 2014, the Town anticipates receiving State of Connecticut principal subsidy grants in the amount of \$204,670 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 10, 2014 (Pro Forma)

Long-Term Indebtedness (1)

Long Term Debt

General Purpose	\$ 28,826,750
Schools	47,498,250
Sewers	4,630,000
State of Connecticut CWF Project Loan Obligation	<u>315,876</u>

Total Long-Term Indebtedness 81,270,876

Short-Term Indebtedness

The Notes (<i>This Issue</i>)	<u>1,925,000</u>
---------------------------------	------------------

Total Direct Indebtedness 83,195,876

Exclusions:

(School building grants receivable) (2)	(204,670)
(Sewer assessments receivable) (3)	<u>(3,632,367)</u>

Net Direct Indebtedness \$ 79,358,839

- (1) Does not include authorized but unissued debt of \$6,986,973. (See "Authorized but Unissued Debt" herein).
- (2) As of September 10, 2014 the Town estimates it has school building construction grants receivable in the amount \$204,670 for school projects approved prior to July 1, 1996. (See "School Projects" herein).
- (3) Sewer Assessments receivable as of June 30, 2014.

Source: Town Officials.

Current Debt Ratios

As of September 10, 2014 (Pro Forma)

Total Direct Indebtedness	\$ 83,195,876
Total Net Direct Indebtedness	\$ 79,358,839

Population (1)	20,758
Net Taxable Grand List (10/1/13)	\$ 8,285,455,000
Estimated Full Value	\$ 11,836,364,286
Equalized Net Taxable Grand List (2012) (2)	\$ 12,451,401,017
Per Capita Income (2012) (1)	\$ 94,301

Total Direct Indebtedness:

Per Capita	\$4,007.89
To Net Taxable Grand List	1.00%
To Estimated Full Value	0.70%
To Equalized Net Taxable Grand List	0.67%
Per Capita to Per Capita Income	4.25%

Total Net Direct Indebtedness:

Per Capita	\$3,823.05
To Net Taxable Grand List	0.96%
To Estimated Full Value	0.67%
To Equalized Net Taxable Grand List	0.64%
Per Capita to Per Capita Income	4.05%

- (1) U.S. Department of Commerce, 2008-2012 American Community Survey.
- (2) Office of Policy and Management, State of Connecticut.

Historical Debt Statement

	<u>2013-14 (1)</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
Population (2)	20,758	20,758	20,758	20,758	20,758
Net taxable grand list	\$ 8,856,217,761	\$ 8,856,217,761	\$ 8,795,402,000	\$ 8,753,257,000	\$ 8,698,446,472
Estimated full value	\$ 12,651,739,659	\$ 12,651,739,659	\$ 12,564,860,000	\$ 12,504,652,857	\$ 12,426,352,103
Equalized net taxable grand list (3)	\$ 12,451,401,017	\$ 11,544,162,952	\$ 11,544,591,566	\$ 11,672,335,338	\$ 9,431,803,793
Per capita income (2)	\$ 94,301	\$ 94,301	\$ 94,301	\$ 94,301	\$ 94,301
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term debt	\$ 86,912,709	\$ 89,434,454	\$ 99,005,273	\$ 92,150,186	\$ 86,414,211
Total Direct Indebtedness	\$ 86,912,709	\$ 89,434,454	\$ 99,005,273	\$ 92,150,186	\$ 86,414,211
Net Direct Indebtedness	\$ 83,075,672	\$ 84,833,650	\$ 95,417,669	\$ 87,888,932	\$ 81,266,460

- (1) Unaudited estimates.
(2) U.S. Department of Commerce, 2008-2012 American Community Survey.
(3) Office of Policy and Management, State of Connecticut.

Historical Debt Ratios

	<u>2013-14 (1)</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
Total Direct Indebtedness:					
Per capita	\$4,186.95	\$4,308.43	\$4,769.50	\$4,439.26	\$4,162.94
To net taxable grand list	0.98%	1.01%	1.13%	1.05%	0.99%
To estimated full value	0.69%	0.71%	0.79%	0.74%	0.70%
To equalized net taxable grand list	0.70%	0.77%	0.86%	0.79%	0.92%
Debt per capita to per capita income	4.44%	4.57%	5.06%	4.71%	4.41%
Net Direct Indebtedness:					
Per capita	\$4,002.10	\$4,086.79	\$4,596.67	\$4,233.98	\$3,914.95
To net taxable grand list	0.94%	0.96%	1.08%	1.00%	0.93%
To estimated full value	0.66%	0.67%	0.76%	0.70%	0.65%
To equalized net taxable grand list	0.67%	0.73%	0.83%	0.75%	0.86%
Debt per capita to per capita income	4.24%	4.33%	4.87%	4.49%	4.15%

- (1) Unaudited estimates.

Outstanding Short-Term Indebtedness

The Town will have \$1,925,000 outstanding in short-term bond anticipation notes with this issue. (See "Authorized but Unissued Debt" herein).

Capital Leases

The Town has outstanding operating lease agreements in the amount of \$1,035,417 as of June 30, 2014. These payments are not included in the outstanding bonded debt.

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 10, 2014</u>
CWF PLO 407-C	\$ 894,671	\$ 315,876

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 1/20th (1/30th 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 1/15th 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
TOTAL	\$ 98,570,000	\$ 78,209,464	20.7	\$ 16,189,359

(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	Paydowns/ Grants	The Notes (This Issue)	Authorized But Unissued (1)
New Darien High School	\$ 75,400,000	\$ 62,713,727	\$ 12,462,048	\$ -	\$ 224,225
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
Library Building Acquisition	4,200,000	3,935,000	-	-	265,000
Police Station Project	17,680,000	16,125,000	-	-	1,555,000
Weed Beach Project	3,000,000	2,000,000	-	-	1,000,000
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
Intervale Road Drainage Project	1,500,000	1,380,000	-	-	120,000
4 Short Lane	1,925,000	-	-	1,925,000	-
Total	\$ 139,114,000	\$ 114,178,727	\$ 16,023,300	\$ 1,925,000	\$ 6,986,973

(1) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments for the new high school and the Tokeneke school projects in amounts of \$12,628,107 and \$3,561,080, respectively, or 20.7% of eligible costs. The grants received will reduce the authorized but unissued debt by a similar amount. (See "School Projects" herein).

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. (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.

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. The Police Station project is underway and nearly completed. The Weed Beach project is also underway and nearly completed.

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 is complete. The Intervale Road drainage project is in planning phases.

On January 27, 2014, the RTM adopted an appropriation of \$1,925,000 for the purchase of real property and improvements at 4 Short Lane, as well as demolition and disposal costs and engineering, architectural and administrative, printing, legal and financing costs related to the project. The full amount of the notes to be issued is for this project.

Combined Schedule of Long Term Debt through Maturity

As of September 10, 2014 (Pro Forma)

Fiscal Year	Principal Payments (1,2)	Interest Payments (2)	Total Debt Service (1,2)
2015	\$ 8,892,688	\$ 2,589,965	\$ 11,482,653
2016	8,718,651	2,545,825	11,264,476
2017	9,279,633	2,187,130	11,466,763
2018	9,015,635	1,834,591	10,850,226
2019	8,516,657	1,518,769	10,035,426
2020	8,102,699	1,200,945	9,303,644
2021	7,896,747	879,187	8,775,934
2022	6,505,000	633,263	7,138,263
2023	6,075,000	458,559	6,533,559
2024	4,325,000	336,431	4,661,431
2025	2,450,000	246,900	2,696,900
2026	2,435,000	176,788	2,611,788
2027	2,425,000	103,888	2,528,888
2028	1,315,000	31,288	1,346,288
2029	370,000	5,781	375,781
	<u>\$ 86,322,710</u>	<u>\$ 14,749,310</u>	<u>\$ 101,072,020</u>

(1) Does not reflect principal payments of \$5,051,833 made by the Town as of September 10, 2014.

(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 is paid through assessments to the benefiting property owners and is reimbursed to the General Fund by the Sewer Assessment Fund.

Source: Town Officials.

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 McGladrey & Pullen, 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, 2013, 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 McGladrey & Pullen, 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.

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, 1990-2013. 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.

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.

An actuarial valuation is prepared biennially; the most recent actuarial valuation was performed as of July 1, 2013.

Schedule of Funding Progress - Town Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilty (AAL) (b)	Under (Overfunded) AAL (OAAL) (a-b)	Funded Ratio (a/b)
7/1/2007	\$ 29,087,137	\$ 32,962,616	\$ 3,875,479	88.2%
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%

Schedule of Funding Progress - Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilty (AAL) (b)	Under (Overfunded) AAL (OAAL) (a-b)	Funded Ratio (a/b)
7/1/2007	\$ 23,459,042	\$ 27,775,450	\$ 4,316,408	84.5%
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%

Schedule of Employer Contributions - Town Pension Plan

Year Ended June 30	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2006	\$ 1,127,980	\$ 1,127,980	100.0%
2007	1,037,442	1,133,022	109.2%
2008	1,197,070	1,141,561	95.4%
2009	1,231,739	1,231,739	100.0%
2010	1,330,023	1,330,023	100.0%
2011	1,515,023	1,515,023	100.0%
2012	1,671,289	1,671,289	100.0%
2013	1,593,296	1,601,429	100.5%
2014	1,667,416	1,667,416	100.0%
2015 (1)	1,716,498	1,716,498	100.0%

Schedule of Employer Contributions - Police Pension Plan

Year Ended June 30	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2006	\$ 585,335	\$ 585,335	100.0%
2007	675,337	675,337	100.0%
2008	807,655	807,655	100.0%
2009	800,558	800,558	100.0%
2010	866,685	866,685	100.0%
2011	1,027,782	1,027,782	100.0%
2012	1,133,728	1,133,728	100.0%
2013	1,119,967	1,125,594	100.5%
2014	1,220,507	1,220,507	100.0%
2015 (1)	1,073,353	1,073,353	100.0%

(1) As budgeted for fiscal year 2014-15.

For further information on the Town's Pension Plans, see Appendix A – Note 11, pages 41 through 46 and RSI-5 and RSI-6, pages 60 and 61, respectively.

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 for 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 CT 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 7.5% 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 7.5% 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 July 1, 2013.

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)
6/30/2007	\$ -	\$ 4,276,948	\$ 4,276,948	0.0%
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%

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)
6/30/2007	\$ -	\$ 4,475,369	\$ 4,475,369	0.0%
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%

Schedule of Employer Contributions - Police

Year Ended June 30	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2009	\$ 609,468	\$ 142,006	23.3%
2010	604,678	1,787,428	295.6%
2011	504,575	405,678	80.4%
2012	528,363	429,659	81.3%
2013	424,706	329,796	77.7%
2014	354,733	264,733	74.6%
2015 (1)	465,340	465,340	100.0%

Schedule of Employer Contributions - Non-Police

Year Ended June 30	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2009	\$ 595,699	\$ 193,364	32.5%
2010	586,352	1,081,174	184.4%
2011	399,078	303,578	76.1%
2012	452,050	452,050	100.0%
2013	361,200	361,200	100.0%
2014	367,484	367,484	100.0%
2015 (1)	566,010	566,010	100.0%

(1) As budgeted for fiscal year 2014-15.

For further information on the Town's OPEB Plans, see Appendix A – Note 10, pages 38 through 40 and RSI-4, page 59.

Investment Policies and Procedures

Under the Town Charter and under Connecticut General Statutes Sections 7-400 and 7-402, the Town may invest in (a) obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all the federal land banks, the Tennessee Valley Authority, or any other agency of the United States government, (b) certain mutual funds and money market mutual funds investing in such obligations or repurchase agreements fully collateralized by such obligations and (c) certain state and municipal bonds and notes, and may make deposits with certain "qualified public depositories."

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; and (3) 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.

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.

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 6/30/2014 (1)
2015 (2)	\$ 8,285,455,000	15.01	\$ 123,088,245	In Process	In Process	In Process
2014	8,896,459,000	13.17	115,235,442	99.3	\$ 814,582	\$ 814,852
2013	8,856,217,761	12.68	111,676,352	99.5	562,295	277,356
2012	8,795,402,000	12.20	105,827,890	99.3	952,435	130,974
2011	8,753,257,000	11.74	102,097,652	99.4	628,636	46,053
2010	8,698,446,472	11.37	98,639,743	99.3	722,728	33,378
2009	6,606,255,385	14.55	96,009,567	99.2	805,270	40,705
2008	6,504,163,707	13.87	90,029,920	99.4	535,799	28,801
2007	6,405,574,735	13.40	85,538,313	99.4	523,066	23,720
2006	6,325,991,597	13.02	82,211,465	99.5	425,037	24,172

(1) Unaudited estimates.

(2) 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
10/01/13 (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
10/01/06	6,220,427	75,743	209,534	6,505,704	1,540	6,504,164
10/01/05	6,125,771	71,788	209,838	6,407,397	1,823	6,405,574
10/01/04	6,054,081	63,740	209,890	6,327,711	1,720	6,325,991

(1) Indicates years of revaluation.

Source: Town Officials.

Largest Taxpayers

The following table sets forth the ten largest taxpayers in the Town according to the Grand List dated October 1, 2013 pursuant to the State Office of Policy and Management M-13 filing:

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>Grand List Amount</u>	<u>Estimated Taxes</u>
Connecticut Light & Power Company	Utility	\$ 87,222,806	\$ 1,309,214
Steinkraus	Real Estate	53,571,687	804,111
Wee Burn Country Club, Inc.	Country Club	39,149,912	587,640
Darien Financing LLC / Avalonbay	Apartment Complex	38,365,180	575,861
Country Club of Darien	Country Club	32,339,341	485,414
Woodway Country Club	Country Club	25,918,517	389,037
Walsh, Kevin	Real Estate	21,544,180	323,378
Zotos International	Beauty Products Manufacturer	18,108,222	271,804
U.B. Darien Inc.	Shopping Center	17,876,390	268,325
Suhler, John	Real Estate	15,526,770	233,057
Total		\$ 349,623,005 (1)	\$ 5,247,841 (2)

(1) Represents 4.22% of the net taxable Grand List of \$8,285,455,000 dated October 1, 2013.

(2) Represents 4.26% of the total adjusted tax levy of \$123,088,245 for fiscal year 2014-15.

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 2009-2013 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

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>Property Tax Revenues</u>	<u>Property Tax As a % of General Fund Revenues</u>
2015 (1)	\$ 131,355,134	\$ 123,364,757	93.9
2014 (2)	124,859,902	116,573,010	93.4
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
2008 (3)	126,548,548	90,532,664	71.5
2007	101,017,507	85,836,854	85.0
2006	95,791,482	82,435,320	86.1

(1) Fiscal year 2014-15 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.

(2) Fiscal year 2013-14 estimated actuals, 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.

(3) Includes one-time pass-through state funding for the teachers' retirement system pension liability in the amount of \$24,671,119, an increase of approximately \$20,800,000.

Source: Town annual audited financial statements fiscal years 2005-06 through 2012-13; Fiscal year 2013-14 estimated actuals and 2014-15 Town Budget Document.

Intergovernmental Revenues

Fiscal Year	General Fund Revenues	Federal & State Aid	Aid As a % of General Fund Revenue
2015 (1)	\$ 131,355,134	\$ 3,408,050	2.6
2014 (2)	124,859,902	3,499,289	2.8
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
2008 (3)	126,548,548	29,590,967	23.4
2007	101,017,507	8,088,165	8.0
2006	95,791,482	7,049,443	7.4

- (1) Fiscal year 2014-15 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.
- (2) Fiscal year 2013-14 estimated actuals, 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.
- (3) Includes one-time pass-through state funding for the teachers' retirement system pension liability in the amount of \$24,671,119, an increase of approximately \$20,800,000.

Source: Town annual audited financial statements fiscal years 2005-06 through 2012-13; Fiscal year 2013-14 estimated actuals and 2014-15 Town Budget Document.

Expenditures

Fiscal Year	Education %	Debt Service %	Public Safety %	General Overhead %	General Government %
2015 (1)	67.5	8.8	6.6	5.9	2.3
2014 (2)	67.7	8.7	6.7	5.3	2.4
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
2008 (3)	73.8	8.2	5.5	3.6	2.3
2007	68.9	9.6	6.6	4.5	2.8
2006	68.7	10.1	6.6	4.4	2.8

- (1) Fiscal year 2014-15 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.
- (2) Fiscal year 2013-14 estimated actuals, 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.
- (3) Includes one-time pass-through state funding for the teachers' retirement system pension liability in the amount of \$24,671,119, an increase of approximately \$20,800,000.

Source: Town annual audited financial statements fiscal years 2005-06 through 2012-13; Fiscal year 2013-14 estimated actuals and 2014-15 Town Budget Document.

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

	Fiscal Year 2012-13			2013-14 Estimated Actuals	2014-15 Adopted Budget
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)		
REVENUES					
Property taxes	\$ 111,579,573	\$ 112,058,320	\$ 478,747	\$ 116,573,010	\$ 123,364,757
Licenses and permits	2,436,500	3,486,030	1,049,530	3,499,289	3,408,050
Intergovernmental revenue	2,392,384	2,662,622	270,238	2,791,815	2,543,533
Charges for services	1,576,898	1,733,591	156,693	1,465,120	1,562,631
Fines and forfeits	29,400	34,305	4,905	22,824	24,100
Investment income	150,000	176,012	26,012	124,000	100,000
Other revenues	330,974	499,761	168,787	383,844	352,063
TOTAL REVENUES	118,495,729	120,650,641	2,154,912	124,859,902	131,355,134
EXPENDITURES					
Current:					
General government	2,972,472	2,961,243	11,229	2,980,966	2,979,291
Community environment	606,620	602,143	4,477	616,805	637,485
Public safety	8,213,786	8,196,883	16,903	8,263,784	8,682,250
Health and social services	1,283,759	1,242,762	40,997	1,305,857	1,333,816
Library	3,263,537	3,263,537	-	3,400,566	3,483,239
Parks and recreation	1,194,278	1,177,636	16,642	1,284,627	1,372,532
Public works	4,498,786	4,496,943	1,843	4,790,737	4,800,766
Board of education -- operations	80,281,915	79,914,058	367,857	84,031,929	88,135,967
General overhead and miscellaneous	5,871,923	5,860,393	11,530	6,581,286	7,674,838
Debt service	10,288,261	10,288,202	59	10,806,088	11,483,791
TOTAL EXPENDITURES	118,475,337	118,003,800	471,537	124,062,645	130,583,975
Excess (deficiency) of revenues over expenditures	20,392	2,646,841	2,626,449	797,257	771,159
Other financing sources (uses):					
Operating transfers in	638,807	649,934	11,127	638,807	638,807
Operating transfers out	(3,003,932)	(3,003,932)	-	(2,672,114)	(2,509,966)
Appropriation of fund balance	2,344,733	-	(2,344,733)	-	1,100,000
Total other financing sources (uses)	(20,392)	(2,353,998)	(2,333,606)	(2,033,307)	(771,159)
Excess of Revenues and other financing sources over expenditures and other financing uses	\$ -	\$ 292,843	\$ 292,843	\$ (1,236,050)	\$ -

Source: Annual audited financial statements, fiscal years 2013-14 estimated actuals and 2014-15 adopted budget; Town Officials.

Comparative Balance Sheets - General Fund

	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012 (1)</u>	<u>2013 (1)</u>
ASSETS					
Cash and cash equivalents	\$ 9,380,864	\$ 13,940,555	\$ 17,013,111	\$ 18,222,936	\$ 21,998,512
Investments	-	3,001,146	5,233,225	5,284,539	5,334,370
Receivables:					
Net taxes and assessments receivable	1,395,358	1,490,320	1,421,664	1,566,363	1,247,797
Intergovernmental	1,432,272	1,114,219	993,047	670,002	551,849
Due from other funds	11,751,912	5,534,046	1,190,300	1,844,522	2,811,199
Other receivables	579,155	968,678	1,529,355	1,439,195	1,640,684
TOTAL ASSETS	<u>\$ 24,539,561</u>	<u>\$ 26,048,964</u>	<u>\$ 27,380,702</u>	<u>\$ 29,027,557</u>	<u>\$ 33,584,411</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,481,914	\$ 2,142,716	\$ 2,701,065	\$ 2,163,927	\$ 3,724,974
Due to other funds	4,140,647	4,256,433	4,165,783	5,619,403	8,622,225
Deferred revenue	2,836,853	2,874,883	2,784,666	2,707,933	2,128,746
TOTAL LIABILITIES	<u>8,459,414</u>	<u>9,274,032</u>	<u>9,651,514</u>	<u>10,491,263</u>	<u>14,475,945</u>
FUND BALANCE					
Nonspendable	-	-	47,378	597,944	658,537
Assigned	-	-	521,559	930,449	1,045,531
Unassigned	-	-	17,160,251	17,007,901	17,404,398
Reserve for encumbrances	81,204	129,936	-	-	-
Unreserved					
Designated for subsequent year budget	1,100,000	1,100,000	-	-	-
Undesignated	14,898,943	15,544,996	-	-	-
TOTAL FUND BALANCES	<u>16,080,147</u>	<u>16,774,932</u>	<u>17,729,188</u>	<u>18,536,294</u>	<u>19,108,466</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24,539,561</u>	<u>\$ 26,048,964</u>	<u>\$ 27,380,702</u>	<u>\$ 29,027,557</u>	<u>\$ 33,584,411</u>

(1) Commencing with the June 30, 2011 audited financial statements, fund balances are reported as per Governmental Accounting Standards Board ("GASB") 54.

Source: Town annual audited financial statements.

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

REVENUES	2009	2010	2011	2012	2013
Property taxes	\$ 96,223,301	\$ 98,967,727	\$ 102,075,874	\$ 106,517,751	\$ 112,058,320
Intergovernmental	10,883,824	10,282,461	11,556,311	13,207,295	13,371,459
Charges for services	828,049	4,267,391	4,243,375	4,543,123	5,253,930
Interest on investments	607,963	179,423	217,880	194,126	176,012
Miscellaneous	2,177,483	505,222	420,114	363,896	499,757
TOTAL REVENUES	110,720,620	114,202,224	118,513,554	124,826,191	131,359,478
EXPENDITURES					
General government	2,686,202	2,709,804	3,003,595	3,058,787	2,948,259
Community environment	649,454	658,127	595,334	590,670	597,535
Public safety	7,017,493	7,220,282	7,449,966	7,587,341	8,100,967
Health and social services	1,054,142	1,047,524	1,068,275	1,179,972	1,181,351
Library	2,944,275	3,061,349	3,131,479	3,186,016	3,263,537
Parks and recreation	1,076,491	1,081,123	1,099,351	1,122,428	1,110,258
Public works	2,869,383	2,657,348	3,104,042	4,201,841	4,475,334
Schools	74,728,039	76,971,943	80,795,051	86,509,642	90,216,733
General overhead	4,416,840	5,125,628	5,701,379	5,719,479	5,897,323
Solid waste	-	1,222,389	1,207,214	-	-
Debt service	10,663,660	10,094,258	9,396,843	10,095,354	10,288,202
TOTAL EXPENDITURES	108,105,979	111,849,775	116,552,529	123,251,530	128,079,499
Excess (deficiency) of revenues over expenditures	2,614,641	2,352,449	1,961,025	1,574,661	3,279,979
Other financing sources (uses)					
Operating transfers in	1,290,808	1,216,222	634,168	638,020	649,934
Operating transfers (out)	(5,523,121)	(3,021,992)	(2,259,720)	(1,405,575)	(2,993,270)
Issuance of refunding bonds	30,343,888	11,305,000	-	-	-
Payment to escrow agent	(30,233,888)	(12,307,964)	-	-	-
Bond premium	-	1,151,070	-	-	-
Total other financing sources (uses)	(4,122,313)	(1,657,664)	(1,625,552)	(767,555)	(2,343,336)
Net change in fund balances	(1,507,672)	694,785	335,473	807,106	936,643
Fund Balance - July 1	17,587,819	16,080,147	17,393,715 (1)	17,729,188	18,536,294
Fund Balance - June 30	<u>\$ 16,080,147</u>	<u>\$ 16,774,932</u>	<u>\$ 17,729,188</u>	<u>\$ 18,536,294</u>	<u>\$ 19,472,937</u>

(1) As restated.

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 Notes, 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, notice of the occurrence of certain events within 10 business days of the occurrence of such events on or before the date specified in the Continuing Disclosure Agreement. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, 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 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 Notes. 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 Notes

Upon the delivery of the Notes, the winning bidder(s) 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 Notes 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 Notes;

4. The approving opinion of Pullman & Comley, LLC, Bond Counsel;
5. An executed Continuing Disclosure Agreement for the Notes in substantially the form attached hereto as Appendix C; and
6. The Town will provide to each winning bidder 15 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(s) 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 Notes.

Concluding Statement

Additional information may be obtained upon request from the office of the Finance Director, Attention: Ms. Kathleen C. Buch, 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 Notes.

This Official Statement is submitted only in connection with the sale of the Notes 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/ Kathleen C. Buch
KATHLEEN C. BUCH
Finance Director

August 28, 2014

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, 2013, 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.



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut (the "Town") as of and for the fiscal year ended June 30, 2013, and the related notes thereto which collectively comprise the Town's basic financial statements as listed in the table of content.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 3–8, the schedules of funding progress and employer contributions on pages 59-61 and budgetary comparison information on pages 51-58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2014 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "McGladrey LLP".

New Haven, Connecticut
February 20, 2014

Town of Darien, Connecticut
Management's Discussion and Analysis - unaudited
June 30, 2013
(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, 2013. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to VI. All amounts are expressed in thousands unless otherwise noted.

FINANCIAL HIGHLIGHTS

- Net position of our governmental activities increased by \$6,312 or 5%.
- During the year, the Town had expenses that were \$6,312 less than the \$141,604 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$135,292 with no new programs added this year.
- The General Fund reported a fund balance this year of \$19,473.
- The resources available for appropriation were \$179 less than budgeted for the General Fund. Expenditures were \$472 less than budgeted.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's combined net position increased from a year ago increasing from \$119,007 to \$125,351. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

Net Position (In Thousands)	2013	2012
Current assets	\$ 46,689	\$ 41,172
Capital assets, net of accumulated depreciation	184,708	184,458
Total assets	231,397	225,630
Long-term liabilities outstanding	94,025	102,202
Other liabilities	12,053	4,421
Total liabilities	106,078	106,623
Net Position:		
Net investment in capital assets	97,749	89,174
Restricted	1,469	5,594
Unrestricted	26,101	24,239
Total net position	\$ 125,319	\$ 119,007

Net position of the Town's governmental activities increased by 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 \$24,239 at June 30, 2012 to \$26,101 at the end of this year.

This change in unrestricted governmental net position resulted primarily because of continuing investments in capital assets. The Town's investment in capital assets is \$97,749. This amount represents the original cost of assets, less accumulated depreciation and is net of any debt outstanding that was used to acquire those assets.

	<u>2013</u>	<u>2012</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 14,717	\$ 11,396
Operating Grants and Contributions	13,624	13,370
Capital Grants and Contributions	407	317
General Revenues:		
Property Taxes	111,719	106,666
Grants and Contributions not Restricted to Specific Purposes	241	332
Unrestricted Investment Earnings	211	848
Other General Revenues	685	420
Total revenues	<u>141,604</u>	<u>133,349</u>
Program Expenses:		
General Government	4,329	4,116
Community Environment	846	838
Public Safety, Health and Social Services	15,068	13,679
Library	3,264	3,186
Parks and Recreation	1,715	2,901
Public Works	6,444	7,143
Board of Education	97,796	94,266
Sewer Operations	3,065	2,739
Interest on Long-Term Debt	2,765	4,118
Total program expenses	<u>135,292</u>	<u>132,986</u>
Increase in net position	6,312	363
Net position – beginning	<u>119,007</u>	118,644
Net position - ending	<u>\$ 125,319</u>	<u>\$ 119,007</u>

The Town's total revenues (excluding special items) were \$141,604. The total cost of all programs and services was \$135,292. Our analysis below considers the operations of governmental activities.

Governmental Activities

Property taxes were 78.9% of revenues and charges for services accounted for 10.1%. Capital grants of \$407 were primarily grants from the State of Connecticut for school construction projects and infrastructure. Operating grants and contributions increased by 1.9%. The 2012-13 property tax collection rate was 99.5%. Charges for Services increased by \$3,321 or 29% due to increased tipping fees and beach permit fees. Intergovernmental revenue increased primarily due to increased operating grants. School principal and interest subsidy grants on pre-1996 construction projects continue to decline, which corresponds to the decline in the debt service for older school projects. Investment income decreased due to decreases in interest rates.

On the expense side, public works increase, primarily due to more storm related expenses compared to FY 2012. Education expenses continue to be the most significant component accounting for 72%. Board of Education increased because of increased enrollment, negotiated wage increases, increased medical expenses and increased Special Education expenses. Debt service increased slightly as a result of payment schedules from prior year debt issuances.

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

**TABLE 3
GOVERNMENTAL ACTIVITIES
(In Thousands)**

	Total Cost of Service		Net Cost of Services	
	2013	2012	2013	2012
General government	\$ 4,329	\$ 4,116	\$ 2,193	\$ 2,614
Public safety	12,695	12,026	10,178	10,157
Public works	6,444	7,143	4,725	4,957
Education	97,796	94,266	82,146	78,830
Library	3,264	3,186	3,264	3,186

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 \$28,949, which is a decrease from last year's total of \$31,345. The increases were even across most funds, with the largest component of the change in fund balance coming from the Capital Projects Fund. The Capital Projects Fund fund balance decreased by \$3,875.

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

General Fund Budgetary Highlights

There were additional appropriations for the fiscal year ended June 30, 2013 in the amount of \$1,245. These were primarily for Education related capital expenses, including upgraded security systems. The additional appropriations also covered the Town's share of expenses related to damage caused by Super Storm Sandy. A contingency of \$564 was included in the original budget. This contingency covered items such as non-union wage increases and other unexpected expenses. The contingency was reduced from the prior year as there were no unsettled labor contracts.

Actual revenues were lower than budgetary estimates by approximately \$48. The budget assumed that \$1,100 of fund balance would be used to offset expenses, however that was not needed. Town Clerk fees were \$676 higher than budget, an indication of increased conveyance tax collections. Building Permit revenue was \$301 higher than budget due to increased construction in the area. Investment income was \$26 higher than budget, though reduced from the prior year. Other revenue accounts exceeded the budget estimates, such as Property Tax collections and Intergovernmental Revenue. Actual expenditures were less than budgetary estimates by \$471. The largest single contributor to this was the Board of Education budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the Town had \$184,708 invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines - Table 4. This amount represents a net increase (including additions and deductions) of \$250, or 1%, over last year.

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

	Governmental Activities	
	2013	2012
Land	\$ 11,277	\$ 11,277
Buildings	151,757	135,446
Land improvement	2,154	2,302
Machinery and equipment	5,978	5,825
Infrastructure	12,387	12,630
Construction in progress	1,155	16,978
Totals	\$ 184,708	\$ 184,458

The Town's fiscal-year 2013-14 capital budget calls for it to spend another \$2,344 for capital and/or non-recurring projects, principally for capital equipment and replacement. The Police Station Renovation and the Weed Beach Renovation projects have been completed and are the cause of the increase to building. More detailed information about the Town's capital assets is presented in Notes 1 and 4 to the financial statements.

Long-Term Debt

At June 30, 2013, the Town had \$91,499 in bonds and notes outstanding versus \$99,877 last year.

Debt decreased due to a refunding of over \$36 million in bonds and annual principal payments. Current year debt principal paid amounted to \$7,946.

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 \$749,266 state-imposed limit.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2013 budget tax rates, and fees that will be charged for services. One of those factors is the economy. Unemployment in the Town now stands at 6.4% versus 6.0% a year ago. This compares with the State's unemployment rate of 8.4% and the national rate of 8.2%.

The increase in inflation in the Darien area was slightly less than the national Consumer Price Index (CPI). The Town's CPI increase was 1.6% for fiscal year 2012 while the average U.S. rate increase was 1.7%.

These indicators were taken into account when adopting the General Fund budget for 2012-13. Amounts available for appropriation in the General Fund budget are \$120,235, an increase of 4.5% over the final 2012 budget of \$115,112. Property taxes (benefiting from the 2012 rate increases and growth in the grand list) are expected to lead this increase. The Town will use these increases in revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Increased personnel costs and increased education expenses are the largest areas of expenditure increase. Fund balance will provide \$1,100 to support the budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to remain stable by June 30, 2014.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

STATEMENT OF NET POSITION
June 30, 2013

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 26,816,798
Investments	8,251,675
Receivables, net	7,445,314
Prepaid expenses	668,507
Restricted cash and cash equivalents	3,140,243
Net OPEB asset	365,896
Capital assets not being depreciated	12,432,004
Capital assets being depreciated, net of accumulated depreciation	<u>172,276,169</u>
Total assets	<u><u>231,396,606</u></u>
Liabilities	
Accounts and other payables	10,684,319
Accrued interest payable	1,257,394
Unearned revenue	111,546
Long-term liabilities:	
Due within one year	9,780,193
Due in more than one year	<u>84,244,631</u>
Total liabilities	<u><u>106,078,083</u></u>
Net Position	
Net Investment in capital assets	97,748,548
Restricted for:	
Social services	265,843
Public works	987,816
Education	180,499
Recreation	34,906
Unrestricted	<u>26,100,911</u>
Total Net Position	<u><u>\$ 125,318,523</u></u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ (4,329,147)	\$ 1,779,436	\$ 32,042	\$ 324,210	\$ (2,193,459)
Community environment	(846,170)	97,563	-	-	(748,607)
Public safety	(12,695,450)	2,517,330	-	-	(10,178,120)
Health and social services	(2,373,002)	664,719	149,057	-	(1,559,226)
Library	(3,263,537)	-	-	-	(3,263,537)
Parks and recreation	(1,714,722)	479,553	-	-	(1,235,169)
Public works	(6,443,731)	1,636,280	-	82,833	(4,724,618)
Board of Education	(97,796,212)	2,207,602	13,442,863	-	(82,145,747)
Sewer operations	(3,065,379)	5,334,916	-	-	2,269,537
Interest on long-term debt	(2,764,599)	-	-	-	(2,764,599)
Total primary government	\$ (135,291,949)	\$ 14,717,399	\$ 13,623,962	\$ 407,043	(106,543,545)
General revenues:					
Property taxes					111,718,502
Grants and contributions not restricted to specific programs					241,144
Unrestricted investment earnings					211,091
Miscellaneous					684,621
Total general revenues					112,855,358
Change in net position					6,311,813
Net position - beginning					119,006,710
Net position - ending					\$ 125,318,523

The notes to the financial statements are an integral part of this statement.

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

	General	Sewer Operating	Sewer Assessment	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 22,234,552	\$ 1,872,616	\$ 1,691,906	\$ -	\$ 4,157,967	\$ 29,957,041
Investments	5,334,370	2,555,085	-	-	362,220	8,251,675
Receivables, net	2,781,793	322,834	4,173,150	-	167,537	7,445,314
Due from other funds	2,811,199	2,338	-	9,527,545	16,214	12,357,296
Prepays	658,537	-	-	9,970	-	668,507
Total assets	\$ 33,820,451	\$ 4,752,873	\$ 5,865,056	\$ 9,537,515	\$ 4,703,938	\$ 58,679,833
Liabilities						
Accounts and other payables	\$ 3,761,393	\$ 52,709	\$ 42,844	\$ 6,218,231	\$ 365,952	\$ 10,441,129
Due to other funds	8,457,375	403,515	1,100,000	622,180	1,970,940	12,554,010
Deferred/unearned revenue	2,128,746	322,131	4,173,150	-	111,546	6,735,573
Total liabilities	14,347,514	778,355	5,315,994	6,840,411	2,448,438	29,730,712
Fund balances						
Nonspendable	658,537	-	-	9,970	-	668,507
Restricted	-	-	-	3,140,243	1,469,064	4,609,307
Committed	-	3,974,518	549,062	-	1,042,146	5,565,726
Assigned	1,410,002	-	-	-	-	1,410,002
Unassigned	17,404,398	-	-	(453,109)	(255,710)	16,695,579
Total fund balances	19,472,937	3,974,518	549,062	2,697,104	2,255,500	28,949,121
Total liabilities and fund balances	\$ 33,820,451	\$ 4,752,873	\$ 5,865,056	\$ 9,537,515	\$ 4,703,938	

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

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the Town as a whole.	184,708,173
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	6,624,027
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(89,591,261)
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(46,476)
Certain other liabilities reported in governmental activities are not due or payable in the current period, and therefore not reported in the funds:	
Net OPEB asset	352,135
Net pension asset	13,761
Bond premiums	(4,433,563)
Accrued interest payable.	(1,257,394)

Net position of governmental activities

\$ 125,318,523

The notes to the financial statements are an integral part of this statement.

(Continued)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013**

	General	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 112,058,320	\$ -	\$ -	\$ -	\$ -	\$ 112,058,320
Intergovernmental	13,371,459	-	-	4,017	1,483,460	14,858,936
Charges for services	5,253,930	3,514,594	681,138	-	3,766,318	13,215,980
Income on investments	176,012	27,255	5,936	517	1,371	211,091
Miscellaneous	499,757	-	-	99,973	84,892	684,622
Total revenues	131,359,478	3,541,849	687,074	104,507	5,336,041	141,028,949
EXPENDITURES						
Current:						
General government	2,948,259	-	-	-	2,513	2,950,772
Community environment	597,535	-	-	-	-	597,535
Public safety	8,100,967	-	-	-	852,276	8,953,243
Health and social services	1,181,351	-	-	-	35,183	1,216,534
Library	3,263,537	-	-	-	-	3,263,537
Parks and recreation	1,110,258	-	-	-	226,695	1,336,953
Public works	4,475,334	-	-	-	611,686	5,087,020
Board of Education	90,216,733	-	-	-	3,152,224	93,368,957
Sewer operations	-	3,065,379	-	-	-	3,065,379
General overhead	5,897,323	-	-	-	-	5,897,323
Capital outlay	-	-	-	6,984,389	-	6,984,389
Debt service	10,288,202	-	-	-	591,464	10,879,666
Total expenditures	128,079,499	3,065,379	-	6,984,389	5,472,041	143,601,308
Revenues over (under) expenditures	3,279,979	476,470	687,074	(6,879,882)	(136,000)	(2,572,359)
OTHER FINANCING SOURCES (USES)						
Transfers in	649,934	1,739	-	3,005,128	250,000	3,906,801
Transfers (out)	(2,993,270)	(53,807)	(550,000)	-	(309,724)	(3,906,801)
Issuance of refunding bonds	-	-	-	-	33,610,000	33,610,000
Payment to escrow agent	-	-	-	-	(36,511,842)	(36,511,842)
Bond premium	-	-	-	-	3,077,870	3,077,870
Total other financing sources (uses)	(2,343,336)	(52,068)	(550,000)	3,005,128	116,304	176,028
Change in fund balances	936,643	424,402	137,074	(3,874,754)	(19,696)	(2,396,331)
FUND BALANCES, beginning	18,536,294	3,550,116	411,988	6,571,858	2,275,196	31,345,452
FUND BALANCES, ending	\$ 19,472,937	\$ 3,974,518	\$ 549,062	\$ 2,697,104	\$ 2,255,500	\$ 28,949,121

The notes to the financial statements are an integral part of this statement.

TOWN OF DARIEN, CONNECTICUT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – GOVERNMENTAL FUNDS, CONTINUED**
 For the Year Ended June 30, 2013

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) \$ (2,396,331)

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

Capital outlay	6,144,062
Loss on disposals	66,950
Depreciation expense	(5,960,364)

Change in net OPEB asset	(106,882)
Change in net pension asset	13,761

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

School building grant receipts	(224,553)
Property tax receivable - accrual basis change	(318,567)
Property tax interest and lien revenue - accrual basis change	(21,251)
Sewer use - accrual basis change	(98,420)
Sewer assessment receivable - accrual basis change	1,237,604

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 issuance costs, premiums,
 discounts and similar items when debt is first issued, whereas these amounts are
 amortized and deferred in the statement of activities. The details of these differences in
 the treatment of long-term debt and related items are as follows:

Issuance of bonds payable	(33,610,000)
Bond and note principal payments	43,180,820
Amortization of deferred charge on refunding	1,363,986
Amortization of premiums	(2,824,689)

The change in net position of certain activities of internal service fund is reported with governmental activities	(29,887)
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Changes in some expenses reported in the statement of activities do not require the use of
 current financial resources and, therefore, are not reported as expenditures in the
 funds:

Compensated absences	(113,351)
Claims and judgements	(313,641)
Retainage payable	493,643
Accrued interest	(171,077)

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 6,311,813</u>
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The notes to the financial statements are an integral part of this statement.

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2013

	Governmental Activities
	Internal Service Funds
	<u> </u>
ASSETS	
Receivables:	
Due from other funds	\$ 196,714
	<u> </u>
Total assets	<u>196,714</u>
LIABILITIES	
Current liabilities:	
Accounts payable	219,355
Claims incurred but not reported	23,835
	<u> </u>
Total liabilities	<u>243,190</u>
NET POSITION (DEFICIT)	
Unrestricted (deficit)	(46,476)
	<u> </u>
Total net position (deficit)	<u>\$ (46,476)</u>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (DEFICIT) -
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2013**

	Governmental Activities
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 131,059
Total operating revenues	<u>131,059</u>
OPERATING EXPENSES	
Salaries, benefits and claims	160,946
Total operating expenses	<u>160,946</u>
Operating loss	(29,887)
NET POSITION (DEFICIT), beginning	<u>(16,589)</u>
NET POSITION (DEFICIT), ending	<u>\$ (46,476)</u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2013

	Governmental Activities
	Internal Service Funds
	<u> </u>
Cash Flows From Operating Activities	
Cash received from charges for services	\$ 131,059
Cash paid to vendors and beneficiaries	(131,059)
Net cash provided by operating activities	<u> </u>
	-
Net increase in cash and cash equivalents	-
Cash and Cash Equivalents	
Beginning	<u> </u>
	-
Ending	<u><u>\$ </u></u>
	-
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	\$ (29,887)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in due from other funds	(99,377)
Increase in accounts payable	219,355
Increase in claims incurred but not reported	13,435
Decrease in due to other funds	(103,526)
Net cash provided by operating activities	<u><u>\$ </u></u>
	-

The notes to the financial statements are an integral part of this statement.

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
June 30, 2013

	Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 395,146	\$ 400,258
Investments:		
Equity securities	54,504,109	-
Fixed income funds	40,725,525	-
Receivables:		
Interest and dividends	15,527	-
Total assets	<u>95,640,307</u>	<u>400,258</u>
LIABILITIES		
Accounts and other payables	<u>93,817</u>	<u>400,258</u>
NET POSITION		
Held in trust for pension benefits and other postemployment benefits	<u>\$ 95,546,490</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

COMBINED STATEMENT OF CHANGES IN PLAN NET POSITION
For the Year Ended June 30, 2013

	Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 3,418,020
Plan members	1,228,506
Total contributions	<u>4,646,526</u>
Investment Income	
Net appreciation in fair value of investments	12,115,257
Interest and dividends	1,802,964
Other	9,776
Net investment income	<u>13,927,997</u>
Total additions	<u>18,574,523</u>
DEDUCTIONS	
Benefits	4,395,315
Administration	411,528
Other	3,226
	<u>4,810,069</u>
Change in net position	13,764,454
NET POSITION	
Beginning of year	<u>81,782,036</u>
End of year	<u>\$ 95,546,490</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

The Town adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, in the current year. The adoption of this Statement changed the presentation of the basic financial statements to a statement of net position format.

The Town also adopted GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that are included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. GASB 62 does not have any impact on the Town's financial statements

Government-Wide and Fund Financial Statements

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

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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

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

Governmental Funds

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

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

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

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

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

Fiduciary Funds

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

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

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

Proprietary Fund

Additionally, the Town reports the following proprietary fund types:

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

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The Town reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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

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

Deposits and Investments

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

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

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

Interfunds

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

Property Taxes

The Town's property tax is levied each July 1, on the assessed value listed on the prior October 1, Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach the property does not exist until July 1. Therefore, taxes are due and payable in equal installments on July 1, and January 1, following the date of the Grand List. Interest of 1½% per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31, and are payable in one installment due January 1. An amount of \$113,000 has been established as an allowance for uncollectible taxes. At June 30, 2013, this represents approximately 6% of all property taxes receivable. All trade and property tax receivables are reported net of an allowance for uncollectibles.

Restricted Assets

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

Inventories and Prepaid Items

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

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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

Allowance for Doubtful Accounts

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

Compensated Absences

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

The Town and Board of Education liability for vacation pay is based upon the carryforward 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, Continued June 30, 2013

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.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

Long-Term Obligations

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

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

Pension Accounting

Pension Trust Funds:

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

Governmental Funds and Governmental Activities:

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Funding Policy:

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

Other Post-Employment Benefit Obligations (OPEB) accounting

OPEB Trust:

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

Governmental Funds and Governmental Activities:

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

Funding Policy:

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

Accounting estimates

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

Net position

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

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.
- Restricted Net Position – These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Unrestricted Net Position – This category represents the net position of the Town, which are not restricted for any project or other purpose. A deficit will require future funding.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Fund Balance

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

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

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

Note 2. Cash, Cash Equivalents and Investments

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$25,160,830 of the Town's bank balance of \$25,622,184 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 20,865,354
Collateralized, held by banks	<u>4,295,476</u>
Total amount subject to custodial credit risk	<u><u>\$ 25,160,830</u></u>

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within three months of maturity. At June 30, 2013 the Town's cash equivalents amounted to \$461,353. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

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

Investments

Investments as of June 30, 2013 in all funds are as follows:

	<u>Fair Value</u>
Common stock - trust funds	\$ 54,504,109
Fixed income funds fund account:	
Trust funds	40,725,525
Governmental funds - certificates of deposit	<u>8,251,675</u>
Total	<u><u>\$ 103,481,309</u></u>

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

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

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

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

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

Type of Investment	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Fixed income funds	\$ 40,725,525	\$ 2,436,198	\$ 16,909,519	\$ 6,928,201	\$ 14,451,607
Certificate of deposits	8,251,675	7,741,260	510,415	-	-
Pooled fixed income	461,353	461,353	-	-	-

Average Rating	Fixed Income Funds	Pooled Fixed Income	Certificate of Deposits	Common Stock
AAA	\$ 27,482,392	\$ 461,353	\$ -	\$ -
AA	1,357,683	-	-	-
A	4,351,960	-	-	-
BBB	4,432,539	-	-	-
Unrated	3,100,951	-	8,251,675	54,504,109
	<u>\$ 40,725,525</u>	<u>\$ 461,353</u>	<u>\$ 8,251,675</u>	<u>\$ 54,504,109</u>

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town maintains a listing of financial institutions approved to provide custody based on their creditworthiness in accordance with the Town's investment policy. The investment policy details the information which must be provided by financial institutions on an annual basis to become or remain qualified for investment transactions. At June 30, 2013, the Town had \$54,504,109 worth of uninsured common stock that was held by the Wells Fargo or by its trust department or agent that was in the Trust's name.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 3. Receivables

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

	General	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor and Other Funds	Total
Receivables:						
Interest on delinquent taxes	\$ 708,336	\$ -	\$ -	\$ -	\$ -	\$ 708,336
Taxes	1,325,137	291,939	-	-	-	1,617,076
Accounts	300,121	-	-	-	167,238	467,359
Special assessments	-	-	4,173,150	-	-	4,173,150
Intergovernmental	551,849	-	-	-	299	552,148
Interest receivable	-	30,192	-	-	-	30,192
Investment income	9,024	703	-	-	-	9,727
Gross receivables	2,894,467	322,834	4,173,150	-	167,537	7,557,988
Less allowance for property tax uncollectibles	(112,674)	-	-	-	-	(112,674)
Net Receivables	<u>\$ 2,781,793</u>	<u>\$ 322,834</u>	<u>\$ 4,173,150</u>	<u>\$ -</u>	<u>\$ 167,537</u>	<u>\$ 7,445,314</u>

Note 4. Deferred Revenue/Unearned Revenue

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

	Unavailable	Unearned
Delinquent property taxes	\$ 1,013,423	\$ -
Interest and delinquent property tax	687,818	-
Special assessments not yet due	4,173,150	-
Grant drawdowns prior to meeting all eligibility requirements	-	-
School building grants	427,505	-
Sewer use receivables	291,939	-
Interest on sewer use	30,192	-
Fees collected in advance	-	111,546
Total deferred/unearned revenue for governmental funds	<u>\$ 6,624,027</u>	<u>\$ 111,546</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Total
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 11,276,777	\$ -	\$ -	\$ -	\$ 11,276,777
Construction in progress	16,977,967	612,915	-	(16,435,655)	1,155,227
Total capital assets not being depreciated	28,254,744	612,915	-	(16,435,655)	12,432,004
Capital assets being depreciated:					
Buildings	190,429,911	4,677,361	-	16,185,869	211,293,141
Land improvements	4,089,674	-	-	-	4,089,674
Machinery and equipment	12,978,493	845,017	441,180	11,728	14,276,418
Infrastructure	37,961,063	8,769	-	238,058	38,207,890
Total capital assets being depreciated	245,459,141	5,531,147	441,180	16,435,655	267,867,123
Less accumulated depreciation for:					
Buildings	54,983,587	4,552,531	-	-	59,536,118
Land improvements	1,787,883	148,208	-	-	1,936,091
Machinery and equipment	7,153,626	770,399	374,230	-	8,298,255
Infrastructure	25,331,264	489,226	-	-	25,820,490
Total accumulated depreciation	89,256,360	5,960,364	374,230	-	95,590,954
Total capital assets being depreciated, net	156,202,781	(429,217)	66,950	16,435,655	172,276,169
Governmental Activities Capital Assets, Net	\$ 184,457,525	\$ 183,698	\$ 66,950	\$ -	\$ 184,708,173

Depreciation expense was charged to functions/programs as follows:

General government	\$ 222,342
Community environment	23,287
Public safety	415,750
Health and social services	765,104
Parks and recreation	159
Public works	135,204
Education	4,398,518
Total depreciation expense - governmental activities	\$ 5,960,364

TOWN OF DARIEN, CONNECTICUT

**NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013**

Construction Commitments

The Town has active construction projects as of June 30, 2013. A summary of capital projects is as follows:

Project	PROJECT EXPENDITURES							
	Additions Deletions	Total Project Authorization	2012-2013	Prior Year Cumulative	Current Year Cumulative	Encumbrances	Balance	
Clean Water Fund	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ 1,093,433	\$ 1,093,433	\$ -	\$ 406,567
Sewer Line Expansion	9,515,000	-	9,515,000	898	6,892,772	6,893,670	-	2,621,330
Sewer Capital	154,889	-	154,889	25,799	59,799	85,598	-	69,291
High School Building	75,799,440	-	75,799,440	-	74,994,974	74,994,974	-	804,466
Capital Non-Recurring Expenditures	15,685,528	-	15,685,528	1,584,092	8,696,062	10,280,154	727,442	4,677,932
Parking Capital	1,096,193	-	1,096,193	30,987	431,861	462,848	145,780	487,565
35 Leroy	4,125,000	-	4,125,000	-	3,909,979	3,909,979	-	215,021
Weed Beach	3,600,000	-	3,600,000	112,818	3,017,823	3,130,641	5,727	463,632
Police Station Addition	17,680,000	-	17,680,000	1,320,464	14,592,951	15,913,415	-	1,766,585
Tokeneke School Building	23,170,000	-	23,170,000	-	22,717,899	22,717,899	-	452,101
35 Leroy/Mather Center Weed Beach	6,979,000	-	6,979,000	3,196,103	384,778	3,580,881	271,983	3,126,136
Tennis Courts	-	460,000	460,000	-	-	-	459,542	458
Intervale Rd Drainage	-	1,500,000	1,500,000	-	-	-	-	1,500,000

Note 6. Interfund Receivables, Payables and Transfers

Individual fund interfund receivable and payable balances at June 30, 2013 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 2,811,199	\$ 8,457,375
Sewer Operating	2,338	403,515
Sewer Assessment	-	1,100,000
Capital Projects	9,527,545	622,180
Non-Major Governmental Funds	16,214	1,970,940
Internal Service Fund	196,714	-
Total	\$ 12,554,010	\$ 12,554,010

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Interfund transfers during the year ended June 30, 2013 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 649,934	\$ 2,993,270
Sewer Operating Fund	1,739	53,807
Sewer Assessment Fund	-	550,000
Capital Projects	3,005,128	-
Non-Major Governmental Funds	250,000	309,724
Total	\$ 3,906,801	\$ 3,906,801

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

Note 7. Leases

Operating Leases

The Town leases some office equipment under operating leases. Total expense for such leases was \$376,363 for the year ended June 30, 2013. These leases are cancelable at any time before the expiration date of the year 2018. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2014	\$ 374,527
2015	374,527
2016	331,844
2017	319,841
2018	9,204
Total	<u>\$ 1,409,943</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 8. Long-Term Debt

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 98,585,000	\$ 33,610,000	\$ (43,135,000)	\$ 89,060,000	\$ 7,975,000
Clean water notes	420,273	-	(45,820)	374,453	46,745
Less deferred amounts on refunding bonds	(989,279)	(1,625,000)	261,014	(2,353,265)	-
Premium	1,608,874	3,077,870	(253,181)	4,433,563	-
Total bonds and notes payable	<u>99,624,868</u>	<u>35,062,870</u>	<u>(43,172,987)</u>	<u>91,514,751</u>	<u>8,021,745</u>
Compensated absences	1,969,576	1,531,517	(1,418,166)	2,082,927	1,331,302
Claims and judgements	-	313,641	-	313,641	313,641
Retainage payable	<u>607,148</u>	<u>113,505</u>	<u>(607,148)</u>	<u>113,505</u>	<u>113,505</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 102,201,592</u>	<u>\$ 37,021,533</u>	<u>\$ (45,198,301)</u>	<u>\$ 94,024,824</u>	<u>\$ 9,780,193</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Bonds and notes outstanding by issue at June 30, 2013 were:

Description	Year of Maturity	Interest Rate (%)	Balance Outstanding June 30, 2013
General Obligation Bonds:			
DHS & Tokeneke	2028	3.25-5.00	\$ 1,862,500
Library	2028	3.25-5.00	87,500
Refunding 2009	2018	2.00-5.00	12,745,000
DHS 2010	2028	2.39	3,422,000
Police Station 2010	2020	2.39	228,000
Refunding 2010	2020	2.55	9,046,000
PD/35 Leroy 2011	2024	2.75	10,885,000
PD/35 Leroy 2012	2027	2.52	13,230,000
Refunding 2012	2027	1.7-5.0	32,046,000
Total general obligation bonds			<u>83,552,000</u>
Special Assessment Debt with Town Commitment:			
Refunding 2009	2018	2.00-5.00	815,000
Refunding 2010	2020	2.55	1,939,000
Goodwives River Road 2011	2024	2.75	1,115,000
Goodwives River Road 2012	2027	2.52	770,000
Refunding 2012	2027	1.7-5.0	869,000
Total special assessment debt with town commitment			<u>5,508,000</u>
Total bonds			<u>89,060,000</u>
State Loans:			
Clean Water	2022	2.00	374,454
Total state loans			<u>374,454</u>
Total bonds and notes outstanding			<u>\$ 89,434,454</u>

During fiscal year 2013, principal and interest payments were funded principally 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.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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 \$427,505 and interest subsidies of \$29,558 will be received over the life of the outstanding debt.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 8,021,745	\$ 2,968,637
2015	8,272,688	2,717,856
2016	8,603,651	2,387,881
2017	8,959,633	2,032,880
2018	8,725,634	1,706,129
2019-2023	35,701,103	4,280,464
2024-2028	11,150,000	723,781
Total	<u>\$ 89,434,454</u>	<u>\$ 16,817,628</u>

Authorized Unissued Bonds

At June 30, 2013, the Town had \$2,200,000 of authorized, unissued bonds for sewer line extension projects, \$12,686 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, \$1,875,000 for the Police Station Project, \$1,000,000 for the Weed Beach Project, \$3,479,000 for the 35L/MCC project, \$460,000 for the Weed Beach Tennis Court project, and \$1,600,000 for the Intervale Drainage project. The Darien High School and Tokeneke Elementary School Projects are partially offset by State of Connecticut grants.

Debt Limit

The Town's total indebtedness does not exceed the limit of \$ 784,105,000 allowed by State Statute.

2012 General Obligation Bond – In-Substance Defeasance

On August 7, 2012, the Town issued \$33,610,000 of general obligation refunding bonds with interest rates ranging from 1.22% to 5.00% of which the proceeds were used to advance refund portions of the outstanding principal amounts of the general obligation bond of the Town dated July 6, 2005 and January 15, 2008 (the "Refunding Bonds"). Total proceeds of \$36,511,842 include \$3,078,000 net original issue premium and payment of \$176,000 in underwriters fees and other costs to arrive at net proceeds of \$33,511,000, which was placed in an irrevocable trust fund under an Escrow Agreement dated August 2012 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$ 4,129,878, and a cash savings of \$ 4,574,204 between the old debt payments and the new debt payments.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

The balance in the escrow was approximately \$9,393,000 at June 30, 2013. The balance of the defeased bonds was approximately \$8,775,000 at June 30, 2013. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

Prior Year Refundings

In prior year, the Town defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2013, \$3,900,000 of the defeased debt is outstanding.

Compensated Absences

The liability for compensated absences increased by \$113,351 this year. These liabilities will be paid by the General Fund, Sewer Operating Fund, and Parking Operations Fund.

Note 9. Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or natural disasters. The Town purchases commercial insurance for all risks of loss, except dental claims as discussed below. During the year ended June 30, 2013, deductibles paid by the Town were insignificant. Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

Risk Pooling

The Town is a member of the CIRMA Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The premium paid in 2012/13 was \$1,142,716. 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.

Self-Insurance Plans

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

A third party administers the Town's self-insurance program. There is no stop loss coverage. The Town's General Fund liquidates the claims through annual appropriations. The claims liability of \$37,569 reported at June 30, 2013 is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The claims liability of \$26,269 and \$11,300 are reported in the General Fund and Internal Service Fund, respectively. The amount of claim accrual is based on the ultimate costs of settling the claim which includes past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

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

	Claims Payable July 1,	Claims And Changes in Estimates	Claims Paid	Claims Payable June 30,
2011-2012	\$ 43,721	\$ 2,830,422	\$ 2,831,129	\$ 43,014
2012-2013	43,014	2,152,232	2,157,677	37,569

Note 10. Other Post-Employment Benefits

Plan Description

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

Membership in the Plans consisted of the following at June 30, 2012, the date of the latest actuarial valuation:

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program
Plan memberships:		
Retirees and surviving spouses	19	58
Active plan members	46	553
Total participants	<u>65</u>	<u>611</u>

Funding Policy

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Annual OPEB Cost and Net OPEB Obligations

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

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program
Annual required contribution (ARC)	\$ 424,706	\$ 361,200
Interest on net OPEB obligation	(34,426)	-
Adjustment to annual required contribution	46,398	-
Annual OPEB cost	436,678	361,200
Contributions made	329,796	361,200
Decrease in net OPEB asset	106,882	-
Net OPEB (asset), beginning of year	(459,017)	-
Net OPEB (asset), end of year	<u>\$ (352,135)</u>	<u>\$ -</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2013, 2012 and 2011 are presented below.

Police

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/13	\$ 436,678	\$ 329,796	75.52%	\$ (352,135)
6/30/12	543,919	429,569	78.98%	(459,017)
6/30/11	523,430	405,871	77.54%	(573,367)

Non-Police

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/13	\$ 361,200	\$ 361,200	100.00%	\$ -
6/30/12	452,050	452,050	100.00%	-
6/30/11	400,011	303,578	75.89%	-

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Funding Status and Funding Progress

<i>SCHEDULE OF FUNDING PROGRESS - OPEB</i>						
Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police						
06/30/11	\$ 2,133,971	\$ 4,780,656	\$ 2,646,685	44.6%	\$ 3,818,581	69.31%
Non-Police						
06/30/11	\$ 1,136,257	\$ 3,606,158	\$ 2,469,901	31.5%	N/A	N/A

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

Additional information as of the latest actuarial valuations follows:

	Police	Non-Police
Valuation date	June 30, 2011	June 30, 2011
Actuarial cost method	Aggregate	Projected Unit Credit
Amortization method	Level Percent	Level Percent
Remaining amortization period	30 years Closed	30 years Closed
Asset valuation method	Market Value	Market Value
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Inflation rate	5%	5%
<u>Health Care Trend</u>	<u>Increase</u>	<u>Increase</u>
2012-2013	10.0%	10.0%
2013-2014	9.0%	9.0%
2014-2015	8.0%	8.0%
2015-2016	7.0%	7.0%
2016-2017	6.0%	6.0%
2017-2018 and later	5.0%	5.0%

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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

Note 11. Employee Retirement Systems and Pension Plans

Plan Description

The Funded Retirement Plan of the Town of Darien

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

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

At June 30, 2011 (date of the last valuation), membership in the Town Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	150
Terminated members entitled to benefits but not yet receiving them	11
Current active members	<u>349</u>
Total	<u><u>510</u></u>

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

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

Town of Darien Police Pension Fund

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

At June 30, 2011, membership in the Police Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	54
Current active members	<u>51</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.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

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

Valuation of Investments

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

Contributions

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

Schedule of Funding Progress

Town						
Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2011	\$ 38,173,965	\$ 44,995,779	\$ 6,821,814	84.84%	\$ 16,875,651	40.4%

Police						
Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2011	\$ 27,839,876	\$ 34,662,756	\$ 6,822,880	80.32%	\$ 4,135,601	165.0%

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Schedule of Employer Contributions

Actuarial Assumptions

The data presented in the schedule of funding progress and schedule of employer contributions were determined as part of the actuarial valuation at the date indicated.

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	June 30, 2011
Actuarial cost method	Aggregate (Entry Age method used for Schedule of Funding Progress)
Asset valuation method	5 Years smoothed market
Actuarial assumptions:	
Rate of return	7.5%
Projected salary increases	4.5%
Inflation rate	None
COLA	None

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

Annual Pension Cost and Net Pension Asset

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

	Town Plan	Police Plan
Annual required contribution (ARC)	\$ 1,593,296	\$ 1,119,967
Adjustment to annual required contribution	-	-
Annual pension cost	1,593,296	1,119,967
Contributions made	1,601,430	1,125,594
Decrease in net pension asset	(8,134)	(5,627)
Net pension obligation (asset), beginning of year	-	-
Net pension asset, end of year	<u>\$ (8,134)</u>	<u>\$ (5,627)</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Trend Information

Town			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2013	\$ 1,593,296	100.5%	\$ (8,134)
2012	1,671,289	100.0%	-
2011	1,515,023	100.0%	-

Police			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2013	\$ 1,119,967	100.5%	\$ (5,627)
2012	1,133,728	100.0%	-
2011	1,027,782	100.0%	-

Separate Plan Financial Information

Schedule of Plan Net Position - Trust Funds
For the Year Ended June 30, 2013

	Police	Town	Police Retiree Medical Reserve	Non-Police Retiree Benefit	Total Trust Funds
Assets:					
Cash and cash equivalents	\$ -	\$ 168,888	\$ 93,225	\$ 133,033	\$ 395,146
Investments, at fair value:					
Equity securities	22,691,434	31,812,675	-	-	54,504,109
Fixed income funds	15,202,340	21,306,477	2,514,891	1,701,817	40,725,525
Receivables:					
Investment income	7,147	8,376	1	3	15,527
Total assets	37,900,921	53,296,416	2,608,117	1,834,853	95,640,307
Liabilities:					
Accounts payable	65,676	28,141	-	-	93,817
Total liabilities	65,676	28,141	-	-	93,817
Net Position:					
Net position held in trust	\$ 37,835,245	\$ 53,268,275	\$ 2,608,117	\$ 1,834,853	\$ 95,546,490

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Schedule of Changes in Plan Net Position - Trust Funds
For the Year Ended June 30, 2013

	Police	Town	Police Retiree Medical Benefit	Non-Police Retiree Benefit	Total Trust Funds
Additions:					
Contributions:					
Employer	\$ 1,125,594	\$ 1,601,430	\$ 329,796	\$ 361,200	\$ 3,418,020
Plan members	284,080	944,426	-	-	1,228,506
Total contributions	1,409,674	2,545,856	329,796	361,200	4,646,526
Investment income:					
Net appreciation in fair value investments	4,908,736	6,834,588	170,926	201,007	12,115,257
Interest and dividends	726,858	1,015,883	31,808	28,415	1,802,964
Other Income		9,776	-	-	9,776
Total investment income	5,635,594	7,860,247	202,734	229,422	13,927,997
Total additions	7,045,268	10,406,103	532,530	590,622	18,574,523
Deductions:					
Benefits	1,673,791	2,176,432	286,428	258,664	4,395,315
Administration	170,629	231,751	3,790	5,358	411,528
Other	3,226	-	-	-	3,226
Total deductions	1,847,646	2,408,183	290,218	264,022	4,810,069
Net increase	5,197,622	7,997,920	242,312	326,600	13,764,454
Net position, beginning of year	32,637,623	45,270,355	2,365,805	1,508,253	81,782,036
Net position, end of year	\$ 37,835,245	\$ 53,268,275	\$ 2,608,117	\$ 1,834,853	\$ 95,546,490

Teachers' Retirement Plan

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

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

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$8,520,000.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2013, the Town has recorded in the General Fund intergovernmental revenue schools and Board of Education expenditures in the amount of \$8,520,000 as payments made by the State of Connecticut on behalf of the Town.

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

Note 12. Contingent Liabilities

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

Various litigation, principally involving claims for personal injury and contested tax assessment, is pending against the Town. For certain cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the government-wide statement of approximately \$313,641. Based upon the advice of the Town Counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the Town.

Note 13. Fund Deficits

The following fund had fund deficits as of June 30, 2013:

Cafeteria	\$	4,283
Storm Recovery Fund		251,427
Internal Service Funds		46,476

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 14. Fund Balances

Below is a table of fund balance categories and classifications as defined by GASB No. 54 for the Town's governmental funds as of June 30, 2013:

	General Fund	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor Governmental Funds
Fund balances:					
Non-spendable:					
Prepays	\$ 658,537	\$ -	\$ -	\$ 9,970	\$ -
Total non-spendable	658,537	-	-	9,970	-
Restricted:					
Social services	-	-	-	-	265,843
Public works	-	-	-	-	987,816
Education	-	-	-	-	180,499
Recreation	-	-	-	-	34,906
Capital outlay	-	-	-	3,140,243	-
Total restricted	-	-	-	3,140,243	1,469,064
Committed:					
Public safety	-	-	-	-	486,045
Public works	-	3,974,518	549,062	-	-
Public health and social services	-	-	-	-	362,234
Capital outlay	-	-	-	-	1,350
Debt service	-	-	-	-	192,517
Total committed	-	3,974,518	549,062	-	1,042,146
Assigned:					
General government	1,045,531	-	-	-	-
Public safety	28,431	-	-	-	-
Public works	166,121	-	-	-	-
Education	100,000	-	-	-	-
Capital outlay	69,919	-	-	-	-
Total assigned	1,410,002	-	-	-	-
Unassigned:					
General government	17,404,398	-	-	-	-
Capital outlay	-	-	-	(453,109)	(255,710)
Total unassigned	17,404,398	-	-	(453,109)	(255,710)
Total fund balances	\$ 19,472,937	\$ 3,974,518	\$ 549,062	\$ 2,697,104	\$ 2,255,500

Significant encumbrances at June 30, 2013 are contained in the above table in the assigned categories of the General Fund.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Note 15. Governmental Accounting Standards Board (GASB) Statements

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

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- **GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities***, clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, GASB 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, GASB 65 recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources. The provisions of this Statement are effective for periods beginning after December 15, 2012, and would be applied on a prospective basis. Early adoption is encouraged
- **GASB Statement No. 66, *Technical Corrections - 2012***, enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. GASB 66 amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state or local government's risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (a) operating lease payments that vary from a straight-line basis; (b) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (c) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement are effective for periods beginning after December 15, 2012, and would be applied on a prospective basis. Early adoption is encouraged.
- **GASB Statement No. 67, *Financial Reporting for Pension Plans an amendment of GASB Statement No. 25***, was issued in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2014.

- **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27***, was issued in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2015.
- **GASB Statement No. 69, *Government Combinations and Disposals of Government Operations***, was issued in January 2013. This Statement provides guidance for:
 - Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations.
 - Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations.
 - Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based on their acquisition values in a government acquisition.
 - Reporting the disposal of government operations that have been transferred or sold.

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

- **GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees***. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.
- **GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68***. The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, Accounting and Financial Reporting for Pensions, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The provisions of this Statement are effective for reporting periods beginning after June 15, 2014.

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**Required Supplementary
Information**

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

(NON-GAAP BUDGETARY BASIS)

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Property taxes:				
Property taxes current	\$ 110,858,573	\$ 110,858,573	\$ 110,868,836	\$ 10,263
Property taxes prior	400,000	400,000	626,263	226,263
Suspense tax collections	1,000	1,000	2,297	1,297
Telecommunication property tax	70,000	70,000	59,824	(10,176)
Interest and liens	250,000	250,000	501,100	251,100
Total property taxes	111,579,573	111,579,573	112,058,320	478,747
Licenses and permits:				
Tourist camp permits	-	-	50	50
Town clerks' revenue	1,100,000	1,100,000	1,776,358	676,358
Building permits	900,000	900,000	1,201,346	301,346
Plumbing permits	400	400	680	280
Heating permits	20,000	20,000	39,140	19,140
Electrical permits	35,000	35,000	46,670	11,670
Other building permits	500	500	1,582	1,082
Amusement/raffle/baz	400	400	225	(175)
Peddler and vendor's	200	200	390	190
Pistol permits	2,000	2,000	5,040	3,040
Other non-business permits	500	500	370	(130)
Dog licenses	5,000	5,000	6,862	1,862
Fire Marshal's	7,500	7,500	9,993	2,493
Refuse disposal permits	250,000	250,000	273,025	23,025
Street opening permits	10,000	10,000	13,200	3,200
Food establishment	60,000	60,000	70,689	10,689
Pool permits	6,000	6,000	5,650	(350)
Salon permits	3,000	3,000	2,800	(200)
Private sewage disposals	30,000	30,000	27,355	(2,645)
Water supply permits	5,000	5,000	3,550	(1,450)
Other health permits	1,000	1,000	1,055	55
Total licenses and permits	2,436,500	2,436,500	3,486,030	1,049,530
Intergovernmental:				
Capital improvement grant	109,397	109,397	111,835	2,438
State grant misc	40,000	40,000	212,375	172,375
Housing Authority	-	-	64,272	64,272
Taxes on State-owned land	114,722	114,722	100,116	(14,606)
Pequot distribution	7,915	7,915	7,653	(262)
Disabled persons	100	100	208	108
Circuit breaker	61,000	61,000	65,130	4,130
Elderly tax exemption	2,000	2,000	2,000	-
Veterans' exemption	1,700	1,700	1,765	65

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
 (NON-GAAP BUDGETARY BASIS), Continued
 For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Intergovernmental:				
Court fines	20,000	20,000	32,042	12,042
Infrastructure - Town Aid/LOCIP	166,082	166,082	56,121	(109,961)
Emergency Storm Damage	-	-	22,695	22,695
State school reimbursement	253,138	253,138	253,138	-
Education cost-sharing grant	1,616,006	1,616,006	1,732,977	116,971
Transportation	324	324	295	(29)
Total intergovernmental	2,392,384	2,392,384	2,662,622	270,238
Charges for services:				
Channel 79 fees	1,200	1,200	3,027	1,827
Sale of codes, regulations, etc.	1,000	1,000	1,446	446
ARB fees	1,800	1,800	1,468	(332)
GIS Fees	100	100	-	(100)
Planning and zoning application	53,794	53,794	60,540	6,746
ZBA application fees	16,610	16,610	19,050	2,440
EPC fees	15,048	15,048	16,505	1,457
Other charges	10,000	10,000	20,691	10,691
Fingerprinting fee	1,200	1,200	1,330	130
Service for Sewer	55,000	55,000	55,000	-
Freon Dumping fee	6,000	6,000	7,570	1,570
Refuse fee	490,000	490,000	584,519	94,519
Service for parking	85,014	85,014	85,014	-
Parking vouchers	19,000	19,000	41,407	22,407
Parking permits	165,000	165,000	134,180	(30,820)
Senior Center Food Program	25,012	25,012	24,942	(70)
Senior Center Program Revenue	12,000	12,000	10,983	(1,017)
Youth Commission fee	197,430	197,430	192,016	(5,414)
Beach parking permits	240,000	240,000	255,840	15,840
Boat permits	7,800	7,800	6,605	(1,195)
Paddle court	37,890	37,890	51,976	14,086
Parks and Recreation other fees	120,000	120,000	140,172	20,172
Park Facility permit	15,000	15,000	18,875	3,875
Tennis court	1,000	1,000	435	(565)
Total charges for services	1,576,898	1,576,898	1,733,591	156,693

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

(NON-GAAP BUDGETARY BASIS), Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Fines and forfeits	29,400	29,400	34,305	4,905
Investment Income	150,000	150,000	176,012	26,012
Miscellaneous:				
Metro mobile rent	120,000	120,000	134,140	14,140
Misc. other revenue	10,000	10,000	16,482	6,482
Coin operated xerox	16,000	16,000	21,818	5,818
Sale of compost	8,000	8,000	11,079	3,079
Sale of recyclables	20,000	20,000	23,401	3,401
Sale of scrap metal	60,000	60,000	70,158	10,158
Rent-Town Hall	25,000	25,000	41,010	16,010
Rent Community Fund	4,625	4,625	4,807	182
Commission on Aging	47,349	47,349	51,740	4,391
Paddle Court Rent	-	-	2,350	2,350
Insurance recoveries	20,000	20,000	122,776	102,776
Total miscellaneous	330,974	330,974	499,761	168,787
Total revenues	118,495,729	118,495,729	120,650,641	2,154,912
Other financing sources:				
Transfers in:				
Sewer Assessment Fund	550,000	550,000	550,000	-
Sewer Operating Funds	53,807	53,807	53,807	-
Other Funds	35,000	35,000	46,127	11,127
Total transfers in	638,807	638,807	649,934	11,127

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
 (NON-GAAP BUDGETARY BASIS), Continued
 For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Appropriation of fund balance	1,100,000	2,344,733		(2,344,733)
Total other financing sources	1,738,807	2,983,540	649,934	(2,333,606)
Total revenues and other financing sources	\$ 120,234,536	\$ 121,479,269	121,300,575	\$ (178,694)

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. 8,520,000

The Board of Education does not budget for certain intergovernmental grants which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes. 2,188,837

**Total Revenues and Other Financing Sources as Reported
 on the Statement of Revenues, Expenditures and Changes in
 Fund Balances - Governmental Funds - Exhibit IV.** \$ 132,009,412

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND

(NON-GAAP BUDGETARY BASIS)

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government:				
Selectmen's office	\$ 163,286	\$ 161,493	\$ 160,842	\$ 651
Administrative Officer	343,646	377,567	376,382	1,185
Human Resources	140,546	146,790	146,668	122
RTM	2,160	2,531	2,530	1
Financial management	417,262	436,296	435,969	327
Treasurer	23,124	23,124	23,024	100
Board of Finance	35,750	38,950	38,950	-
Tax Assessor	277,416	278,152	277,406	746
Tax Collector	233,241	242,503	242,002	501
Legal services	521,945	558,097	558,095	2
Town Clerk	277,946	281,664	280,513	1,151
Registrar of Voters	90,652	90,534	88,699	1,835
Information Services	283,899	272,849	272,152	697
Elections	53,804	53,922	52,270	1,652
Probate court	8,000	8,000	5,741	2,259
Total general government	2,872,677	2,972,472	2,961,243	11,229
Community environment:				
Development Planning	522,533	538,633	538,211	422
Planning and Zoning	9,228	8,211	7,454	757
Zoning Appeals	9,110	11,518	11,518	-
Environmental Protection	5,420	4,140	3,873	267
Regional Planning	7,003	7,003	7,003	-
Beautification	26,000	26,000	24,833	1,167
Celebrations and observances	10,400	10,203	8,341	1,862
Harbor Master	715	912	910	2
Total community environment	590,409	606,620	602,143	4,477
Public safety:				
Building Department	313,134	308,900	308,788	112
Police Department:				
Administration	662,084	668,085	667,789	296
Criminal Investigation	471,431	474,659	474,332	327
Patrol	3,868,429	4,143,247	4,142,209	1,038
Records	303,769	290,865	290,500	365
Youth	188,980	185,602	185,601	1
Marine Patrol	11,130	11,124	10,910	214
Professional Standards	159,089	170,113	168,006	2,107
Traffic and School Crossing	69,829	67,369	66,956	413
Fleet Services	123,714	122,652	122,598	54
Station maintenance and communication	174,290	251,985	251,254	731
Prisoner custody	1,200	1,321	1,321	-
Animal Control	69,544	72,179	71,929	250
Total Police Department	6,103,489	6,459,201	6,453,405	5,796

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND
(NON-GAAP BUDGETARY BASIS), Continued
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Fire service and emergency medical service:				
Darien Fire Department	156,119	144,081	142,621	1,460
Noroton Fire Department	181,792	171,570	171,397	173
Noroton Heights Fire Department	168,481	168,481	164,002	4,479
Board of Fire Commissioners	99,075	86,241	83,669	2,572
Fire Marshal	291,853	300,176	298,610	1,566
Hydrants and main rental	375,692	403,448	403,448	-
Disaster preparedness	19,860	18,874	18,712	162
Emergency medical service	92,433	152,814	152,231	583
Total fire service and emergency medical service	1,385,305	1,445,685	1,434,690	10,995
Total public safety	7,801,928	8,213,786	8,196,883	16,903
Management and Engineering	330,274	378,785	378,261	524
Roadway and walkway maintenance	2,460,619	2,473,418	2,473,417	1
Waste Management	1,199,856	1,228,560	1,227,642	918
Public building management	404,260	370,081	370,081	-
Parking facility	60,721	47,942	47,542	400
Total public works	4,455,730	4,498,786	4,496,943	1,843
Health and social services:				
Social services	190,742	194,409	193,932	477
Social service - outside assistance	22,500	14,750	13,065	1,685
Senior Center	380,228	374,003	348,348	25,655
Senior transportation	47,349	51,741	51,740	1
Youth programs	306,265	303,625	300,140	3,485
Youth services grants	53,075	53,075	53,075	-
Other outreach services	11,900	11,900	8,780	3,120
Health Department	283,788	280,256	273,682	6,574
Total health and social services	1,295,847	1,283,759	1,242,762	40,997
Parks and recreation:				
Administration	372,281	384,730	383,327	1,403
Beach and court facilities	179,894	170,830	165,308	5,522
Maintenance and repair	379,005	379,732	379,624	108
Organized recreation activities	36,120	27,968	25,668	2,300
Grounds, fields, building	236,283	231,018	223,709	7,309
Total parks and recreation	1,203,583	1,194,278	1,177,636	16,642
Overhead and miscellaneous:				
Employee benefits	5,017,327	5,020,201	5,020,198	3
Risk management	803,504	851,722	840,195	11,527
Contingency	564,259	-	-	-
Total overhead and miscellaneous	6,385,090	5,871,923	5,860,393	11,530

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND
 (NON-GAAP BUDGETARY BASIS), Continued
 For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Library	3,249,087	3,263,537	3,263,537	-
Board of Education - operations	79,984,182	80,149,182	79,781,325	367,857
Board of Education - Sewer payments	-	132,733	132,733	-
Debt service:				
Schools	9,234,587	9,184,630	9,184,630	-
Town	559,532	556,940	556,940	-
Sewer	546,691	546,691	546,632	59
Total debt service	10,340,810	10,288,261	10,288,202	59
Total expenditures	118,179,343	118,475,337	118,003,800	471,537
Other financing uses:				
Transfers out:				
Storm Fund		250,000	250,000	-
OPEB	10,662	10,662	10,662	-
Capital nonrecurring expenditures	2,044,531	2,743,270	2,743,270	-
Total other financing uses	2,055,193	3,003,932	3,003,932	-
Total	\$ 120,234,536	\$ 121,479,269	121,007,732	\$ 471,537

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.	8,520,000
Encumbrances for purchases and commitments ordered but not yet received are reported in the year the order is placed for budgetary purposes, but in the year received for final reporting purposes.	(643,800)
The Board of Education does not budget for certain intergovernmental grants which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.	2,188,837
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund - Exhibit IV	\$ 131,072,769

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
 SEWER OPERATING FUND (NON-GAAP BUDGETARY BASIS)**
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Licenses and permits	\$ 10,000	\$ 10,000	\$ 11,850	\$ (1,850)
Charges for services	2,797,764	2,797,764	3,438,866	(641,102)
Fines and forfeits	35,000	35,000	63,878	(28,878)
Investment income	25,000	25,000	27,255	(2,255)
Total revenues	2,867,764	2,867,764	3,541,849	(674,085)
Expenditures:				
Sewer operations:				
Administration	292,714	298,453	461,536	(163,083)
Collection and pumping	435,780	435,780	449,073	(13,293)
Treatment service	1,920,000	1,920,000	1,967,784	(47,784)
Overhead and miscellaneous	165,463	165,463	180,235	(14,772)
Total expenditures	2,813,957	2,819,696	3,058,628	(238,932)
Excess (deficiency) of revenues over expenditures	53,807	48,068	483,221	(435,153)
Other Financing Sources (Uses):				
Operating transfers In		1,739	1,739	
Operating transfers out	53,807	53,807	(53,807)	107,614
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 107,614	\$ 103,614	431,153	\$ (327,539)
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.			(6,751)	
GAAP fund balance change, end of year			\$ 424,402	

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
OTHER POST EMPLOYMENT BENEFIT PLAN
June 30, 2013

SCHEDULE OF FUNDING PROGRESS - OPEB

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police						
06/30/12	\$ 2,365,805	\$ 5,387,763	\$ 3,021,958	43.9%	\$ 4,294,463	70.37%
06/30/11	\$ 2,133,971	\$ 4,780,656	\$ 2,646,685	44.6%	\$ 3,818,581	69.30%
06/30/09	\$ 1,317,602	\$ 4,821,068	\$ 3,503,467	27.3%	\$ 4,129,118	84.9%
06/30/07	\$ -	\$ 4,276,948	\$ 4,276,948	0.0%	\$ 3,598,772	118.8%
Non-Police						
06/30/12	\$ 1,508,244	\$ 3,899,220	\$ 2,390,976	38.7%	\$ 45,934,076	0.00%
06/30/11	\$ 1,136,257	\$ 3,606,158	\$ 2,469,901	31.5%	\$ 42,742,437	6.28%
06/30/09	\$ 1,081,222	\$ 3,748,552	\$ 2,667,330	28.8%	\$ 41,611,300	6.4%
06/30/07	\$ -	\$ 4,475,369	\$ 4,475,349	0.0%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB

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

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
TOWN AND POLICE PENSION PLANS
SCHEDULE OF FUNDING PROGRESS
June 30, 2013

Schedule of Funding Progress - Town

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2012	\$ 40,313,620	\$ 48,026,347	\$ 7,712,727	83.94%	\$ 17,271,448	44.7%
2011	\$ 38,173,965	\$ 44,995,779	\$ 6,821,814	84.84%	\$ 16,875,651	40.4%
2009	\$ 33,150,591	\$ 38,943,751	\$ 5,793,160	85.12%	\$ 17,138,717	33.8%
2007	\$ 29,087,137	\$ 32,962,616	\$ 3,875,479	88.24%	\$ 15,196,000	25.5%

Schedule of Funding Progress - Police

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2012	\$ 27,781,972	\$ 36,100,388	\$ 8,318,416	76.96%	\$ 4,660,227	178.5%
2011	\$ 27,839,876	\$ 34,622,756	\$ 6,822,880	80.32%	\$ 4,135,601	165.0%
2009	\$ 25,437,366	\$ 31,211,236	\$ 5,773,870	81.50%	\$ 3,960,737	145.8%
2007	\$ 23,459,042	\$ 27,775,450	\$ 4,316,408	84.50%	\$ 3,579,000	120.6%

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
TOWN AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2013

Schedule of Employer Contributions - Town

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2013	\$ 1,593,296	\$ 1,601,430	100.5%
2012	1,671,289	1,671,289	100.0%
2011	1,515,023	1,515,023	100.0%
2010	1,330,023	1,330,023	100.0%
2009	1,231,739	1,231,739	100.0%
2008	1,197,070	1,141,561	95.4%

Schedule of Employer Contributions - Police

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2013	\$ 1,119,967	\$ 1,125,594	100.5%
2012	1,133,728	1,133,728	100.0%
2011	1,027,782	1,027,782	100.0%
2010	866,685	866,685	100.0%
2009	800,558	800,558	100.0%
2008	807,655	807,655	100.0%

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
June 30, 2013

Note 1. Stewardship, Compliance and AccountabilityBudgetary Information

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

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

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

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited), Continued
June 30, 2013

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

APPENDIX B – OPINION OF BOND COUNSEL

September 10, 2014

Town of Darien
2 Renshaw Road
Darien, CT 06820

**Re: \$1,925,000 General Obligation Bond Anticipation Notes
Dated September 10, 2014**

Ladies and Gentlemen:

We have acted as bond counsel to the Town of Darien, Connecticut (the “Town”) and have examined a record of proceedings relative to the sale and issuance of the Town’s \$1,925,000 General Obligation Bond Anticipation Notes, dated September 10, 2014 (the “Notes”).

In connection therewith, we have examined the law and such other materials as we have deemed necessary in order to render this opinion and have relied upon originals or copies, certified or otherwise identified to our satisfaction, of such public and private records, certificates and correspondence of public officials, including certificates of officials of the Town and such other documents as were provided to us. In making such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of documents submitted as certified or photostatic copies, the validity of all applicable statutes, ordinances, rules and regulations, the capacity of all persons executing documents, and the proper indexing and accuracy of all public records and documents. As to questions of fact material to our opinion, we have relied upon representations of the Town contained in the certified proceedings of the Town, including the Tax Regulatory and Compliance Agreement (the “Agreement”) and other certifications received from the Town, all dated as of September 10, 2014 in connection with the issuance and delivery of the Notes, without undertaking to verify the same by independent investigation.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met in and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Notes shall not be included in the gross income of the owners thereof for federal income tax purposes under the Code.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Information Statement or any other offering material relating to the Notes (except the matters set forth as our opinion in the Information Statement), and we express no opinion relating thereto.

We are of the following opinion:

1. When certified as provided thereon by a duly authorized official of U.S. Bank National Association, Hartford, Connecticut, the Notes will be the valid and binding general obligations of the Town payable as to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town. All ad valorem taxes are without limitation as to rate or amount except as to certain classified property such as certified forest land taxable at a limited rate pursuant to Section 12-97 of the Connecticut General Statutes and dwelling houses of qualified elderly persons of low income taxable at limited amounts pursuant to Section 12-129b of the Connecticut General Statutes. Subject to conformity with Section 12-129d of the Connecticut General Statutes, the State of Connecticut is obligated to pay 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.

2. Under existing law, interest on the Notes is not included in the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code and such interest will not be treated as a preference item for purpose of calculating the federal alternative minimum tax for individuals or corporations. 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 Notes.

In rendering the foregoing opinion regarding the federal treatment of interest on the Notes, 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 and with requirements of the Code as to such tax matters.

3. Under existing statutes, interest on the Notes is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and excludable 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. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Notes may affect the tax status of interest on the Notes.

Very truly yours,

PULLMAN & COMLEY, LLC

APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

In Connection With The Issuance and Sale of \$1,925,000 General Obligation Bond Anticipation Notes, dated September 10, 2014

This Continuing Disclosure Agreement (“Agreement”) is executed and delivered as of September 10, 2014, by the Town of Darien, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$1,925,000 General Obligation Bond Anticipation Notes dated September 10, 2014 (the “Notes”).

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

“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 August 28, 2014, prepared in connection with the issuance of the Notes.

“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 2 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. 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 Notes, 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 Notes, 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 Notes, 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 Notes;
- (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 3. 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 Notes.

Section 4. 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 5. 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 Notes 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 6. 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 7. 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 Notes. 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 Notes of such failure. The present address of the Issuer is Town of Darien, 2 Renshaw Road, Darien, CT 06820, Attention: First Selectman. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes 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 Notes.

Section 8. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 9. 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 S. Stevenson
First Selectman

APPENDIX D – NOTICE OF SALE AND BID FORM

TOWN OF DARIEN, CONNECTICUT

\$1,925,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated September 10, 2014 : Due September 9, 2015

SEALED BIDS and ELECTRONIC BIDS VIA *PARITY*[®] will be received by the **TOWN OF DARIEN**, Connecticut (the “Town” or the “Issuer”), at the offices of the Finance Director, Darien Town Hall, 2 Renshaw Road, Darien, Connecticut 06820, (203) 656-7334 and (203) 656-7375 until **11:00 a.m. (EDT), Thursday**

August 28, 2014

for the purchase of the above-captioned **TOWN OF DARIEN General Obligation Bond Anticipation Notes** (the “Notes”).

The Notes will be dated September 10, 2014 and will be payable to the registered owners at maturity on September 9, 2015. The Notes will bear interest (computed on a 360-day year, 30-day per month basis) payable at maturity at the rate or rates per annum fixed in the proposal accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the purchasers. The Notes, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for the Depository Trust Company (DTC), New York, New York. DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry only form, in the denomination of \$5,000 or any integral multiple 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 successful bidder or bidders, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Town or its agent in federal funds to DTC or its nominee as registered owner of the Notes. Principal and interest payments to participants of DTC will be the responsibility of DTC; principal 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.

Except for proposals submitted electronically via *PARITY*[®] as described below, proposals for the purchase of the Notes shall be in the form of the proposal for purchase furnished herewith. A proposal may be for all or any part of the Notes, but any proposal for a part must be for at least \$100,000 of principal amount or integral multiples of \$5,000 in excess thereof. A separate proposal will be required for each part of the Notes for which a separate stated interest rate is bid. The Notes will be awarded on the basis of the lowest net interest cost, computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom any premium offered. As between proposals resulting in the same lowest net interest cost, the award will be made on the basis of the highest principal amount of the Notes specified. As between proposals resulting in the same lowest net interest cost for the same principal amount of the Notes, the Town will determine the award of the Notes by lot. No bid to purchase any portion of the Notes for less than the par amount of such portion and accrued interest, if any, will be considered and the Town reserves the right to award to any bidder(s) all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the net interest cost shall be the same as in the bidder’s proposal with respect to the amount bid, carried to four places. The purchase price must be paid in federal funds.

SEALED BIDS for the Notes will be received by telephone by Independent Bond & Investment Consultants (“IBIC”), the Town’s financial advisor at the office of the Finance Director as noted above, at (203) 656-7334 and (203) 656-7375. IBIC will act as agent for the bidder. Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the Town or may be received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the Town by the time required. A bid received after the time specified, as determined in the Town’s sole discretion, will not be reviewed or honored by the Town. The right is reserved to reject any and all proposals and to waive any irregularity or informality with respect to any such proposal. All sealed bid proposals must be enclosed in sealed envelopes and addressed to Kathleen C. Buch, Finance Director, Town of Darien, Renshaw Road, Darien, Connecticut 06820, and marked on the outside, in substance, “Proposal for 2014 Darien Notes.”

ELECTRONIC BIDS for the purchase of the Notes must be submitted electronically via **PARITY**[®], in accordance with this Notice of Sale, until 11:00 A.M. E.D.T. on August 28, 2014, 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**[®] shall conflict with information in this Notice of Sale, the terms of this Notice of Sale shall control. Further information about **PARITY**[®], including any fee charged, may be obtained from **PARITY**[®], c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, or by telephone: (212) 849-5021. Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. The Issuer 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**[®] is communicated to the Issuer, 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 Issuer. By submitting a bid for the Notes via **PARITY**[®], the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Notes 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 Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY[®], or the inaccuracies of any information, including bid information or worksheets supplied by PARITY[®], the use of PARITY[®] 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.**

Disclaimer. Each **PARITY**[®] prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**[®] for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Issuer nor **PARITY**[®] 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 Issuer nor **PARITY**[®] 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**[®]. The Issuer is using **PARITY**[®] as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Notes. The Issuer is not bound by any advice and determination of **PARITY**[®] 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**[®] are the sole responsibility of the bidders; and the Issuer 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 Notes, the prospective bidder should telephone **PARITY**[®] at (212) 849-5021.

For the purpose of the sealed proposal process and the electronic bidding process, the time maintained on **PARITY**[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Issuer, 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.

The full faith and credit of the Town will be pledged for the prompt payment of the principal of and the interest on the Notes. The Notes will be general obligations of the Town payable from ad valorem taxes levied on all taxable property in the Town without limitation as to rate or amount except classified property such as certified forest land, taxable at a limited rate and dwelling houses of qualified elderly persons of low income and qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. The Notes will be certified by U.S. Bank National Association, Hartford, Connecticut and the opinion of Pullman & Comley, LLC, Bond Counsel, approving the legality of the Notes and setting forth that they are valid general obligations of the Town will be furnished the winning bidders without charge. Each winning bidder will also receive a Signature and No Litigation Certificate dated as of the date of delivery of the Notes, stating that there is no litigation pending, or to the knowledge of the signers thereof, affecting the validity of the Notes or the power of the Town to buy and collect taxes to pay them, and a receipt of payment.

The legal opinion will state further that, under existing statutes and court decisions (i) interest on the Notes is not included in gross income of the owners thereof for federal income taxation, (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 and (iii) under existing statutes, the interest on the Notes 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 in the case of individuals, trusts and estates required to pay federal alternative minimum tax. Bond Counsel will express no opinion regarding other federal or state income tax consequences caused by ownership of, or disposition of the Notes. In rendering its legal opinion, Pullman & Comley, LLC will rely upon and assume the material accuracy of the representations and statements of reasonable expectation and certifications of fact contained in the Tax Compliance Agreement entered into by the Town for the benefit of the owners of the Notes and will assume compliance by the Town with the covenants set forth in such Agreement.

The Notes will 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 Notes.

The Town has prepared a Preliminary Official Statement dated August 22, 2014 for the Notes, which is deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. Bidders must acknowledge in their respective bids that they have received and reviewed such Preliminary Official Statement. The Town will make available to the winning purchaser 15 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the Town's financial advisor, IBIC, by the fifth business day after the day bids on the Notes 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 Notes 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 underwriting, the name of the insurer, if any, on the Notes 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 Town will enter into a Continuing Disclosure Agreement with respect to the Notes, 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, timely notice of the occurrence of certain material events with respect to the Notes. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement.

Simultaneously with or before delivery of the Notes and the receipt of the above-referenced documents, the purchaser shall furnish to the Town a certificate acceptable to Bond Counsel for the Town to the effect that the purchaser has either purchased the Notes at the prices shown on such certificate for investment and not with a view toward distribution or resale and not in the capacity of a bond house, broker or other intermediary or has made a bona fide public offering of the Notes to the public (i) at initial offering prices not greater than, or yields not lower than, the respective prices or yields shown on the certificate, and (ii) a substantial amount of the Notes was sold to the final purchasers thereof (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not greater than or yields not lower than, such offering prices or yields. The completed certificate should be delivered to Marie V. Phelan, Esq. Pullman & Comley, LLC, 90 State House Square, Hartford, Connecticut 06103, (860) 424-4337.

It is anticipated that the Notes will be ready for delivery to DTC in New York City on or about September 10, 2014. The deposit of the Notes 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(s) to obtain at its cost CUSIP numbers for the Notes prior to delivery, and the Town will not be responsible for any delay occasioned by the inability to deposit the Notes with DTC due to the failure of the winning bidder(s) to obtain such numbers and to supply them to the Town in a timely manner.

The right is reserved to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

Bid forms for sealed bids may be obtained from Kathleen C. Buch, Finance Director, Town of Darien, 2 Renshaw Road, Darien, Connecticut 06820 (203) 656-7334 or from Mark Chapman, Independent Bond & Investment Consultants, LLC, 129 Samson Rock Drive, Suite A, Madison, CT 06443, (203) 245-7264.

Jayne J. Stevenson
First Selectman

Joan D. Hendrickson
Treasurer

Elizabeth Smith Mao
Designee of the Board of Finance

Kathleen C. Buch
Finance Director

August 22, 2014

(See attached Form of Proposal for Notes)

PROPOSAL FOR TOWN OF DARIEN BOND ANTICIPATION NOTES

August 28, 2014

Town of Darien
 2 Renshaw Road
 Darien, Connecticut 06820

**Re: \$1,925,000 General Obligation Bond Anticipation Notes
 Dated September 10, 2014 : Due September 9, 2015**

Subject to the provisions of the Notice of Sale dated August 22, 2014, which Notice is made a part of this proposal, we offer to purchase the indicated principal amount of Town of Darien General Obligation Bond Anticipation Notes at the stated interest rate (provided not less than \$100,000 of principal amount per interest rate is bid and the total of all principal amounts bid do not exceed \$1,925,000) plus the premium specified below, if any, and to pay therefor par and accrued interest, if any, to the date of delivery, as stated below. (We provide our computations of net interest cost carried to four decimals made as provided in the Notice of Sale but not constituting any part of the proposal.) We acknowledge that we have received and reviewed the Preliminary Official Statement.

Principal Amount	\$ _____	Principal Amount	\$ _____
Stated interest rate (1/100 of 1%)	_____ %	Stated interest rate (1/100 of 1%)	_____ %
Premium	\$ _____	Premium	\$ _____
Net Interest Cost	_____ %	Net Interest Cost	_____ %

Principal Amount	\$ _____	Principal Amount	\$ _____
Stated interest rate (1/100 of 1%)	_____ %	Stated interest rate (1/100 of 1%)	_____ %
Premium	\$ _____	Premium	\$ _____
Net Interest Cost	_____ %	Net Interest Cost	_____ %

We agree to accept delivery of and make payment for the stated principal amount of Notes in federal funds on the date of the Notes or as soon thereafter, but not later than thirty (30) days thereafter on such date as such Notes may be prepared and ready for delivery by the Town.

 (Name of Bidder)

 (Telephone)

 (Its Agent)

 (Mailing Address)