

TOWN OF DARIEN
CONNECTICUT



Comprehensive
Annual Financial Report

Fiscal Year Ended June 30, 2020

Comprehensive Annual Financial Report

of the

Town of Darien Connecticut

Fiscal Year Ended June 30, 2020

Prepared by:
Finance Department
Jennifer A. Charneski
Finance Director

**TOWN OF DARIEN, CONNECTICUT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS
 JUNE 30, 2020**

Introductory Section		Page
	Letter of Transmittal	i-iv
	Certificate of Achievement for Excellence in Financial Reporting	v
	Principal Officials	vi
	Organizational Chart	vii
Financial Section		
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	4-9
Basic Financial Statements		
Exhibit		
	Government-Wide Financial Statements:	
I	Statement of Net Position	10
II	Statement of Activities	11
	Fund Financial Statements:	
	Governmental Funds:	
III	Balance Sheet	12-13
IV	Statement of Revenues, Expenditures and Changes in Fund Balances	14-15
	Proprietary Fund:	
V	Statement of Net Position	16
VI	Statement of Revenues, Expenses and Changes in Net Position	17
VII	Statement of Cash Flows	18
	Fiduciary Funds:	
VIII	Statement of Fiduciary Net Position	19
IX	Statement of Changes in Fiduciary Net Position	20
	Notes to the Financial Statements	21-62
Required Supplementary Information		
	General Fund:	
RSI-1	Schedule of Revenues and Other Financing Sources - Budget and Actual	63-65
RSI-2	Schedule of Expenditures and Other Financing Uses - Budget and Actual	66-68
	Sewer Operating Fund:	
RSI-3	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	69
	Pension Funds:	
RSI-4A	Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Town Pension Plan	70
RSI-4B	Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Police Pension Plan	71
RSI-5A	Schedule of Employer Contributions - Town Pension Plan	72
RSI-5B	Schedule of Employer Contributions - Police Pension Plan	73
RSI-6A	Schedule of Investment Returns - Town Pension Plan	74
RSI-6B	Schedule of Investment Returns - Police Pension Plan	75

<u>Exhibit</u>		<u>Page</u>
RSI-7	Schedule of the Town's Proportionate Share of the Net Pension Liability - Teachers Retirement Plan	76
RSI-8A	Schedule of Changes in Net OPEB Liability and Related Ratios - Police Post-Retirement Medical Program	77
RSI-8B	Schedule of Changes in Net OPEB Liability and Related Ratios - Non-Police Post-Retirement Medical Program	78
RSI-9A	Schedule of Employer Contributions - Police Post-Retirement Medical Program	79
RSI-9B	Schedule of Employer Contributions - Non-Police Post-Retirement Medical Program	80
RSI-10A	Schedule of Investment Returns - Police Post-Retirement Medical Program	81
RSI-10B	Schedule of Investment Returns - Non-Police Post-Retirement Medical Program	82
RSI-11	Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers Retirement Plan	83

Combining and Individual Fund Statements and Schedules

General Fund:

A-1	Combining Balance Sheet	84
A-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance	85
A-3	Report of Property Tax Collections	86

Nonmajor Governmental Funds:

B-1	Combining Balance Sheet	87-88
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	89-90
B-3	Parking Operations Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)	91

Fiduciary Funds:

Trust Funds:

C-1	Combining Statement of Fiduciary Net Position	92
C-2	Combining Statement of Changes in Fiduciary Net Position	93

Agency Funds:

D	Statement of Changes in Assets and Liabilities	94
---	--	----

Statistical Section

Table

	Financial Trends:	
1	Net Position by Component	95
2	Changes in Net Position	96-97
3	Fund Balances, Governmental Funds	98
4	Changes in Fund Balances - Governmental Funds	99
	Revenue Capacity:	
5	Assessed Value and Estimated Actual Value of Taxable Property	100
6	Principal Property Taxpayers	101
7	Property Tax Levies and Collections	102
	Debt Capacity:	
8	Ratios of Outstanding Debt by Type	103
9	Computation of Legal Debt Margin	104
10	Legal Debt Margin Information	105
	Demographic and Economic Statistics:	
11	Demographic and Economic Statistics	106
12	Principal Employers	107
	Operating Information:	
13	Full-Time Equivalent Town Government Employees by Function/Program	108
14	Operating Indicators by Function/Program	109
15	Capital Asset Statistics by Function/Program	110



Introductory Section

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



JENNIFER A. CHARNESKI
FINANCE DIRECTOR

November 24, 2020

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Town of Darien, Connecticut, for the year ended June 30, 2020. This report was prepared by the Town's Finance Department, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. We believe the data, as presented, is accurate in all material aspects and that it is presented in a manner designed to illustrate fairly the financial position and results of operations of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

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

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

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

The Board of Finance appointed the accounting firm of Blum, Shapiro & Company, P.C., as the Town's independent auditor for the year 2019-2020. In addition to meeting the requirements set forth in State Statutes, the audit is also designed to meet the requirements of the Federal and State Single Audit Acts. The auditors' report on the basic financial statements is in the financial section of this report. The auditors' reports related specifically to the Federal and State Single Audits are issued in separate reports.

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

ORGANIZATION AND SERVICES

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

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

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

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

All annual budgets are recommended by the Board of Selectmen and Board of Education to the Board of Finance, which, following careful review, recommends final budgets for approval by the RTM. The legal level of budgetary control is the object level. The Board of Finance, by charter, has the right to transfer unexpended balances and to establish a transfer approval process. The Board of Finance has granted the Town Administrator and Finance Director the authority to transfer up to \$5,000 within a department. Transfers between departments, or in excess of \$5,000, require approval by the Board of Finance. Management cannot transfer or over-expend at the department level without the approval of the governing body. The Board of Education has freedom of transfer within the approved Education budget, according to State law. Necessary and justified additional appropriations are recommended by the Board of Finance for RTM approval.

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

ECONOMIC CONDITION AND OUTLOOK

Darien is a community with high per capita income and housing values. Unemployment in Darien is lower than the state and national averages, standing at 6.7 percent compared to 10.1 percent for Connecticut and 11.1 percent for the United States in June 2020. Unemployment in Darien averaged 3.2 percent in calendar year 2019. Prior to the Covid-19 outbreak, Darien's unemployment rate had stayed level and continued to trend close to the state and national averages.

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

The tax base is primarily residential (approximately 85%) with a limited number of commercial office and retail buildings. The value of local construction decreased to \$104,008,000, a decrease of 16.4% from the previous year. A total of 625 building permits were issued. This is a 14.9% decrease from the prior year. Growth in Darien will continue to be stable or gradual, due to the limited amount of land available for development.

Property taxes comprise 94.8% of Town General Fund revenues and the current property tax collection rate remains strong at 99.7%. Collections of delinquent taxes were higher than the prior year.

Intergovernmental revenues represent a small portion of Town revenues, reflecting only 0.4% in the current year. This is the same as the prior year. The property tax mill rate enacted for 2020-2021, 16.33, represented a 0.85% decrease.

LONG-TERM FINANCIAL PLANNING

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

The Board of Finance has adopted a Fund Balance Policy. This is also a consideration in development of the Five Year Forecast. The Fund Balance Policy calls for the Town to maintain a minimum unassigned fund balance of 12% of the budgeted General Fund Revenues. It is the practice of the Board of Finance to maintain the fund balance above the minimum level. This allows the Town to maintain sufficient fund balance to provide protection in case of unforeseen emergencies, to moderate mill rate increases and to avoid excessive accumulation.

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

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

MAJOR INITIATIVES

In fiscal year 2019-2020, the Town of Darien continued its practice of regular replacement of equipment for the Public Works Department, Parks & Recreation Department, Police Department and Volunteer Fire Departments. The Town funds accounts for such replacements on a regular basis to avoid large swings in the budget. During FY 2019-2020, approximately \$1,532,132 was expended in these programs.

School projects continued including window replacements, upgrades to mechanical systems and numerous smaller projects. Expenditures for school projects totaled approximately \$1,842,891 in fiscal year 2019-2020.

A total of \$1,020,000 and \$585,250 has been appropriated for roof replacements at Holmes and Hindley elementary schools. The projects are underway and expected to be completed in summer 2021. A total of \$609,000 was appropriated for improvements at Highland Farm. The project is substantially complete. In 2018-2019 a total of \$63,000,000 was appropriated for the design and construction of a new Ox Ridge Elementary School. The project design is substantially complete. Construction is expected to begin in November 2020 with expected completion in spring 2023. In 2019-2020 an additional \$75,000 was appropriated for the installation of a generator at Town Hall. The project is expected to be complete in fall 2020. In 2019-2020 a total of \$1,015,000 was appropriated for various school and town projects. Projects funded in this appropriation include rebuilding of the tennis courts at Darien High School, conversion to natural gas at the Noroton fire station, improvements to Town Hall windows and heating system, and the installation of new sidewalks. In 2019-2020 \$503,000 was appropriated for the rehabilitation of existing sidewalks.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Darien for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the twenty-seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Jennifer A. Charneski
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Darien
Connecticut**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

**TOWN OF DARIEN
PRINCIPAL OFFICIALS
AS OF JUNE 30, 2020**

BOARD OF SELECTMEN:

Jayme Stevenson, First Selectman
Charles (Kip) Koons
David Martin
Christa McNamara
Sarah Neumann

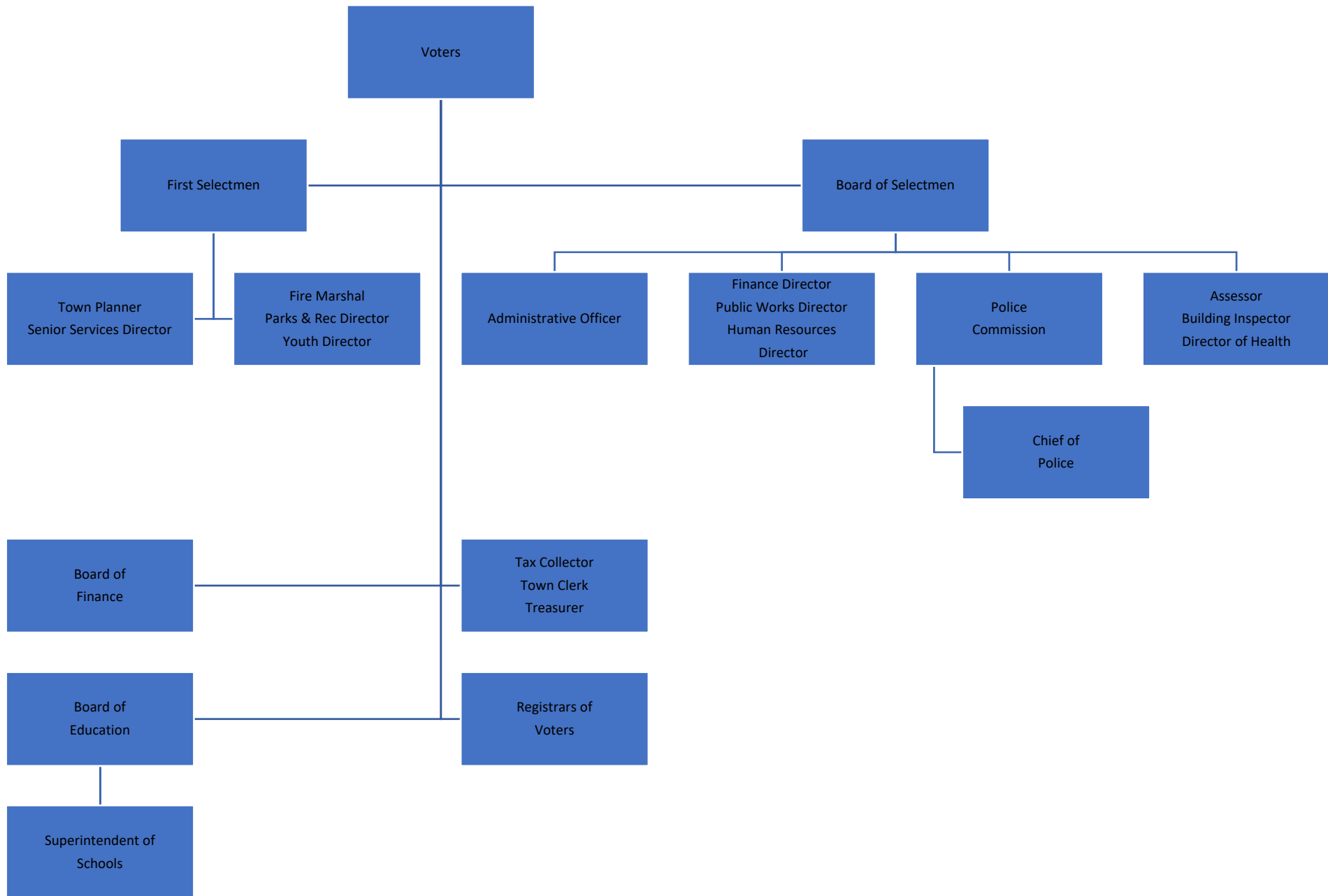
BOARD OF FINANCE:

Jon Zagrodzky Chairman
Frank Huck, Vice Chairman
Dan Bumgardner
Robert Cardone
Taylor Carter
Paul Hendrickson
James Palen, Jr.

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

Kathleen Clarke Buch
Jennifer Charneski
Joan Hendrickson
Dr. Alan Addley
Kathleen Larkins
Anthony Homicki
Caryn Diller

Town of Darien Organization Chart





Financial Section

Independent Auditors' Report

To the Board of Finance/Town Council
Town of Darien, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Darien, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut, as of June 30, 2020 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's discussion and analysis, the budgetary comparison information, and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2020 on our consideration of the Town of Darien, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Darien, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Darien, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
November 24, 2020

Town of Darien, Connecticut
Management's Discussion and Analysis - unaudited
June 30, 2020
(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, 2020. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX. All amounts are expressed in thousands unless otherwise noted.

Financial Highlights

- Net position of our governmental activities increased by \$531 or 0.3%.
- During the year, the Town had expenses that were \$531 less than the \$181,229 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$180,698 with no new programs added this year.
- The General Fund reported a fund balance this year of \$25,912.
- The resources available for appropriation were \$2,452 less than budgeted for the General Fund. Expenditures were \$2,759 less than budgeted.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Government-Wide Financial Analysis

The Town's combined net position increased from \$172,766 to \$173,297. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

	Governmental Activities	
	2020	2019
Current assets	\$ 72,164	\$ 59,506
Capital assets, net of accumulated depreciation	185,716	186,322
Total assets	<u>257,880</u>	<u>245,828</u>
Deferred outflows of resources	21,696	10,082
Long-term liabilities outstanding	92,996	73,235
Other liabilities	6,586	6,598
Total liabilities	<u>99,582</u>	<u>79,833</u>
Deferred inflows of resources	6,697	3,311
Net Position:		
Net investment in capital assets	129,040	124,971
Restricted	398	489
Unrestricted	<u>43,859</u>	<u>47,306</u>
Total Net Position	<u>\$ 173,297</u>	<u>\$ 172,766</u>

Total assets of the Town increased \$12,052 from the prior year. Deferred outflows of resources have increased by \$11,614 due to an increase in the deferred outflows for pension. Total liabilities have increased by \$19,749, primarily due to the issuance of bonds. Deferred inflows for pension and OPEB have increased by \$3,386.

As a result, total net position of the Town's governmental activities increased by 0.3%. 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 - decreased from \$47,306 at June 30, 2019 to \$43,859 at the end of this year. A portion of the unrestricted net position was categorized as restricted consistent with the amount of restricted fund balance.

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 13,058	\$ 13,867
Operating grants and contributions	26,435	12,463
Capital grants and contributions	59	
General revenues:		
Property taxes	140,271	138,547
Grants and contributions not restricted to specific purposes	23	24
Unrestricted investment earnings	841	1,029
Other general revenues	542	540
Total revenues	<u>181,229</u>	<u>166,470</u>
Program expenses:		
General government	5,497	4,993
Community environment	1,308	1,186
Public safety	17,688	16,563
Health and social services	1,898	1,924
Library	3,820	3,732
Parks and recreation	2,504	2,001
Public works	8,260	10,058
Board of Education	133,518	116,480
Sewer operations	4,703	3,735
Debt service	1,502	1,456
Total program expenses	<u>180,698</u>	<u>162,128</u>
Change in Net Position	531	4,342
Beginning Net Position	<u>172,766</u>	<u>168,424</u>
Ending Net Position	<u>\$ 173,297</u>	<u>\$ 172,766</u>

The Town's total revenues (excluding special items) were \$181,229. The total cost of all programs and services was \$180,698. Our analysis below considers the operations of governmental activities.

Governmental Activities

Property taxes were 77.4% of revenues and charges for services accounted for 7.2%. Operating grants and contributions increased by 112.1%. The 2019-20 property tax collection rate was 99.7%. Intergovernmental revenue increased by 60.3%. The on-behalf contributions to the Connecticut State Teachers Retirement System increased by 120.1%. Investment income decreased by 18.3% due to decreases in interest rates available on certain investments.

On the expense side, Board of Education expenses continue to be the most significant component accounting for 73.9%. Board of Education expenses increased primarily due to an increase in the on-behalf contributions to the Connecticut State Teachers Retirement System. Parks & Recreation expenses increased 25.1% over the prior year primarily due to recognizing all program expenses, and revenues, in the General Fund budget. Sewer expenses increased due to increased treatment, legal and consulting expenses.

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

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
General government	\$ 5,497	\$ 4,993	\$ 3,374	\$ 3,065
Public safety	17,688	16,563	13,752	12,064
Public works	8,260	10,058	7,548	9,435
Education	133,518	116,480	106,250	102,350
Library	3,820	3,732	3,820	3,733
Total	\$ 168,783	\$ 151,826	\$ 134,744	\$ 130,647

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 \$63,170, which is an increase from last year’s total of \$43,544. Fund balance in the Capital Projects funds increased by \$21,490 due to the issuance of bonds, most of which financed a portion of the Ox Ridge Elementary School project. The Sewer Operating fund decreased by \$1,073 due to increased treatment, legal and consulting expenses. The Nonmajor Governmental Funds decreased by \$781. The decrease was due to a budgeted transfer to the Parking Capital Fund and lower than anticipated Parking revenues resulting from Covid-19 restrictions. The General Fund increased slightly due to lower than anticipated expenditures. The Sewer Assessment Fund decreased slightly as a result of a planned draw down to fund debt service payments.

General Fund Budgetary Highlights

There was an additional appropriation for the fiscal year ended June 30, 2020 in the amount of \$2,175 for the early redemption of selected bond maturities. A contingency of \$801 was included in the original budget. This contingency covered items such as nonunion wage increases, mid-year labor contract settlements and other unexpected expenses. The contingency was higher than the prior year due to unsettled union contracts.

Actual revenues were lower than budgetary estimates by approximately \$2,452. The final budget assumed that \$2,175 of fund balance would be used to offset expenses; however, this amount was not needed. Current year tax collections were \$523 higher than budget due to a conservative budgeted collection rate. Building permits were \$947 lower than budget due to the timing of permitting for proposed redevelopment projects. The budget included one half of the expected permit revenue. Permitting did not begin in 2019-20. Charges for Services were \$547 less than budgeted primarily due to programming disruption caused by Covid-19 restrictions. Investment income was \$427 higher than budgeted due to higher than anticipated interest rates.

Actual expenditures were less than budgetary estimates by \$2,759. The budget included \$801 for Contingency. At year end, \$357 remained unused. Board of Education expenditures were \$570 lower than budget due to operational changes resulting from Covid-19. Police Department expenditures were \$420 lower than budget primarily due to vacancies and lower than anticipated overtime. Public Works expenditures were \$224 lower than budget due to reduced overtime and decreased waste disposal costs. Senior Center, Youth Services and Parks and Recreation were lower than budget by \$75, \$69, and \$230, respectively. The reduced spending was mostly due to programming disruptions resulting from Covid-19 restrictions. Employee benefits expenditures were \$267 lower than budget due to vacancies and lower than anticipated premiums.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2020, the Town had \$185,716 invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines - Table 4. This amount represents a net decrease (including additions and deductions) of \$606, or 0.3%, from last year.

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Land	\$ 19,634	\$ 19,634
Buildings	140,512	144,255
Land improvement	1,487	1,545
Machinery and equipment	8,791	8,090
Infrastructure	11,785	12,350
Construction in progress	<u>3,507</u>	<u>448</u>
Totals	<u>\$ 185,716</u>	<u>\$ 186,322</u>

The Town's fiscal-year 2020-21 capital budget calls for it to spend another \$2,573 for capital and/or non-recurring projects, principally for capital equipment and replacement. More detailed information about the Town's capital assets is presented in Notes 1 and 5 to the financial statements.

Long-Term Debt

At June 30, 2020, the Town had \$68,907 in bonds and notes outstanding versus \$64,167 last year.

The Town issued \$34,685 in new debt, including \$13,625 in refunding bonds, while paying \$11,113 in principal payments. In 2019-2020 the Town appropriated an additional \$2,175 for the early redemption of certain bond maturities.

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 \$971,918 state-imposed limit.

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

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2021 budget tax rates, and fees that will be charged for services. One of those factors is the economy. Unemployment in Darien averaged 3.2% in calendar year 2019 and 3.0% through the first three months of 2020. Unemployment rose to 6.7% by June 2020. This compares with the State and national average unemployment rates of 10.1% and 11.1% for the same period. The potential for ongoing Covid-19 financial impacts was also considered when setting the budget.


Inflation in the Darien area continues to trend close to the national Consumer Price Index (CPI).

These indicators were taken into account when adopting the General Fund budget for 2020-21. Amounts available for appropriation in the General Fund budget are \$147,544, a decrease of 1.7% from the final 2020 budget of \$150,034. Pension and OPEB contributions and education expenses are the largest areas of expenditure increase. Debt Service is lower than the prior year due to the early redemption completed in 2019-2020 and scheduled debt payments.

If these estimates are realized, the Town's budgetary General Fund balance is expected to remain stable by June 30, 2021.

Contacting the Town's Financial Management

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



Basic Financial Statements

TOWN OF DARIEN, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 63,647,889
Investments	3,934,008
Receivables, net	4,520,335
Prepaid expenses	62,246
Capital assets not being depreciated	23,140,959
Capital assets being depreciated, net of accumulated depreciation	162,574,550
Total assets	<u>257,879,987</u>
Deferred Outflows of Resources:	
Deferred charges on refunding	223,860
Deferred outflows - pension	19,360,956
Deferred outflows - OPEB	2,110,747
Total deferred outflows of resources	<u>21,695,563</u>
Liabilities:	
Accounts and other payables	5,901,710
Unearned revenue	684,237
Noncurrent liabilities:	
Due within one year	8,331,172
Due in more than one year	84,664,600
Total liabilities	<u>99,581,719</u>
Deferred Inflows of Resources:	
Deferred inflows - pension	3,135,789
Deferred inflows - OPEB	3,560,905
Total deferred inflows of resources	<u>6,696,694</u>
Net Position:	
Net investment in capital assets	129,039,593
Restricted:	
Unspent grant balances	229,604
Park Pals Play area	31,223
Trusts	137,202
Unrestricted	43,859,515
Total Net Position	<u>\$ 173,297,137</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
General government	\$ 5,497,451	\$ 1,650,846	\$ 472,694	\$	\$ (3,373,911)
Community environment	1,307,925	129,133			(1,178,792)
Public safety	17,687,756	3,870,265	65,803		(13,751,688)
Health and social services	1,898,439	210,314	124,081		(1,564,044)
Library	3,820,120				(3,820,120)
Parks and recreation	2,503,894	844,739	19,810		(1,639,345)
Public works	8,259,981	652,849		58,876	(7,548,256)
Board of Education	133,517,822	1,515,469	25,752,562		(106,249,791)
Sewer operations	4,702,920	4,184,541			(518,379)
Interest on long-term debt	1,501,808				(1,501,808)
Total Governmental Activities	\$ 180,698,116	\$ 13,058,156	\$ 26,434,950	\$ 58,876	(141,146,134)
General revenues:					
Property taxes					140,270,721
Grants and contributions not restricted to specific programs					22,987
Unrestricted investment earnings					841,017
Miscellaneous					542,633
Total general revenues					<u>141,677,358</u>
Change in net position					531,224
Net Position at Beginning of Year					<u>172,765,913</u>
Net Position at End of Year					<u>\$ 173,297,137</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General</u>	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 24,665,762	\$ 2,229,195	\$ 158,562	\$ 33,821,629	\$ 2,641,454	\$ 63,516,602
Investments	3,934,008					3,934,008
Receivables, net	2,057,412	231,935	1,872,195	14,887	343,906	4,520,335
Due from other funds	3,982					3,982
Prepaid expenditures	62,246					62,246
Total Assets	\$ 30,723,410	\$ 2,461,130	\$ 2,030,757	\$ 33,836,516	\$ 2,985,360	\$ 72,037,173
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 3,339,444	\$ 96,784		\$ 1,455,971	\$ 191,295	\$ 5,083,494
Due to other funds					3,982	3,982
Unearned revenue	443,423				240,814	684,237
Total liabilities	3,782,867	96,784	-	1,455,971	436,091	5,771,713
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	1,028,268					1,028,268
Unavailable revenue - sewer use		194,704				194,704
Unavailable revenue - sewer assessment			1,872,195			1,872,195
Total deferred inflows of resources	1,028,268	194,704	1,872,195	-	-	3,095,167
Fund Balances:						
Nonspendable	62,246					62,246
Restricted					398,029	398,029
Committed	139,066	2,169,642	158,562	32,380,545	2,155,222	37,003,037
Assigned	183,548					183,548
Unassigned	25,527,415				(3,982)	25,523,433
Total fund balances	25,912,275	2,169,642	158,562	32,380,545	2,549,269	63,170,293
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 30,723,410	\$ 2,461,130	\$ 2,030,757	\$ 33,836,516	\$ 2,985,360	\$ 72,037,173

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019

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

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

Fund balances - total governmental funds (Exhibit III)	\$	63,170,293
--	----	------------

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

Governmental capital assets	\$	315,607,750	
Less accumulated depreciation		<u>(129,892,241)</u>	
Net capital assets			185,715,509

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

Property tax receivables greater than 60 days	741,943
Interest receivable on property taxes	286,325
Assessments receivable	1,872,195
Sewer use receivable	194,704
Deferred outflows - pension	19,360,956
Deferred outflows - OPEB	2,110,747

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

83,045

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

Net OPEB liability	(3,676,208)
Net pension liability	(10,019,639)
Bonds and notes payable	(68,906,745)
Interest payable on bonds and notes	(769,974)
Compensated absences	(2,667,529)
Bond premium	(7,725,651)
Deferred charge on refunding	223,860
Deferred inflows - pension	(3,135,789)
Deferred Inflows - OPEB	<u>(3,560,905)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>173,297,137</u></u>
---	----	---------------------------

The accompanying notes are an integral part of the financial statements

TOWN OF DARIEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 139,960,816					\$ 139,960,816
Intergovernmental	18,240,761			455,286	1,235,776	19,931,823
Charges for services	5,056,689	3,766,145	355,434		3,874,590	13,052,858
Income on investments	727,168	35,386		76,678	1,785	841,017
Miscellaneous	511,805			28,997	135,358	676,160
Total revenues	<u>164,497,239</u>	<u>3,801,531</u>	<u>355,434</u>	<u>560,961</u>	<u>5,247,509</u>	<u>174,462,674</u>
Expenditures:						
Current:						
General government	4,343,445				379,101	4,722,546
Community environment	1,190,177					1,190,177
Public safety	13,407,509				1,333,105	14,740,614
Health and social services	1,698,190				76,238	1,774,428
Library	3,820,120					3,820,120
Parks and recreation	2,168,966				30,049	2,199,015
Public works	5,115,914				587,128	5,703,042
Board of Education	117,300,510				2,838,784	120,139,294
Sewer operations		4,702,920				4,702,920
Capital outlay				8,057,562		8,057,562
Debt service	12,924,959			130,749		13,055,708
Total expenditures	<u>161,969,790</u>	<u>4,702,920</u>	<u>-</u>	<u>8,188,311</u>	<u>5,244,405</u>	<u>180,105,426</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,527,449</u>	<u>(901,389)</u>	<u>355,434</u>	<u>(7,627,350)</u>	<u>3,104</u>	<u>(5,642,752)</u>
Other Financing Sources (Uses):						
Transfers in	698,561			4,153,542		4,852,103
Transfers out	(3,130,232)	(171,407)	(550,000)		(1,000,464)	(4,852,103)
Bond premiums				3,903,548	216,756	4,120,304
Refunding bond premiums	1,677,983					1,677,983
Bond issuance				21,060,000		21,060,000
Issuance of refunding bonds	13,625,000					13,625,000
Payment to escrow agent	(15,214,668)					(15,214,668)
Total other financing sources (uses)	<u>(2,343,356)</u>	<u>(171,407)</u>	<u>(550,000)</u>	<u>29,117,090</u>	<u>(783,708)</u>	<u>25,268,619</u>
Net Change in Fund Balances	184,093	(1,072,796)	(194,566)	21,489,740	(780,604)	19,625,867
Fund Balances at Beginning of Year	<u>25,728,182</u>	<u>3,242,438</u>	<u>353,128</u>	<u>10,890,805</u>	<u>3,329,873</u>	<u>43,544,426</u>
Fund Balances at End of Year	<u>\$ 25,912,275</u>	<u>\$ 2,169,642</u>	<u>\$ 158,562</u>	<u>\$ 32,380,545</u>	<u>\$ 2,549,269</u>	<u>\$ 63,170,293</u>

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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)	\$ 19,625,867
---	---------------

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	5,043,552
Depreciation expense	(5,643,325)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus the change in net assets differs from the change in fund balance by the cost of the assets sold.	(6,803)
---	---------

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

Property tax receivable - accrual basis change	245,553
Property tax interest and lien revenue - accrual basis change	64,352
Sewer assessment receivable - accrual basis change	23,132
Sewer use receivable - accrual basis change	(17,834)
Change in deferred outflows - pension	12,846,799
Change in deferred outflows - OPEB	32,215
Change in net pension asset	(7,310,425)

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

Bond and note principal payments	10,890,332
Issuance of bonds and notes	(21,060,000)
Refunding bond issuance	(13,625,000)
Payments to escrow agent	15,214,668
Premium on refunding bond debt issuance	(1,677,983)
Premium on bond issuance	(4,120,304)
Amortization of premiums on debt issuance	1,859,798
Clean water fund note payments	52,699

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

Net OPEB liability	3,014,082
Net pension liability	(10,019,639)
Compensated absences	(289,554)
Accrued interest	16,316
Amortization of deferred charge on refunding	(1,265,245)
Change in deferred inflows - pension	(154,601)
Change in deferred inflows - OPEB	(3,231,186)

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

23,758

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>531,224</u>
--	-------------------

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2020**

	Governmental Activities
	Internal Service Fund
	<hr/>
Assets:	
Cash and cash equivalents	\$ 131,287
Liabilities:	
Accounts and other payables	<hr/> 48,242
Net Position:	
Unrestricted	\$ <hr/> <hr/> 83,045

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	Governmental Activities
	Internal Service Fund
	<hr/>
Operating Revenues:	
Charges for services	\$ 232,669
Operating Expenses:	
Benefits and claims	<hr/> 208,911
Operating Income (Loss)	23,758
Net Position at Beginning of Year	<hr/> 59,287
Net Position at End of Year	\$ <hr/> <hr/> 83,045

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:	
Receipts from customers	\$ 232,669
Cash paid for benefits and claims	<u>(195,292)</u>
Net cash provided by (used in) operating activities	<u>37,377</u>
Cash and Cash Equivalents at Beginning of Year	<u>93,910</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>131,287</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ <u>23,758</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
Increase (decrease) in accounts payable	<u>13,619</u>
Total adjustments	<u>13,619</u>
Net Cash Provided by (Used in) Operating Activities	\$ <u><u>37,377</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF DARIEN, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	Pension and OPEB Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 2,561,984	\$ 370,760
Investments:		
Equity securities	79,997,361	
Fixed income mutual funds	56,256,096	
Receivables:		
Interest and dividends	<u>92,921</u>	
Total assets	<u>138,908,362</u>	<u>\$ 370,760</u>
Liabilities:		
Accounts and other payables	<u>151,576</u>	<u>\$ 370,760</u>
Net Position:		
Restricted for:		
Pensions	130,429,528	
Post-employment benefits	<u>8,327,258</u>	
Total Net Position	<u>\$ 138,756,786</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF DARIEN, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Pension and OPEB Trust Funds
Additions:	
Contributions:	
Employer	\$ 2,883,381
Plan members	1,587,866
Total contributions	<u>4,471,247</u>
Investment income:	
Net change in fair value of investments	(5,060,812)
Interest and dividends	3,484,820
Total investment income	<u>(1,575,992)</u>
Less investment expenses:	
Investment management fees	525,076
Net investment income	<u>(2,101,068)</u>
Total additions	<u>2,370,179</u>
Deductions:	
Benefits	7,165,985
Administration	138,601
Total deductions	<u>7,304,586</u>
Change in Net Position	(4,934,407)
Net Position at Beginning of Year	<u>143,691,193</u>
Net Position at End of Year	<u>\$ 138,756,786</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

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

The Town reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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.

D. Deposits and Investments

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

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

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

E. Interfunds

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

F. Property Taxes

The Town's property tax is levied each July 1 on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach the property does not exist until July 1. Therefore, taxes are due and payable in equal installments on July 1 and January 1, following the date of the Grand List. Interest of 1½% per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1. An amount of \$133,566 has been established as an allowance for uncollectible taxes. At June 30, 2020, this represents approximately 11.16% of all property taxes receivable. All trade and property tax receivables are reported net of an allowance for uncollectibles.

G. Restricted Assets

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

H. Inventories and Prepaid Items

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

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

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

I. Capital Assets

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

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

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

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

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

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

J. Allowance for Doubtful Accounts

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

K. Compensated Absences

The Town and Board of Education liability for vacation pay is based upon the carryforward of unused vacation days. Nonrepresented Town employees may carry forward unused vacation days up to five weeks. Police may carry over unused vacation days up to one week. All other Town employees may carry forward up to twice the number of days earned in a year.

The Town pays one-third of unused accumulated sick leave in excess of 150 days for eligible Town employees and police officers at retirement. Eligibility is based on hire date as specified in the various bargaining agreements. No employee or police officer hired after October 26, 2015 is eligible for payout of accumulated sick leave.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The Board of Education discontinued sick leave payments for custodians and maintenance workers. Town employees remain eligible for the payments. The Town accrued the amount that is probable for payment.

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

L. Deferred Outflows/Inflows of Resources

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

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

M. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

N. Long-Term Obligations

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

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

O. Net Pension Liability

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

P. Other Post-Employment Benefit (OPEB) Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Funding Policy

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

Q. Net Position

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

Net Investment in Capital Assets

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

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Restricted Net Position

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

Unrestricted Net Position

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

R. 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. Purchases on order at the end of the fiscal year are included in this category. 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.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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.

S. 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.

T. Subsequent Events Evaluated by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 24, 2020.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

- On the first Tuesday in March, the Boards of Selectmen and Education submit their respective budgets to the Board of Finance.
- On the second Tuesday in March, the Board of Finance conducts a public hearing at which taxpayer comments are heard.
- On 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 an RTM at which the budget is legally enacted through passage of a resolution by the RTM. The RTM has authority to either approve the recommended budget or reduce it; it is not permitted to vote an increase. The legal level of control is at the department level. 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. As a result of additional appropriations during fiscal year 2020, the original operating budget was increased by \$2,175,000.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

- 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 its budget at its discretion. Any additional appropriations must have Board of Education, Board of Finance and RTM approval.
- Budgeted amounts shown are as originally adopted, or as amended by the Board of Finance and RTM during the course of the year.
- Generally, all unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward.
- The Unassigned General Fund Balance at the end of the fiscal year should be no less than 12% of the budgetary General Fund Revenues for that fiscal year. It is the policy of the Board of Finance to keep the fund balance above the minimum level except under extraordinary events or in unanticipated situations.

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

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

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

B. Deficit Fund Balance

As of June 30, 2020, the Park Pals Play Area fund had a deficit fund balance of \$3,982. This deficit is the result of timing and will be eliminated by transfers.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

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). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and is regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares. The State Short-Term Investment Fund (STIF) allows participants to make same day withdrawals and deposits of any size. The fund does not limit the size or number of participant transactions.

A. Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$66,339,853 of the Town’s bank balance of 70,227,532 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 59,429,059
Collateralized, held by banks	<u>6,910,794</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 66,339,853</u>

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

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2020, the Town’s cash equivalents amounted to \$2,592,212. 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.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

	<u>Standard and Poor's</u>
State Short-Term Investment Fund (STIF) Wells Fargo	AAA BBB+

B. Investments

Investments as of June 30, 2020 in all funds are as follows:

	Fair Value	Maturity in Years		
		Less Than 1	1 - 10	More Than 10
Interest-bearing investments:				
Certificate of Deposit *	\$ 3,934,008	\$ 785,197	\$ 3,148,811	\$ -
Total	3,934,008	\$ 785,197	\$ 3,148,811	\$ -
Other investments:				
Fixed Income Mutual Funds	56,256,096			
Common Stock	<u>79,997,361</u>			
Total Investments	<u>\$ 140,187,465</u>			

* Subject to coverage by federal depository insurance and collateralization

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

The Town has the following recurring fair value measurements as of June 30, 2020:

	June 30, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
Common stock	\$ 79,997,361	\$ 66,944,702	\$ 13,052,659	\$ -
Fixed Income Mutual Funds	<u>56,256,096</u>	<u>56,256,096</u>		
Total investments by fair value level	136,253,457	\$ <u>123,200,798</u>	\$ <u>13,052,659</u>	\$ -
Certificates of Deposit *	<u>3,934,008</u>			
Total Investments	<u>\$ 140,187,465</u>			

* Subject to coverage by federal depository insurance and collateralization

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk

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

Credit Risk - Investments

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

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town maintains a listing of financial institutions approved to provide custody based on their creditworthiness in accordance with the Town's investment policy. The investment policy details the information that must be provided by financial institutions on an annual basis to become or remain qualified for investment transactions.

4. RECEIVABLES

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

	<u>General</u>	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Capital Projects</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Interest on delinquent taxes	\$ 286,432					\$ 286,432
Taxes	923,106					923,106
Accounts	928,762	204,877			343,607	1,477,246
Interest on delinquent payments		27,058				27,058
Special assessments			1,872,195			1,872,195
Intergovernmental	2,932			14,887	299	18,118
Investment income	49,746				92,921	142,667
Gross receivables	<u>2,190,978</u>	<u>231,935</u>	<u>1,872,195</u>	<u>14,887</u>	<u>436,827</u>	<u>4,746,822</u>
Less allowance for property tax uncollectibles	<u>(133,566)</u>					<u>(133,566)</u>
Net Total Receivables	<u>\$ 2,057,412</u>	<u>\$ 231,935</u>	<u>\$ 1,872,195</u>	<u>\$ 14,887</u>	<u>\$ 436,827</u>	<u>\$ 4,613,256</u>

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 19,633,755	\$	\$	\$ 19,633,755
Construction in progress	448,411	3,058,793		3,507,204
Total capital assets not being depreciated	<u>20,082,166</u>	<u>3,058,793</u>	<u>-</u>	<u>23,140,959</u>
Capital assets being depreciated:				
Buildings	226,613,601	160,345		226,773,946
Land improvements	4,043,851	54,868		4,098,719
Machinery and equipment	18,784,572	1,769,546	69,399	20,484,719
Infrastructure	41,109,407			41,109,407
Total capital assets being depreciated	<u>290,551,431</u>	<u>1,984,759</u>	<u>69,399</u>	<u>292,466,791</u>
Less accumulated depreciation for:				
Buildings	82,358,535	3,903,774		86,262,309
Land improvements	2,498,928	112,789		2,611,717
Machinery and equipment	10,695,021	1,061,503	62,596	11,693,928
Infrastructure	28,759,028	565,259		29,324,287
Total accumulated depreciation	<u>124,311,512</u>	<u>5,643,325</u>	<u>62,596</u>	<u>129,892,241</u>
Total capital assets being depreciated, net	<u>166,239,919</u>	<u>(3,658,566)</u>	<u>6,803</u>	<u>162,574,550</u>
Governmental Activities Capital Assets, Net	<u>\$ 186,322,085</u>	<u>\$ (599,773)</u>	<u>\$ 6,803</u>	<u>\$ 185,715,509</u>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 229,340
Community development	3,630
Public Safety	1,020,752
Parks and recreation	99,329
Public works	973,159
Education	<u>3,317,115</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,643,325</u>

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Construction Commitments

The Town has active construction projects as of June 30, 2020. A summary of capital projects is as follows:

Project	Project Expenditures							Balance
	Additions Deletions	Total Project Authorization	2019-2020	Prior Year Cumulative	Current Year Cumulative	Encumbrances		
Sewer Capital	\$ 1,883,594	\$ 117,600	\$ 2,001,194	\$ 162,352	\$ 1,549,629	\$ 1,711,981	\$ 17,800	\$ 271,413
Capital Non-Recurring								
Expenditures	69,621,558	3,717,111	73,338,669	5,206,446	60,646,738	65,853,184	629,129	6,856,356
Parking Capital	3,147,056	899,529	4,046,585	68,233	1,170,065	1,238,298	12,811	2,795,476
DPW Garage Renovation	6,545,000		6,545,000	(7,546)	6,037,342	6,029,796		515,204
Clocks Lane Sewer Expansion	470,000		470,000	5,001	405,822	410,823		59,177
Ox Ridge Land Purchase	6,340,000		6,340,000		6,334,654	6,334,654		5,346
DHS Cafeteria Expansion	1,951,359		1,951,359		1,898,948	1,898,948		52,411
Town Hall Generator	250,000	75,000	325,000	221,488	11,500	232,988	58,470	33,542
DHS Shed	250,000	(250,000)	-			-		-
Holmes School Roof and Skylight	1,020,000		1,020,000		43,393	43,393	16,607	960,000
DHS Turf Baseball Field	585,000		585,000	54,868	515,618	570,486		14,514
Hindley Roof	558,250		558,250	27,958		27,958	18,042	512,250
Highland Farms Improvements	609,000		609,000	593,208		593,208	15,792	-
Ox Ridge Elementary School	63,000,000		63,000,000	1,718,007	53,802	1,771,809	503,935	60,724,256
Various School Capital Improvements		527,765	527,765			-		527,765
Various Town Capital Improvements		487,235	487,235			-		487,235
Sidewalk Repair & Replacement		503,000	503,000			-		503,000

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances at of June 30, 2020 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	\$ 3,982

Interfund transfers:

	Transfers In		Total Transfers Out
	General Fund	Capital Projects	
Transfers out:			
General Fund	\$	\$ 3,130,232	\$ 3,130,232
Sewer Operating Fund	53,807	117,600	171,407
Sewer Assessment Fund	550,000		550,000
Nonmajor Governmental Funds	94,754	905,710	1,000,464
Total Transfers In	\$ 698,561	\$ 4,153,542	\$ 4,852,103

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

Interfund transfers are included in the annual budget to:

- Move revenues from the General Fund to the Reserve for Capital and Non-Recurring Expenditures to fund capital projects and purchases approved in the annual budget.
- Move revenues from the Sewer Operating Fund to reimburse the General Fund for principal and interest payments on sewer rehabilitation bonds.
- Move revenues from the Sewer Operating Fund to the Sewer Capital Fund for capital projects and purchases that were approved in the annual budget.
- Move revenues from the Sewer Assessment Fund to reimburse the General Fund for principal and interest payments on sewer construction bonds.
- Move revenues from the Police Private Duty Fund to reimburse the General Fund for administrative expenses. The transfer, based on actual collections in the Private Duty fund, exceeded the budget by \$34,754.
- Move revenues from the Parking Operations Fund to the Parking Capital Fund for capital projects and purchases that were approved in the annual budget.
- Move funds from the Weed Bach gift accounts to the Reserve for Capital and Non-Recurring Expenditures.

7. LEASES

Operating Leases

The Town leases some office equipment under operating leases. These leases are cancelable at any time before the expiration date of the year 2025. Operating lease payments for the year ended June 30, 2020 amounted to \$392,783. The future minimum lease payments for these leases are as follows:

Year Ending June 30		
2021	\$	392,867
2022		224,260
2023		80,969
2024		58,916
2025		540
Total	\$	757,552

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and notes payable:					
General obligation bonds	\$ 60,300,000	\$ 34,685,000	\$ 26,105,000	\$ 68,880,000	\$ 6,685,000
Clean water notes	79,444		52,699	26,745	26,745
Premiums on bonds	3,787,162	5,798,287	1,859,798	7,725,651	
Total bonds and notes payable	<u>64,166,606</u>	<u>40,483,287</u>	<u>28,017,497</u>	<u>76,632,396</u>	<u>6,711,745</u>
Net OPEB liability	6,690,290		3,014,082	3,676,208	
Net pension liability		10,019,639		10,019,639	
Compensated absences	<u>2,377,975</u>	<u>2,108,329</u>	<u>1,818,775</u>	<u>2,667,529</u>	<u>1,619,427</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 73,234,871</u>	<u>\$ 52,611,255</u>	<u>\$ 32,850,354</u>	<u>\$ 92,995,772</u>	<u>\$ 8,331,172</u>

Bonds and notes outstanding by issue at June 30, 2020 were:

<u>Description</u>	<u>Year of Maturity</u>	<u>Interest Rate (%)</u>	<u>Balance Outstanding June 30, 2020</u>
General Obligation Bonds:			
Refunding 2012	2021	4.00	\$ 3,868,000
Refunding 2014	2024	3.0-4.0	6,840,000
Refunding 2016	2027	2.0-4.0	6,390,000
General Purpose 2017	2037	2.0-5.0	11,950,000
General Purpose 2019	2039	2.0-5.0	3,774,177
Refunding 2020	2028	3.0-5.0	13,417,000
General Purpose 2020	2040	4.0-5.0	21,060,000
Total general obligation bonds			<u>67,299,177</u>
Special Assessment Debt with Town Commitment:			
Refunding 2012	2021	4.00	107,000
Refunding 2014	2024	3.0-4.0	630,000
Refunding 2016	2027	2.0-4.0	225,000
General Purpose 2019	2039	2.0-5.0	410,823
Refunding 2020	2028	3.0-5.0	208,000
Total special assessment debt with Town commitment			<u>1,580,823</u>
Total General Obligation Bonds			<u>68,880,000</u>
State Loans:			
Clean Water	2021	2.00	<u>26,745</u>
Total Outstanding			<u>\$ 68,906,745</u>

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

During fiscal year 2020, principal and interest payments were funded by the General Fund. The Sewer Operating Fund and Sewer Assessment Fund reimbursed the General Fund \$53,807 and \$550,000, respectively, toward these payments. The Sewer Operating Fund is responsible for debt service of the sewer rehabilitation bonds, and the Sewer Assessment Fund is responsible for the majority of debt service for the sewer construction bonds. Payment of the principal and interest on Special Assessment Sewer Bonds is guaranteed by the full faith and credit of the Town. Historically, the net pension liability has been funded through the General Fund, Sewer Operating Fund, and Parking Operations Fund.

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

<u>Year Ending June 30</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 6,685,000	\$ 2,195,641
2022	7,560,000	2,309,013
2023	7,650,000	1,961,938
2024	5,985,000	1,653,462
2025	4,235,000	1,429,462
2026-2030	15,095,000	5,150,522
2031-2035	11,275,000	3,037,624
2036-2040	10,395,000	943,450
Total	<u>\$ 68,880,000</u>	<u>\$ 18,681,112</u>
<u>Year Ending June 30</u>	<u>Clean Water Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2021	<u>\$ 26,745</u>	<u>\$ 156</u>

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Authorized Unissued Bonds

At June 30, 2020, the Town of Darien had \$45,410,232 of authorized, unissued bonds for various projects, as follows:

<u>Project Name</u>	<u>Authorized Unissued Bonds</u>
Sewer line extension projects	\$ 59,177
Interval Road drainage	14,327
Various paving projects	105,673
DPW garage renovations	540,820
Darien High School cafeteria expansion	52,411
Darien High School turf baseball field replacement	14,514
Improvements at Highland Farms	5,000
Hindley Elementary School roof replacement	158,250
New Ox Ridge Elementary School construction	42,942,090
Various school projects	527,765
Various Town projects	487,235
Sidewalk Repair and replacement	<u>503,000</u>
Total Authorized Unissued Bonds	<u>\$ 45,410,262</u>

Debt Limit

The Town’s total indebtedness does not exceed the limit of \$972 million allowed by State Statute.

General Obligation Bonds Refunding

On April 15, 2020 the Town issued \$13,625,000 of general obligation refunding bonds with interest rates ranging from 2.0% - 3.0% to current refund at or prior maturity all or a portion of the outstanding principal amounts of \$1,875,000 and \$13,170,000 General Obligation Bonds, Dated August 4, 2015 and General Obligation Refunding Bonds, Dated September 4, 2012, respectively.

Net proceeds of \$15,302,983 (including a premium of \$1,677,983 and issuance costs of \$88,315, net of underwriter’s discounts) will reduce total debt service payments over the next 8 years by approximately \$548,712 and represent an economic gain (difference between present values of the debt service payments on the old and new debt) of \$528,389. As a result, the refunded bonds are considered partially defeased, and all future interest and principal on the partially defeased bonds will be paid from the proceeds of the refunding issue, which were place into an irrevocable escrow account until the partially defeased bonds have been called. The outstanding balance of the defeased bonds as of June 30, 2020 is \$15,045,000 and the escrow balance is \$15,214,668.

Compensated Absences

The liability for compensated absences increased by \$289,554 this year. These liabilities are paid by the General Fund, Sewer Operating Fund and Parking Operations Fund.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

9. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omission; or natural disasters. The Town purchases commercial insurance for all risks of loss, except dental claims as discussed below. During the year ended June 30, 2020, deductibles paid by the Town were insignificant. Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

A. Risk Pooling

The Town is a member of the CIRMA Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act and is recorded in the General Fund, Sewer Operating Fund and Parking Operating Fund. The premium paid during the year ended June 30, 2020 was \$944,722. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

B. Self-Insurance Plans

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

The Town's General Fund accounts for the Board of Education dental plan. The plan is funded through annual General Fund appropriations, and the claims liability of \$1,499 reported at June 30, 2020 is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of the claim accrual is based on actual claims incurred prior to June 30, 2020 but paid in the next fiscal year. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

The Town's Internal Service Fund accounts for the Town dental plan. The plan is funded through annual General Fund appropriations, and the claims liability of \$8,101 reported at June 30, 2020 is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of the claim accrual is based on actual claims incurred prior to June 30, 2020 but paid in the next fiscal year. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

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

	Claims Payable July 1,		Claims and Changes in Estimates		Claims Paid		Claims Payable June 30,
2018-2019	\$ 33,432	\$	777,280	\$	776,475	\$	34,237
2019-2020	34,237		739,818		764,455		9,600

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

10. FUND BALANCE

The components of fund balance for the governmental funds as of June 30, 2020 are as follows:

	<u>Major Special Revenue Funds</u>				<u>Nonmajor Governmental Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>Capital Projects</u>		
Fund balances:						
Nonspendable:						
Prepaid expenditures	\$ 62,246					\$ 62,246
Restricted for:						
Unspent grant balances					229,604	229,604
Parks and recreation					31,223	31,223
Trusts					137,202	137,202
Committed to:						
Sewer operations		2,169,642				2,169,642
Sewer assessment projects			158,562			158,562
Capital Projects				32,380,545		32,380,545
Land purchase	39,066					39,066
Special education	100,000					100,000
Food services					184,497	184,497
Police services					730,938	730,938
Fire services					30,752	30,752
Parking operations					992,279	992,279
Debt service					216,756	216,756
Assigned to:						
Purchases on order						
General government	4,420					4,420
Purchases on order						
Public safety	23,665					23,665
Purchases on order						
Health and social services	1,408					1,408
Purchases on order						
Board of education	154,055					154,055
Unassigned	25,527,415				(3,982)	25,523,433
Total Fund Balances	\$ 25,912,275	\$ 2,169,642	\$ 158,562	\$ 32,380,545	\$ 2,549,269	\$ 63,170,293

Significant encumbrances are reported in the assigned fund balance of the General Fund in the amount of \$271,861 and committed fund balance for the Capital Projects Fund and Nonmajor Governmental Funds of \$1,272,820 and \$360,850, respectively.

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Pension Plans

A. Plan Description

The Funded Retirement Plan of the Town of Darien

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

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

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

At July 1, 2019, membership in the Town Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits and terminated members entitled to benefits but not yet receiving them	264
Current active members	<u>403</u>
Total	<u><u>667</u></u>

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

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

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

Town of Darien Police Pension Fund

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

At July 1, 2019, membership in the Police Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	59
Current active members	<u>49</u>
Total	<u><u>108</u></u>

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

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

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

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

Method Used to Value Investments

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

Plan Description and Benefits Provided

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

C. Investments

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

The following was the Pension Committee's adopted asset allocation policy as of June 30, 2020:

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

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension investments for the Town and Police Plans, net of pension plan investment expense, was (1.48%) and (1.45%), respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net Pension Liability of the Town

The Town's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The components of the net pension liability of the Town at June 30, 2020 were as follows:

	<u>Town Pension Plan</u>	<u>Police Pension Plan</u>	<u>Total</u>
Total pension liability	\$ 88,342,101	\$ 52,107,066	\$ 140,449,167
Plan fiduciary net position	<u>(81,166,047)</u>	<u>(49,263,481)</u>	<u>(130,429,528)</u>
Town's Net Pension Liability	<u>\$ 7,176,054</u>	<u>\$ 2,843,585</u>	<u>\$ 10,019,639</u>
Plan fiduciary net position as a percentage of the total pension liability	91.88%	94.54%	92.87%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Town Pension Plan</u>	<u>Police Pension Plan</u>
Inflation	2.75%	2.75%
Salary increases	3.50%	Graded based on service
Investment rate of return	6.38%	6.38%

Mortality rates for the Town Plan were based on the Current - PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement.

Mortality rates for the Police Plan were based on Current - PubS-2010 Mortality Table with generational projection per the MP-2014 ultimate scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity (large cap)	4.46%
Fixed income	2.28%

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Discount Rate

The discount rate used to measure the total pension liability was 6.38%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Town Pension Fund		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances as of July 1, 2019	\$ 80,274,861	\$ 83,209,799	\$ (2,934,938)
Changes for the year:			
Service cost	3,081,785		3,081,785
Interest on total pension liability	5,299,869		5,299,869
Differences between expected and actual experience	(1,634,289)		(1,634,289)
Changes in assumptions	5,018,496		5,018,496
Employer contributions		1,679,958	(1,679,958)
Member contributions		1,271,714	(1,271,714)
Net investment income		(1,237,205)	1,237,205
Benefit payments, including refund to employee contributions	(3,698,621)	(3,698,621)	-
Administrative expenses		(59,598)	59,598
Other changes			-
Net changes	8,067,240	(2,043,752)	10,110,992
Balances as of June 30, 2020	\$ 88,342,101	\$ 81,166,047	\$ 7,176,054

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

	Police Pension Fund		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances as of July 1, 2019	\$ 47,804,724	\$ 52,180,211	\$ (4,375,487)
Changes for the year:			
Service cost	997,292		997,292
Interest on total pension liability	3,087,842		3,087,842
Differences between expected and actual experience	742,773		742,773
Changes in assumptions	2,109,415		2,109,415
Employer contributions		181,357	(181,357)
Member contributions		316,152	(316,152)
Net investment income		(743,061)	743,061
Benefit payments, including refund to employee contributions	(2,634,980)	(2,634,980)	-
Administrative expenses		(36,198)	36,198
Net changes	<u>4,302,342</u>	<u>(2,916,730)</u>	<u>7,219,072</u>
Balances as of June 30, 2020	<u>\$ 52,107,066</u>	<u>\$ 49,263,481</u>	<u>\$ 2,843,585</u>

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

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

	1% Decrease (5.38%)	Current Discount Rate (6.38%)	1% Increase (7.38%)
Town Pension Plan	\$ 17,737,169	\$ 7,176,054	\$ (1,753,308)
Police Pension Plan	9,530,358	2,843,585	(2,679,114)

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

For the year ended June 30, 2020, the Town recognized pension expense of \$6,499,181. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		
	Town Pension Plan	Police Pension Plan	Total
Changes in assumptions			
Changes in assumptions	\$ 5,147,663	\$ 1,695,804	\$ 6,843,467
Net difference between projected and actual earning on pension plan investments	5,093,771	3,099,035	8,192,806
Difference between expected and actual experience	2,960,438	1,364,245	4,324,683
Total	<u>\$ 13,201,872</u>	<u>\$ 6,159,084</u>	<u>\$ 19,360,956</u>

	Deferred Inflows of Resources		
	Town Pension Plan	Police Pension Plan	Total
Changes in assumptions	\$ (1,240,892)	\$ (356,169)	\$ (1,597,061)
Net difference between projected and actual earning on pension plan investments			-
Difference between expected and actual experience	(1,538,728)		(1,538,728)
Total	<u>\$ (2,779,620)</u>	<u>\$ (356,169)</u>	<u>\$ (3,135,789)</u>

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

<u>Year Ending June 30</u>	Town Pension Plan	Police Pension Plan	Total
2021	\$ 2,394,404	\$ 1,163,806	\$ 3,558,210
2022	2,513,259	1,725,365	4,238,624
2023	2,335,477	1,483,764	3,819,241
2024	2,247,230	1,374,057	3,621,287
2025	490,465	55,923	546,388
Thereafter	441,417		441,417

Connecticut Teachers Retirement System - Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$14,409,256 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Employees

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

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

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

At June 30, 2020, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>190,360,237</u>
Total	\$	<u><u>190,360,237</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$23,379,482 in Exhibit II.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

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

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

<u>Asset Class</u>	<u>Expected Return</u>		<u>Target Allocation</u>		<u>Standard Deviation</u>	
Public Equity - US Equity	8.10	%	20.00	%	17.00	%
Public Equity - International Developed Equity	8.50		11.00		19.00	
Public Equity - Emerging Markets Equity	10.40		9.00		24.00	
Fixed Income - Core Fixed Income	4.60		16.00		7.00	
Fixed Income - Inflation Linked Bonds	3.60		5.00		7.00	
Fixed Income - High Yield	6.50		6.00		11.00	
Fixed Income - Emerging Market Debt	5.20		5.00		11.00	
Private Equity	9.80		10.00		23.00	
Real Estate	7.00		10.00		15.00	
Alternative Investments - Real Assets	8.20		4.00		17.00	
Alternative Investments - Hedge Funds	5.40		3.00		7.00	
Liquidity Fund	2.90		1.00		1.00	
Total			<u>100.00</u>	%		

F. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

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

H. Other Information

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

Pension and OPEB Fund Financial Statements

	Pension Trust Funds		OPEB Trust Funds		Eliminations	Total Pension and OPEB Trust Funds
	Police Pension Trust Fund	Town Pension Trust Fund	Police Retiree Medical Reserve Trust Fund	Non-Police Retiree Benefit Trust Fund		
Assets:						
Cash and cash equivalents	\$ 766,633	\$ 1,634,912	\$ 87,090	\$ 73,349	\$	\$ 2,561,984
Investments:						
Equity securities	28,553,186	46,645,999	2,631,576	2,166,600		79,997,361
Mutual funds	20,049,704	32,834,277	1,846,638	1,525,477		56,256,096
Receivables:						
Due from other funds		85,110			(85,110)	-
Interest and dividends	33,137	54,156	3,074	2,554		92,921
Total assets	<u>49,402,660</u>	<u>81,254,454</u>	<u>4,568,378</u>	<u>3,767,980</u>	<u>(85,110)</u>	<u>138,908,362</u>
Liabilities:						
Accounts and other payables	54,069	88,407	4,983	4,117		151,576
Due from other funds	85,110				(85,110)	-
Total liabilities	<u>139,179</u>	<u>88,407</u>	<u>4,983</u>	<u>4,117</u>	<u>(85,110)</u>	<u>151,576</u>
Net Position:						
Restricted for Pension Benefits and Postemployment Benefits	<u>\$ 49,263,481</u>	<u>\$ 81,166,047</u>	<u>\$ 4,563,395</u>	<u>\$ 3,763,863</u>	<u>\$ -</u>	<u>\$ 138,756,786</u>

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

	Pension Trust Funds		OPEB Trust Funds		Total Pension and OPEB Trust Funds
	Police Pension Trust Fund	Town Pension Trust Fund	Police Retiree Medical Reserve Trust Fund	Non-Police Retiree Benefit Trust Fund	
Additions:					
Contributions:					
Employer	\$ 181,357	\$ 1,679,958	\$ 593,615	\$ 428,451	\$ 2,883,381
Plan members	316,152	1,271,714			1,587,866
Total contributions	<u>497,509</u>	<u>2,951,672</u>	<u>593,615</u>	<u>428,451</u>	<u>4,471,247</u>
Investment income (loss):					
Net change in fair value of investments	(1,790,869)	(2,940,383)	(186,582)	(142,978)	(5,060,812)
Interest and dividends	1,236,059	2,007,491	131,328	109,942	3,484,820
Total investment income (loss)	<u>(554,810)</u>	<u>(932,892)</u>	<u>(55,254)</u>	<u>(33,036)</u>	<u>(1,575,992)</u>
Less investment expense:					
Investment management fees	188,251	304,313	17,574	14,938	525,076
Net investment income (loss)	<u>(743,061)</u>	<u>(1,237,205)</u>	<u>(72,828)</u>	<u>(47,974)</u>	<u>(2,101,068)</u>
Total net additions	<u>(245,552)</u>	<u>1,714,467</u>	<u>520,787</u>	<u>380,477</u>	<u>2,370,179</u>
Deductions:					
Benefits	2,634,980	3,698,621	492,963	339,421	7,165,985
Administration	36,198	59,598	17,260	25,545	138,601
Total deductions	<u>2,671,178</u>	<u>3,758,219</u>	<u>510,223</u>	<u>364,966</u>	<u>7,304,586</u>
Change in Net Position	(2,916,730)	(2,043,752)	10,564	15,511	(4,934,407)
Net Position at Beginning of Year	<u>52,180,211</u>	<u>83,209,799</u>	<u>4,552,831</u>	<u>3,748,352</u>	<u>143,691,193</u>
Net Position at End of Year	<u>\$ 49,263,481</u>	<u>\$ 81,166,047</u>	<u>\$ 4,563,395</u>	<u>\$ 3,763,863</u>	<u>\$ 138,756,786</u>

Defined Contribution Plan

A. Town of Darien DC Plan

During the year ended June 30, 2020, the Town established a defined contribution plan known as the Town of Darien DC Plan. Newly hired Telecommunications Dispatchers have the option of selecting the Town's Retirement Plan, if eligible to participate, or selecting to participate in the defined contribution plan. The benefits and contribution requirements were established through administrative action. Employees are required to contribute 5% of wages. The employer contribution is 5% and is vested after five years. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings. The plan is not reported as a fiduciary fund by the Town as it does not meet the reporting criterion. During the year, employer and employee contributions were each \$2,374 and there was one participant in the plan.

12. OTHER POST-EMPLOYMENT BENEFITS

Post-Retirement Medical Programs

A. Plan Description

The Town, in accordance with various collective bargaining agreements and State Statutes, is committed to providing health and other benefits to certain eligible retirees and their spouses. The Town has two single-employer defined benefit 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

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

currently receiving benefits are required to contribute specified percentages towards the cost of receiving those benefits. The percentage retirees are required to contribute for these benefits vary and are detailed within the Police Union bargaining agreements. The Town does not issue a separate stand-alone financial statement for this program.

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

Membership in the plans consisted of the following at July 1, 2019:

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program
Plan membership:		
Retirees, surviving spouses and beneficiaries	33	27
Active plan members	<u>32</u>	<u>580</u>
Total Participants	<u><u>65</u></u>	<u><u>607</u></u>

B. Funding Policy

The Town established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The annual actuarially determined contribution payment is transferred into this account annually from the General Fund and budgeted as a part of the budgeting process, which is approved by the Town Council.

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

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

C. Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was (1.51%) and (1.16%) for the Police and the Non-Police Retiree Benefit OPEB plans, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

D. Net OPEB Liability of the Town

The Town's net OPEB liability was measured as of June 30, 2020. The components of the net OPEB liability of the Town at June 30, 2020 were as follows:

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program	Total
Total OPEB liability	\$ 7,730,276	\$ 4,273,190	\$ 12,003,466
Plan fiduciary net position	<u>4,563,395</u>	<u>3,763,863</u>	<u>8,327,258</u>
Net OPEB Liability	<u>\$ 3,166,881</u>	<u>\$ 509,327</u>	<u>\$ 3,676,208</u>
Plan fiduciary net position as a percentage of the total OPEB liability	59.03%	88.08%	69.37%

Actuarial Assumptions

The total OPEB liability at June 30, 2020 was determined by an actuarial update as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program
Inflation	2.75%	2.75%
Salary increases	Graded based on service	Graded based on service for Teachers and Administrators; 3.5% for all others
Investment rate of return	6.38%	6.38%
Healthcare cost trend rates	5.40% to 4.30% over 55 years	5.40% to 4.40% over 62 years

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Mortality for teachers and administrators is based on the RPH-2014 White Collar Mortality table with employee and annuitant rates blended from ages 50 to 80 projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For all other non-police participants, mortality is based on the PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement.

Mortality for police is based on PubS-2010 Mortality Table with generational projection per the MP-2014 ultimate scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2020 are summarized in the following tables:

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity (large cap)	4.46%
Fixed income	2.28%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.38%. The projection of cash flows used to determine the discount rate assumed that the Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

E. Changes in the Net OPEB Liability

Police Post-Retirement Medical Program			
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2019	\$ 8,411,498	\$ 4,552,831	\$ 3,858,667
Changes for the year:			
Service cost	257,989		257,989
Interest on total OPEB liability	547,747		547,747
Differences between expected and actual experience	(500,924)		(500,924)
Changes in assumptions	(493,071)		(493,071)
Employer contributions		593,615	(593,615)
Net investment income		(72,828)	72,828
Benefit payments, including refund to employee contributions	(492,963)	(492,963)	-
Administrative expenses		(17,260)	17,260
Net changes	<u>(681,222)</u>	<u>10,564</u>	<u>(691,786)</u>
Balances as of June 30, 2020	<u>\$ 7,730,276</u>	<u>\$ 4,563,395</u>	<u>\$ 3,166,881</u>
Non-Police Post-Retirement Medical Program			
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2019	\$ 6,579,975	\$ 3,748,352	\$ 2,831,623
Changes for the year:			
Service cost	209,590		209,590
Interest on total OPEB liability	430,464		430,464
Changes of benefit terms	198,135		198,135
Differences between expected and actual experience	(2,627,712)		(2,627,712)
Changes in assumptions	(177,841)		(177,841)
Employer contributions		428,451	(428,451)
Net investment income		(47,974)	47,974
Benefit payments, including refund to employee contributions	(339,421)	(339,421)	-
Administrative expenses		(25,545)	25,545
Net changes	<u>(2,306,785)</u>	<u>15,511</u>	<u>(2,322,296)</u>
Balances as of June 30, 2020	<u>\$ 4,273,190</u>	<u>\$ 3,763,863</u>	<u>\$ 509,327</u>

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

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

	<u>1% Decrease (5.38%)</u>	<u>Current Discount Rate (6.38%)</u>	<u>1% Increase (7.38%)</u>
Police Post-Retirement Medical Program			
Net OPEB Liability	\$ 3,786,192	\$ 3,166,881	\$ 2,604,486
Non-Police Post-Retirement Medical Program			
Net OPEB Liability	\$ 892,090	\$ 509,327	\$ 163,030

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

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

	<u>1% Decrease 4.40% Decreasing to 3.3%</u>	<u>Healthcare Cost Trend Rates (5.40% Decreasing to 4.3%)</u>	<u>1% Increase (6.40% Decreasing to 5.3%)</u>
Police Post-Retirement Medical Program			
Net OPEB Liability	\$ 2,380,724	\$ 3,166,881	\$ 4,079,996
Non-Police Post-Retirement Medical Program			
Net OPEB Liability	\$ 20,772	\$ 509,327	\$ 1,087,467

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Town recognized OPEB expense of \$1,339,029. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		
	Police	Non-Police	Total
	Post-Retirement Medical Program	Post-Retirement Medical Program	
Changes in assumptions	\$ 724,727	\$ 799,216	\$ 1,523,943
Net difference between projected and actual earning on pension plan investments	335,636	251,168	586,804
Total	\$ 1,060,363	\$ 1,050,384	\$ 2,110,747

	Deferred Inflows of Resources		
	Police	Non-Police	Total
	Post-Retirement Medical Program	Post-Retirement Medical Program	
Changes in assumptions	\$ (385,882)	\$ (159,316)	\$ (545,198)
Difference between expected and actual experience	(417,973)	(2,597,734)	(3,015,707)
Total	\$ (803,855)	\$ (2,757,050)	\$ (3,560,905)

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

Year Ending June 30	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program	Total
2021	\$ 179,052	\$ (115,566)	\$ 63,486
2022	179,054	(115,568)	63,486
2023	(46,056)	(119,853)	(165,909)
2024	(55,542)	(122,449)	(177,991)
2025		(181,147)	(181,147)
Thereafter		(1,052,083)	(1,052,083)

Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

A. Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

B. Benefit Provisions

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

C. Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$393,817 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

**TOWN OF DARIEN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>29,687,752</u>
Total	<u>\$ 29,687,752</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of (\$2,172,448) in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

**TOWN OF DARIEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.41%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

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

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

13. CONTINGENT LIABILITIES

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

The Town is a defendant in various lawsuits, and the outcome of these lawsuits is not presently determinable. In the opinion of management and the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town, and any potential liabilities that may arise from an unfavorable judgement would be covered by the Town's general liability insurance. Additionally, there is one suit for which the Town will be making settlement payments after year-end. The liabilities associated with the settlement has been accrued for within the Sewer Operating Fund as of June 30, 2020.

14. CORONAVIRUS (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The Town derives a significant portion of its revenues from property taxes. While the Town has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation and future federal or state fiscal relief.



Required Supplementary Information

**TOWN OF DARIEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Property taxes:				
Property taxes current	\$ 138,744,743	\$ 138,744,743	\$ 139,267,519	\$ 522,776
Property taxes prior	300,000	300,000	336,473	36,473
Suspense tax collections	3,500	3,500	3,319	(181)
Telecommunication property tax	58,000	58,000	48,122	(9,878)
Interest and liens	275,000	275,000	305,383	30,383
Total property taxes	<u>139,381,243</u>	<u>139,381,243</u>	<u>139,960,816</u>	<u>579,573</u>
Licenses and permits:				
Town Clerk	1,600,000	1,600,000	1,636,612	36,612
Building, plumbing and other	2,010,961	2,010,961	1,063,433	(947,528)
Refuse disposal permits	280,000	280,000	160,777	(119,223)
Food establishment	80,000	80,000	69,850	(10,150)
Private disposal and water supply	24,000	24,000	18,725	(5,275)
Fire Marshal's revenue	150,000	150,000	228,461	78,461
Other	40,350	40,350	43,114	2,764
Total licenses and permits	<u>4,185,311</u>	<u>4,185,311</u>	<u>3,220,972</u>	<u>(964,339)</u>
Intergovernmental:				
Taxes on State Owned Land	10,948	10,948	10,948	-
Disabled persons			188	188
Veterans' exemption			1,186	1,186
Court fines	25,000	25,000	37,627	12,627
Education Cost Sharing Grant	428,228	428,228	534,895	106,667
Other	20,000	20,000	10,665	(9,335)
Total intergovernmental	<u>484,176</u>	<u>484,176</u>	<u>595,509</u>	<u>111,333</u>

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Charges for services:				
Sale of codes, regulations, etc.	\$ 800	\$ 800	\$ 83	\$ (717)
Planning and zoning application	152,000	152,000	128,733	(23,267)
Services for Sewer Commission Authority	62,962	62,962	62,962	-
Solid Waste Fees	400,000	400,000	357,665	(42,335)
Services for Parking Fund	52,887	52,887	52,887	-
Parking Fees	215,000	215,000	226,189	11,189
Youth Commission fees	296,250	296,250	62,008	(234,242)
Parks and recreation	745,800	745,800	495,479	(250,321)
Beach parking permits	325,000	325,000	344,002	19,002
Senior Center Programs	63,500	63,500	44,153	(19,347)
Other	35,400	35,400	28,582	(6,818)
Total charges for services	<u>2,349,599</u>	<u>2,349,599</u>	<u>1,802,743</u>	<u>(546,856)</u>
Fines and forfeits	<u>45,600</u>	<u>45,600</u>	<u>32,974</u>	<u>(12,626)</u>
Investment income	<u>300,000</u>	<u>300,000</u>	<u>727,146</u>	<u>427,146</u>
Miscellaneous:				
Metro mobile rent	148,000	148,000	149,734	1,734
Coin operated Xerox machine	15,000	15,000	16,147	1,147
Commission on Aging - van	43,865	43,865	39,141	(4,724)
Sale of recyclables/metal/compost	73,000	73,000	63,417	(9,583)
Other rents	94,496	94,496	83,368	(11,128)
Insurance recoveries	75,000	75,000	108,622	33,622
Other			82,840	82,840
Total miscellaneous	<u>449,361</u>	<u>449,361</u>	<u>543,269</u>	<u>93,908</u>
Total revenues	<u>147,195,290</u>	<u>147,195,290</u>	<u>146,883,429</u>	<u>(311,861)</u>

(Continued on next page)

**TOWN OF DARIEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Other financing sources:				
Transfers in:				
Sewer Assessment Fund	\$ 550,000	\$ 550,000	\$ 550,000	\$ -
Sewer Operating Fund	53,807	53,807	53,807	-
Other Funds	60,000	60,000	94,754	34,754
Total transfers in	<u>663,807</u>	<u>663,807</u>	698,561	<u>34,754</u>
Appropriation of fund balance		2,175,000		(2,175,000)
Total other financing sources	<u>663,807</u>	<u>2,838,807</u>	698,561	<u>(2,140,246)</u>
Total Revenues and Other Financing Sources	\$ <u>147,859,097</u>	\$ <u>150,034,097</u>	147,581,990	\$ <u>(2,452,107)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Teachers' Retirement System for Town teachers is not budgeted.	14,409,256
State of Connecticut on-behalf contributions to the Teachers' Retirement OPEB Plan for Town teachers is not budgeted.	393,817
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.	(31,464)
The Town does not budget for land purchase option fund revenues.	22
The Town does not budget for refunding bond issuance.	13,625,000
The Town does not budget for premiums on refunding bond issuance.	1,677,983
The Board of Education does not budget for certain intergovernmental grants which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.	<u>2,842,179</u>

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

\$ 180,498,783

**TOWN OF DARIEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General government:				
Selectmen's office	\$ 238,102	\$ 243,474	\$ 238,587	\$ 4,887
Administrative Officer	412,012	412,837	385,641	27,196
Human Resources	172,409	176,354	175,446	908
Financial management	445,706	450,607	444,604	6,003
Board of Finance	40,255	40,255	39,735	520
Tax Assessor	349,888	359,469	352,162	7,307
Tax Collector	281,869	289,715	287,269	2,446
Legal services	724,000	727,480	626,479	101,001
Town Clerk	322,280	327,572	308,677	18,895
Registrar of Voters	162,629	166,682	140,782	25,900
Information services	405,854	405,854	402,944	2,910
Probate court	7,000	7,000	5,240	1,760
Total general government	<u>3,562,004</u>	<u>3,607,299</u>	<u>3,407,566</u>	<u>199,733</u>
Community environment:				
Development Planning	772,572	790,256	757,960	32,296
Beautification	34,000	34,000	32,349	1,651
Celebrations and observances	78,700	88,700	85,931	2,769
Harbor Master	3,660	3,660	586	3,074
Total community environment	<u>888,932</u>	<u>916,616</u>	<u>876,826</u>	<u>39,790</u>
Public safety:				
Building Department	<u>489,662</u>	<u>503,857</u>	<u>460,118</u>	<u>43,739</u>
Police Department:				
Administration	741,343	732,292	716,830	15,462
Criminal Investigation	776,999	723,007	666,616	56,391
Patrol	4,571,228	4,662,381	4,476,633	185,748
Records	423,131	439,214	434,002	5,212
Professional Standards	226,459	211,459	197,393	14,066
Traffic and School Crossing	66,292	66,292	42,019	24,273
Fleet Services	124,706	127,869	108,018	19,851
Station maintenance and communication	804,020	840,359	744,745	95,614
Animal Control	79,161	82,216	78,678	3,538
Total Police Department	<u>7,813,339</u>	<u>7,885,089</u>	<u>7,464,934</u>	<u>420,155</u>

(Continued on next page)

TOWN OF DARIEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Fire service and emergency medical service:				
Darien Fire Department	\$ 174,879	\$ 174,879	\$ 165,979	\$ 8,900
Noroton Fire Department	182,124	200,124	191,649	8,475
Noroton Heights Fire Department	194,806	194,806	186,897	7,909
Board of Fire Commissioners	230,443	230,443	196,586	33,857
Fire marshal	395,831	403,336	380,203	23,133
Hydrants and main rental	492,000	492,000	460,803	31,197
Disaster preparedness	223,471	232,132	222,457	9,675
Emergency medical service	128,744	136,704	136,586	118
Total fire service and emergency medical service	<u>2,022,298</u>	<u>2,064,424</u>	<u>1,941,160</u>	<u>123,264</u>
Total public safety	<u>10,325,299</u>	<u>10,453,370</u>	<u>9,866,212</u>	<u>587,158</u>
Public works:				
Administration	380,047	393,499	387,269	6,230
Roadway and walkway maintenance	1,927,016	1,916,732	1,799,433	117,299
Waste Management	1,246,723	1,246,730	1,187,640	59,090
Public building management	716,742	724,006	712,645	11,361
Parking facility	70,435	70,435	40,248	30,187
Total public works	<u>4,340,963</u>	<u>4,351,402</u>	<u>4,127,235</u>	<u>224,167</u>
Health and social services:				
Social services	207,372	211,928	203,321	8,607
Social service - outside assistance	18,000	18,000	14,769	3,231
Senior Center	397,381	401,299	325,567	75,732
Senior transportation	43,865	43,865	39,141	4,724
Youth programs	384,931	386,776	317,484	69,292
Health Department	331,835	340,108	332,393	7,715
Total health and social services	<u>1,383,384</u>	<u>1,401,976</u>	<u>1,232,675</u>	<u>169,301</u>
Parks and recreation:				
Administration	482,763	498,369	490,079	8,290
Beach and court facilities	210,592	244,842	213,983	30,859
Maintenance and repair	463,056	445,057	442,386	2,671
Organized recreation activities	550,140	548,139	373,429	174,710
Grounds, fields, building	203,913	186,913	173,113	13,800
Total parks and recreation	<u>1,910,464</u>	<u>1,923,320</u>	<u>1,692,990</u>	<u>230,330</u>
Overhead and miscellaneous:				
Employee benefits	5,683,454	5,888,396	5,620,842	267,554
Risk management	1,213,258	1,213,258	1,110,190	103,068
Contingency	801,450	357,051		357,051
Total overhead and miscellaneous	<u>7,698,162</u>	<u>7,458,705</u>	<u>6,731,032</u>	<u>727,673</u>

(Continued on next page)

**TOWN OF DARIEN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Library	\$ 3,820,120	\$ 3,820,120	\$ 3,820,120	\$ -
Board of Education - operations	100,118,409	100,118,409	99,548,798	569,611
Debt service:				
Schools	5,891,021	6,901,402	6,897,846	3,556
Town	4,067,823	4,796,655	4,795,308	1,347
Sewer	717,705	1,150,012	1,143,490	6,522
Total debt service	10,676,549	12,848,069	12,836,644	11,425
Total expenditures	144,724,286	146,899,286	144,140,098	2,759,188
Other financing uses:				
Transfers out:				
Retiree Medical	4,579	4,579	4,579	-
Capital nonrecurring expenditures	3,130,232	3,130,232	3,130,232	-
Total other financing uses	3,134,811	3,134,811	3,134,811	-
Total	\$ 147,859,097	\$ 150,034,097	147,274,909	\$ 2,759,188

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Teachers' Retirement System for Town teachers is not budgeted.	14,409,256
State of Connecticut on-behalf payments to the Teachers' Retirement OPEB Plan for Town teachers is not budgeted.	393,817
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.	91,546
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.	2,842,179
Payment to escrow agent is not budgeted.	15,214,668
Refunding bond issuance costs are not budgeted.	88,315

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

\$ 180,314,690

**TOWN OF DARIEN, CONNECTICUT
SEWER OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Licenses and permits	\$ 10,000	\$ 10,000	\$ 13,000	\$ 3,000
Charges for services	3,944,645	3,944,645	3,700,465	(244,180)
Fines and forfeits	45,000	45,000	51,680	6,680
Investment income	30,000	30,000	35,386	5,386
Miscellaneous income			1,000	1,000
Total revenues	<u>4,029,645</u>	<u>4,029,645</u>	<u>3,801,531</u>	<u>(228,114)</u>
Expenditures:				
Sewer operations:				
Administration	349,399	349,399	648,776	(299,377)
Collection and pumping	511,560	511,560	455,211	56,349
Treatment service	2,700,000	2,700,000	3,351,100	(651,100)
Overhead and miscellaneous	297,279	297,279	247,833	49,446
Total expenditures	<u>3,858,238</u>	<u>3,858,238</u>	<u>4,702,920</u>	<u>(844,682)</u>
Deficiency of revenues over expenditures	171,407	171,407	(901,389)	(1,072,796)
Other financing sources (uses):				
Operating transfers out	<u>(171,407)</u>	<u>(171,407)</u>	<u>(171,407)</u>	<u>-</u>
Deficiency of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(1,072,796)</u>	\$ <u>(1,072,796)</u>

TOWN OF DARIEN, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
TOWN PENSION PLAN
LAST SEVEN FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 3,081,785	\$ 3,085,417	\$ 3,008,156	\$ 2,684,605	\$ 2,520,756	\$ 2,187,552	\$ 2,272,712
Interest	5,299,869	5,004,595	4,616,537	4,340,501	4,091,560	3,909,003	3,653,413
Changes of benefit terms			(1,441,240)				
Differences between expected and actual experience	(1,634,289)		5,180,768			(989,032)	
Changes of assumptions	5,018,496		(2,171,561)			5,995,377	
Benefit payments, including refunds of member contributions	(3,698,621)	(3,393,602)	(3,208,883)	(2,998,318)	(2,895,921)	(2,694,202)	(2,348,549)
Net change in total pension liability	8,067,240	4,696,410	5,983,777	4,026,788	3,716,395	8,408,698	3,577,576
Total pension liability - beginning	80,274,861	75,578,451	69,594,674	65,567,886	61,851,491	53,442,793	49,865,217
Total pension liability - ending	88,342,101	80,274,861	75,578,451	69,594,674	65,567,886	61,851,491	53,442,793
Plan fiduciary net position:							
Contributions - employer	1,679,958	1,738,851	1,325,367	1,347,529	1,628,802	1,716,498	1,667,416
Contributions - employee	1,271,714	1,230,098	1,193,027	1,149,812	1,108,161	1,041,347	1,000,728
Net investment income	(1,237,205)	4,680,114	4,007,564	8,556,388	2,236,389	3,925,756	8,969,636
Benefit payments, including refunds of member contributions	(3,698,621)	(3,393,602)	(3,208,883)	(2,998,318)	(2,895,921)	(2,694,202)	(2,348,549)
Administrative expense	(59,598)	(46,416)	(69,921)	(56,482)	(315,272)	(289,154)	(265,239)
Net change in plan fiduciary net position	(2,043,752)	4,209,045	3,247,154	7,998,929	1,762,159	3,700,245	9,023,992
Plan fiduciary net position - beginning	83,209,799	79,000,754	75,753,600	67,754,671	65,992,512	62,292,267	53,268,275
Plan fiduciary net position - ending	81,166,047	83,209,799	79,000,754	75,753,600	67,754,671	65,992,512	62,292,267
Net Pension Liability (Asset) - Ending	\$ <u>7,176,054</u>	\$ <u>(2,934,938)</u>	\$ <u>(3,422,303)</u>	\$ <u>(6,158,926)</u>	\$ <u>(2,186,785)</u>	\$ <u>(4,141,021)</u>	\$ <u>(8,849,474)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	91.88%	103.66%	104.53%	108.85%	103.34%	106.70%	116.56%
Covered payroll	\$ 24,660,978	\$ 23,158,921	\$ 23,158,921	\$ 19,953,035	\$ 19,953,035	\$ 19,045,747	\$ 18,342,993
Net pension liability (asset) as a percentage of covered payroll	29.10%	(12.67%)	(14.78%)	(30.87%)	(10.96%)	(21.74%)	(48.24%)

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 997,292	\$ 961,290	\$ 913,729	\$ 949,016	\$ 891,095	\$ 687,778	\$ 738,659
Interest	3,087,842	2,992,110	2,840,366	2,752,033	2,646,463	2,889,227	2,761,581
Differences between expected and actual experience	742,773		1,767,698			(1,152,181)	
Changes of assumptions	2,109,415		(820,737)			663,780	
Benefit payments, including refunds of member contributions	(2,634,980)	(2,401,873)	(2,425,961)	(2,191,303)	(1,758,160)	(1,812,572)	(1,784,531)
Net change in total pension liability	4,302,342	1,551,527	2,275,095	1,509,746	1,779,398	1,276,032	1,715,709
Total pension liability - beginning	47,804,724	46,253,197	43,978,102	42,468,356	40,688,958	39,412,926	37,697,217
Total pension liability - ending	52,107,066	47,804,724	46,253,197	43,978,102	42,468,356	40,688,958	39,412,926
Plan fiduciary net position:							
Contributions - employer	181,357	256,426	231,886	278,285	588,454	1,073,353	1,220,507
Contributions - employee	316,152	312,312	303,416	297,257	307,577	299,971	265,826
Net investment income	(743,061)	2,975,534	2,626,946	5,761,015	1,568,200	2,752,388	6,338,904
Benefit payments, including refunds of member contributions	(2,634,980)	(2,401,873)	(2,425,961)	(2,191,303)	(1,758,160)	(1,812,572)	(1,784,531)
Administrative expense	(36,198)	(26,313)	(39,956)	(44,345)	(230,849)	(202,504)	(194,924)
Net change in plan fiduciary net position	(2,916,730)	1,116,086	696,331	4,100,909	475,222	2,110,636	5,845,782
Plan fiduciary net position - beginning	52,180,211	51,064,125	50,367,794	46,266,885	45,791,663	43,681,027	37,835,245
Plan fiduciary net position - ending	49,263,481	52,180,211	51,064,125	50,367,794	46,266,885	45,791,663	43,681,027
Net Pension Liability (Asset) - Ending	\$ <u>2,843,585</u>	\$ <u>(4,375,487)</u>	\$ <u>(4,810,928)</u>	\$ <u>(6,389,692)</u>	\$ <u>(3,798,529)</u>	\$ <u>(5,102,705)</u>	\$ <u>(4,268,101)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	94.54%	109.15%	110.40%	114.53%	108.94%	112.54%	110.83%
Covered payroll	\$ 5,207,086	\$ 4,794,634	\$ 4,794,634	\$ 5,059,519	\$ 5,059,519	\$ 4,888,424	\$ 3,710,557
Net pension asset as a percentage of covered payroll	54.61%	(91.26%)	(100.34%)	(126.29%)	(75.08%)	(104.38%)	(115.03%)

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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,679,958	\$ 1,738,851	\$ 1,325,367	\$ 1,347,529	\$ 1,628,802	\$ 1,716,498	\$ 1,667,416	\$ 1,593,296	\$ 1,671,289	\$ 1,515,023
Contributions in relation to the actuarially determined contribution	1,679,958	1,738,851	1,325,367	1,347,529	1,628,802	1,716,498	1,667,416	1,601,430	1,671,289	1,515,023
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,134)	\$ -	\$ -
Covered payroll	\$ 24,660,978	\$ 23,158,921	\$ 23,158,921	\$ 19,953,035	\$ 19,953,035	\$ 19,045,747	\$ 18,342,993	\$ 16,869,398	\$ 16,294,428	\$ 15,026,004
Contributions as a percentage of covered payroll	6.8%	7.5%	5.7%	6.8%	8.2%	9.0%	9.1%	9.5%	10.3%	10.1%

Notes to Schedule

Valuation date: July 1, 2019
 Measurement date: June 30, 2020
 Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent
Amortization period	18 years, closed
Asset valuation method	Market value
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	6.38% (Prior: 6.5%)
Retirement age	Assumptions related to age and service are used for participants not yet receiving payments.
Mortality	PubG-2010 Mortality Table with generational projection per the MP Ultimate scale. (Prior: RP-2014 for nondisabled participants projected with mortality improvement scale MP-2017. RP-2014 for disabled participants projected with mortality improvement scale MP-2017.)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 181,357	\$ 256,426	\$ 231,886	\$ 278,285	\$ 588,454	\$ 1,073,353	\$ 1,220,507	\$ 1,119,967	\$ 1,133,728	\$ 1,027,782
Contributions in relation to the actuarially determined contribution	181,357	256,426	231,886	278,285	588,454	1,073,353	1,220,507	1,125,594	1,133,728	1,027,782
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,627)	\$ -	\$ -
Covered payroll	\$ 5,207,086	\$ 4,794,634	\$ 4,794,634	\$ 5,059,519	\$ 5,059,519	\$ 4,888,424	\$ 3,710,557	\$ 4,741,817	\$ 4,660,227	\$ 4,537,382
Contributions as a percentage of covered payroll	3.5%	5.3%	4.8%	5.5%	11.6%	22.0%	32.9%	23.7%	24.3%	22.7%

Notes to Schedule

Valuation date: July 1, 2019
Measurement date: June 30, 2020
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent
Amortization period	10 years, open
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Graded by service
Investment rate of return	6.38% (Prior: 6.5%)
Retirement age	Assumptions related to age and service are used for participants not yet receiving payments.
Mortality	PubS-2010 Mortality Table with generational projection per the MP Ultimate scale. (Prior: RP-2014 for nondisabled participants projected with mortality improvement scale MP-2017. RP-2014 for disabled participants projected with mortality improvement scale MP-2017.)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	(1.48%)	5.88%	5.28%	12.58%	3.37%	6.24%	16.62%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	(1.45%)	5.93%	5.31%	12.65%	3.45%	6.28%	16.63%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>190,360,237</u>	<u>146,778,802</u>	<u>143,992,876</u>	<u>151,913,587</u>	<u>116,930,465</u>	<u>108,078,782</u>
Total	<u>\$ 190,360,237</u>	<u>\$ 146,778,802</u>	<u>\$ 143,992,876</u>	<u>\$ 151,913,587</u>	<u>\$ 116,930,465</u>	<u>\$ 108,078,782</u>
Town's covered payroll	\$ 47,723,685	\$ 46,066,266	\$ 45,642,348	\$ 44,253,946	\$ 42,596,996	\$ 41,007,425
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	61.51%	55.93%	52.26%	59.50%	61.51%
Changes in benefit terms	HB 7424 made the following provision changes: - Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%. - For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary.					
Changes of assumptions	HB 7424 made the following assumption changes: - Reduce the inflation assumption from 2.75% to 2.50%. - Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%. - Increase the annual rate of wage increase assumption from 0.50% to 0.75%. - Phase in to a level dollar amortization method for the June 30, 2024 valuation.					
Actuarial cost method	Entry age					
Amortization method	Level percent of pay, closed					
Single equivalent amortization period	17.6 years					
Inflation	2.75%					
Salary increase	3.25%-6.50%, including inflation					
Asset valuation method	4-year smoothed market					
Investment rate of return	8.00%, net of investment-related expense					

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 257,989	\$ 260,709	\$ 183,880	\$ 213,204
Interest	547,747	526,961	408,832	396,202
Differences between expected and actual experience	(500,924)		(59,792)	
Changes of assumptions	(493,071)		1,670,021	
Benefit payments	<u>(492,963)</u>	<u>(438,222)</u>	<u>(485,822)</u>	<u>(288,840)</u>
Net change in total OPEB liability	(681,222)	349,448	1,717,119	320,566
Total OPEB liability - beginning	<u>8,411,498</u>	<u>8,062,050</u>	<u>6,344,931</u>	<u>6,024,365</u>
Total OPEB liability - ending	<u>7,730,276</u>	<u>8,411,498</u>	<u>8,062,050</u>	<u>6,344,931</u>
Plan fiduciary net position:				
Contributions - employer	593,615	538,408	458,670	398,165
Net investment income (loss)	(72,828)	253,067	200,323	290,907
Benefit payments	(492,963)	(438,222)	(485,822)	(288,840)
Administrative expense	<u>(17,260)</u>	<u>(18,159)</u>	<u>(23,030)</u>	<u>(5,628)</u>
Net change in plan fiduciary net position	10,564	335,094	150,141	394,604
Plan fiduciary net position - beginning	<u>4,552,831</u>	<u>4,217,737</u>	<u>4,067,596</u>	<u>3,672,992</u>
Plan fiduciary net position - ending	<u>4,563,395</u>	<u>4,552,831</u>	<u>4,217,737</u>	<u>4,067,596</u>
Net OPEB Liability - Ending	<u>\$ 3,166,881</u>	<u>\$ 3,858,667</u>	<u>\$ 3,844,313</u>	<u>\$ 2,277,335</u>
Plan fiduciary net position as a percentage of the total OPEB liability	59.03%	54.13%	52.32%	64.11%
Covered-employee payroll	\$ 4,930,775	\$ 4,930,775	\$ 4,930,775	\$ 4,427,252
Net OPEB liability as a percentage of covered payroll	64.23%	78.26%	77.97%	51.44%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 209,590	\$ 170,691	\$ 261,917	\$ 250,303
Interest	430,464	411,820	341,961	323,329
Changes of benefit terms	198,135			
Differences between expected and actual experience	(2,627,712)		(389,989)	
Changes of assumptions	(177,841)		1,278,745	
Benefit payments	(339,421)	(329,897)	(323,500)	(274,200)
Net change in total OPEB liability	(2,306,785)	252,614	1,169,134	299,432
Total OPEB liability - beginning	<u>6,579,975</u>	<u>6,327,361</u>	<u>5,158,227</u>	<u>4,858,795</u>
Total OPEB liability - ending	<u>4,273,190</u>	<u>6,579,975</u>	<u>6,327,361</u>	<u>5,158,227</u>
Plan fiduciary net position:				
Contributions - employer	428,451	395,119	446,816	425,482
Net investment income (loss)	(47,974)	214,986	189,692	329,734
Benefit payments	(339,421)	(329,897)	(323,500)	(274,200)
Administrative expense	(25,545)	(16,572)	(28,296)	(9,913)
Net change in plan fiduciary net position	15,511	263,636	284,712	471,103
Plan fiduciary net position - beginning	<u>3,748,352</u>	<u>3,484,716</u>	<u>3,200,004</u>	<u>2,728,901</u>
Plan fiduciary net position - ending	<u>3,763,863</u>	<u>3,748,352</u>	<u>3,484,716</u>	<u>3,200,004</u>
Net OPEB Liability - Ending	<u>\$ 509,327</u>	<u>\$ 2,831,623</u>	<u>\$ 2,842,645</u>	<u>\$ 1,958,223</u>
Plan fiduciary net position as a percentage of the total OPEB liability	88.08%	56.97%	55.07%	62.04%
Covered payroll	\$ 48,644,707	\$ 48,644,707	\$ 48,644,707	\$ 45,122,787
Net OPEB liability as a percentage of covered payroll	1.05%	5.82%	5.84%	4.34%

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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution (1)	\$ 593,615	\$ 538,408	\$ 458,670	\$ 488,165	\$ 733,556	\$ 465,340	\$ 444,733	\$ 424,706	\$ 528,363	\$ 504,575
Contributions in relation to the actuarially determined contribution	593,615	538,408	458,670	398,165	643,556	465,340	354,733	329,796	429,659	405,871
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ -	\$ 90,000	\$ 94,910	\$ 98,704	\$ 98,704
Covered payroll	\$ 4,930,775	\$ 4,930,775	\$ 4,930,775	\$ 4,427,252	\$ 4,427,252	\$ 4,277,538	\$ 4,333,838	\$ 4,187,283	\$ 4,294,483	\$ 3,818,581
Contributions as a percentage of covered payroll	12.04%	10.92%	9.30%	8.99%	14.54%	10.88%	8.19%	7.88%	10.00%	10.63%

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

Notes to Schedule

Valuation date: July 1, 2019

Measurement date: June 30, 2020

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent
Amortization period	18 years, closed
Asset valuation method	Market value
Inflation	2.75%
Healthcare cost trend rates	8.00% initial, decreasing to an ultimate rate of 4.40% over 63 years (Prior: 7.10% initial, decreasing to an ultimate rate of 4.40% over 65 years)
Salary increases	Graded based on service
Investment rate of return	6.375%, net of plan investment expense, including inflation (Prior: 6.50%, net of plan investment expense, including inflation)
Retirement age	Retirement rates of 10% for all years of eligibility, with 100% retirement at age 65. Upon attainment of 20 years of service, the retirement rate is increased by an additional 25% for that year.
Mortality	PubS-2010 Mortality Table with generational projection per the MP-2014 ultimate scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date. (Prior: RP-2014 Mortality Table projected backwards to 2006 and generationally forward with Mortality Improvement Scale MP-2017 (modified to use a 0.75% ultimate rate and a convergence period of 10 years), with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.)

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution (1)	\$ 428,451	\$ 395,119	\$ 446,816	\$ 425,482	\$ 606,153	\$ 566,010	\$ 367,484	\$ 361,200	\$ 452,050	\$ 399,078
Contributions in relation to the actuarially determined contribution	428,451	395,119	446,816	425,482	606,153	566,010	367,484	361,200	452,050	303,578
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,500
Covered payroll	\$ 48,644,707	\$ 48,644,707	\$ 48,644,707	\$ 45,122,787	\$ 45,122,787	\$ 42,742,437	\$ 44,403,093	\$ 45,934,076	\$ 42,742,437	\$ 42,742,437
Contributions as a percentage of covered payroll	0.88%	0.81%	0.92%	0.94%	1.34%	1.32%	0.83%	0.79%	1.06%	0.71%

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

Notes to Schedule

Valuation date: July 1, 2019
 Measurement date: June 30, 2020
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal
 Amortization method: Level percent
 Amortization period: 18 years, closed
 Asset valuation method: Market value
 Inflation: 2.75%,
 Healthcare cost trend rates: 8.00% initial, decreasing to an ultimate rate of 4.5% over 63 years
 (Prior: 7.30% initial, decreasing to an ultimate rate of 4.5% over 58 years)

Salary increases: Graded based on service for teachers and administrators, 3.50% for all others
 Investment rate of return: 6.375%, net of plan investment expense, including inflation
 (Prior: 6.50%, net of plan investment expense, including inflation)

Retirement age: Based on age, eligibility for pension benefits and gender.
 Mortality: Teachers and Administrators: For healthy retirees and beneficiaries, the RPH-2014 White Collar Mortality table with employee and annuitant rates blended from ages 50 to 80 projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. This assumption includes a margin for mortality improvement beyond the valuation date.
 (Prior: Teachers and Administrators: RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using scale AA, with a two-year age setback. This assumption includes a margin for mortality improvement beyond the valuation date.)
 All Others: PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date.
 (Prior: All Others: RP-2014 Mortality Table projected backwards to 2006 and generationally forward with Mortality Improvement Scale MP-2017 (modified to use a 0.75% ultimate rate and a convergence period of 10 years), with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	(1.51%)	5.67%	4.78%	7.41%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	(1.16%)	5.59%	5.26%	10.58%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>29,687,752</u>	<u>29,342,043</u>	<u>37,062,146</u>
Total	<u>\$ 29,687,752</u>	<u>\$ 29,342,043</u>	<u>\$ 37,062,146</u>
Town's covered payroll	\$ 47,723,685	\$ 46,066,266	\$ 45,642,348
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	1.49%	1.79%

Notes to Schedule

Changes in benefit terms	The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date.
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019. Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2019. The expected rate of inflation was decreased, and the real wage growth assumption was increased.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

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



Combining and Individual Fund Statements and Schedules



General Fund

GENERAL FUND

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

**TOWN OF DARIEN, CONNECTICUT
COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2020**

	<u>General Fund</u>	<u>Animal Control</u>	<u>Land Purchase Option</u>	<u>Special Education Reserve</u>	<u>Total General Fund</u>
ASSETS					
Cash and cash equivalents	\$ 24,526,696	\$	\$ 39,066	\$ 100,000	\$ 24,665,762
Investments	3,934,008				3,934,008
Receivables, net	2,057,412				2,057,412
Due from other funds	3,982				3,982
Other assets	62,246				62,246
	<u>30,584,344</u>	<u>-</u>	<u>39,066</u>	<u>100,000</u>	<u>30,723,410</u>
Total Assets	\$ <u>30,584,344</u>	\$ <u>-</u>	\$ <u>39,066</u>	\$ <u>100,000</u>	\$ <u>30,723,410</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 3,328,841	\$ 10,603	\$	\$	\$ 3,339,444
Unearned revenue	443,423				443,423
Total liabilities	<u>3,772,264</u>	<u>10,603</u>	<u>-</u>	<u>-</u>	<u>3,782,867</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	<u>1,028,268</u>				<u>1,028,268</u>
Fund balance:					
Nonspendable	62,246				62,246
Committed			39,066	100,000	139,066
Assigned	183,548				183,548
Unassigned	25,538,018	(10,603)			25,527,415
Total fund balance	<u>25,783,812</u>	<u>(10,603)</u>	<u>39,066</u>	<u>100,000</u>	<u>25,912,275</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>30,584,344</u>	\$ <u>-</u>	\$ <u>39,066</u>	\$ <u>100,000</u>	\$ <u>30,723,410</u>

TOWN OF DARIEN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Animal Control</u>	<u>Land Purchase Option</u>	<u>Special Education Reserve</u>	<u>Total General Fund</u>
Revenues:					
Property taxes	\$ 139,960,816	\$	\$	\$	\$ 139,960,816
Intergovernmental	18,240,761				18,240,761
Charges for services	5,056,689				5,056,689
Income on investments	727,146		22		727,168
Miscellaneous	511,805				511,805
Total revenues	<u>164,497,217</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>164,497,239</u>
Expenditures:					
Current:					
General government	4,343,445				4,343,445
Community environment	1,190,177				1,190,177
Public safety	13,407,509				13,407,509
Health and social services	1,698,190				1,698,190
Library	3,820,120				3,820,120
Parks and recreation	2,168,966				2,168,966
Public works	5,115,914				5,115,914
Board of Education	117,300,510				117,300,510
Debt service	12,924,959				12,924,959
Total expenditures	<u>161,969,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,969,790</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,527,427</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>2,527,449</u>
Other Financing Sources (Uses):					
Transfers in	698,561				698,561
Transfers out	(3,130,232)				(3,130,232)
Refunding bond premiums	1,677,983				1,677,983
Issuance of refunding bonds	13,625,000				13,625,000
Payment to escrow agent	(15,214,668)				(15,214,668)
Total other financing sources (uses)	<u>(2,343,356)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,343,356)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	184,071	-	22	-	184,093
Fund Balance at Beginning of Year	<u>25,599,741</u>	<u>(10,603)</u>	<u>39,044</u>	<u>100,000</u>	<u>25,728,182</u>
Fund Balance at End of Year	<u>\$ 25,783,812</u>	<u>\$ (10,603)</u>	<u>\$ 39,066</u>	<u>\$ 100,000</u>	<u>\$ 25,912,275</u>

**TOWN OF DARIEN, CONNECTICUT
REPORT OF PROPERTY TAX COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2020**

Grand List Year	Uncollected Taxes July 1, 2019	Current Levy	Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2020
			Additions	Deductions			Taxes	Interest	Liens	Total	
2003	\$ 163	\$	\$	\$ 163	\$	\$ -	\$	\$	\$	\$ -	\$ -
2004	178					178	35	472		507	143
2005	183					183				-	183
2006	190					190				-	190
2007	198					198				-	198
2008	230					230				-	230
2009	237					237				-	237
2010	247					247				-	247
2011	256					256				-	256
2012	11,726					11,726	2,207	123	24	2,354	9,519
2013	36,439					36,439	4,728	232	24	4,984	31,711
2014	50,246					50,246	4,165	179	24	4,368	46,081
2015	93,899		204	126	13,724	80,253	15,150	3,158	72	18,380	65,103
2016	168,181		14,697	7,617		175,261	61,263	20,204	144	81,611	113,998
2017	447,270		20,321	17,114		450,477	283,248	55,304	576	339,128	167,229
Total prior years	809,643	-	35,222	25,020	13,724	806,121	370,796	79,672	864	451,332	435,325
2018		140,104,099	62,700	298,135		139,868,664	139,380,883	233,660	24	139,614,567	487,781
Total	\$ 809,643	\$ 140,104,099	\$ 97,922	\$ 323,155	\$ 13,724	\$ 140,674,785	\$ 139,751,679	\$ 313,332	\$ 888	\$ 140,065,899	\$ 923,106



Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

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

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

DEBT SERVICE FUND

Debt Service	Bond premiums	The debt service fund raises funds from the premiums on the issuances of debt, to be used on future debt service payments.
--------------	---------------	--

**TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	Special Revenue						
	<u>Cafeteria</u>	<u>Special Education Grants</u>	<u>Police Extra Duty</u>	<u>False Police Alarm</u>	<u>Fire Alarm</u>	<u>State and Federal Grants</u>	<u>Parking Operations</u>
ASSETS							
Cash and cash equivalents	\$ 533,898	\$ 45,309	\$ 364,842	\$ 80,066	\$ 29,836	\$ 185,979	\$ 1,015,217
Receivables:							
Other			258,003	82,176	2,706	141	556
Intergovernmental					299		
Total Assets	<u>\$ 533,898</u>	<u>\$ 45,309</u>	<u>\$ 622,845</u>	<u>\$ 162,242</u>	<u>\$ 32,542</u>	<u>\$ 186,419</u>	<u>\$ 1,015,773</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and other payables	\$ 108,960	\$ 1,612	\$ 53,560	\$ 216	\$ 1,790	\$ 512	\$ 23,494
Due to other funds							
Unearned revenue	240,441			373			
Total liabilities	<u>349,401</u>	<u>1,612</u>	<u>53,560</u>	<u>589</u>	<u>1,790</u>	<u>512</u>	<u>23,494</u>
Fund balances:							
Restricted		43,697				185,907	
Committed	184,497		569,285	161,653	30,752		992,279
Unassigned							
Total fund balances	<u>184,497</u>	<u>43,697</u>	<u>569,285</u>	<u>161,653</u>	<u>30,752</u>	<u>185,907</u>	<u>992,279</u>
Total Liabilities and Fund Balances	<u>\$ 533,898</u>	<u>\$ 45,309</u>	<u>\$ 622,845</u>	<u>\$ 162,242</u>	<u>\$ 32,542</u>	<u>\$ 186,419</u>	<u>\$ 1,015,773</u>

(Continued on next page)

**TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020**

	<u>Special Revenue</u>						<u>Total Nonmajor Governmental Funds</u>
	<u>Affordable Housing Trust</u>	<u>Park Pals Play Area Trust</u>	<u>Weed Beach Donations</u>	<u>Parks and Recreation Special Events</u>	<u>Miscellaneous Trusts</u>	<u>Debt Service</u>	
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$ 31,223	\$ 138,328	\$ 216,756	\$ 2,641,454
Receivables:							
Other					25		343,607
Intergovernmental							299
Total Assets	\$ -	\$ -	\$ -	\$ 31,223	\$ 138,353	\$ 216,756	\$ 2,985,360
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and other payables	\$	\$	\$	\$	\$ 1,151	\$	\$ 191,295
Due to other funds		3,982					3,982
Unearned revenue							240,814
Total liabilities	-	3,982	-	-	1,151		436,091
Fund balances:							
Restricted				31,223	137,202		398,029
Committed						216,756	2,155,222
Unassigned		(3,982)					(3,982)
Total fund balances	-	(3,982)	-	31,223	137,202	216,756	2,549,269
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ 31,223	\$ 138,353	\$ 216,756	\$ 2,985,360

**TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue						
	Cafeteria	Special Education Grants	Police Extra Duty	False Police Alarm	Fire Alarm	State and Federal Grants	Parking Operations
Revenues:							
Intergovernmental	\$	\$ 1,168,454	\$	\$	\$	\$ 67,322	\$
Licenses and permits							758,361
Charges for services	1,515,469		1,390,970				
Fines and forfeits				80,042	30,891		98,857
Investment income	1,759						
Contributions							
Miscellaneous							4,700
Total revenues	<u>1,517,228</u>	<u>1,168,454</u>	<u>1,390,970</u>	<u>80,042</u>	<u>30,891</u>	<u>67,322</u>	<u>861,918</u>
Expenditures:							
Current:							
General government						15,250	
Public safety			1,156,068	48,653	35,833	92,551	
Public health						28,591	
Public works						27,971	559,157
Parks and recreation							
Board of Education	1,637,774	1,201,010					
Total expenditures	<u>1,637,774</u>	<u>1,201,010</u>	<u>1,156,068</u>	<u>48,653</u>	<u>35,833</u>	<u>164,363</u>	<u>559,157</u>
Excess (Deficiency) of Revenues over Expenditures	(120,546)	(32,556)	234,902	31,389	(4,942)	(97,041)	302,761
Other Financing Sources (Uses):							
Transfers out			(94,754)				(899,529)
Bond premium							
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(94,754)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(899,529)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses	(120,546)	(32,556)	140,148	31,389	(4,942)	(97,041)	(596,768)
Fund Balance at Beginning of Year	<u>305,043</u>	<u>76,253</u>	<u>429,137</u>	<u>130,264</u>	<u>35,694</u>	<u>282,948</u>	<u>1,589,047</u>
Fund Balance at End of Year	<u>\$ 184,497</u>	<u>\$ 43,697</u>	<u>\$ 569,285</u>	<u>\$ 161,653</u>	<u>\$ 30,752</u>	<u>\$ 185,907</u>	<u>\$ 992,279</u>

(Continued on next page)

**TOWN OF DARIEN, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue					Debt Service	Total Nonmajor Governmental Funds
	Affordable Housing Trust	Park Pals Play Area Trust	Weed Beach Donations	Parks and Recreation Special Events	Miscellaneous Trusts		
Revenues:							
Intergovernmental	\$	\$	\$	\$	\$	\$	1,235,776
Licenses and permits							758,361
Charges for services							2,906,439
Fines and forfeits							209,790
Investment income					26		1,785
Contributions				19,810	102,343		122,153
Miscellaneous		8,505					13,205
Total revenues	<u>-</u>	<u>8,505</u>	<u>-</u>	<u>19,810</u>	<u>102,369</u>	<u>-</u>	<u>5,247,509</u>
Expenditures:							
Current:							
General government	363,851						379,101
Public safety							1,333,105
Public health					47,647		76,238
Public works							587,128
Parks and recreation				30,049			30,049
Board of Education							2,838,784
Total expenditures	<u>363,851</u>	<u>-</u>	<u>-</u>	<u>30,049</u>	<u>47,647</u>	<u>-</u>	<u>5,244,405</u>
Excess (Deficiency) of Revenues over Expenditures	(363,851)	8,505	-	(10,239)	54,722	-	3,104
Other Financing Sources (Uses):							
Transfers out			(4,289)		(1,892)		(1,000,464)
Bond premium						216,756	216,756
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,289)</u>	<u>-</u>	<u>(1,892)</u>	<u>216,756</u>	<u>(783,708)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses	(363,851)	8,505	(4,289)	(10,239)	52,830	216,756	(780,604)
Fund Balance at Beginning of Year	<u>363,851</u>	<u>(12,487)</u>	<u>4,289</u>	<u>41,462</u>	<u>84,372</u>		<u>3,329,873</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (3,982)</u>	<u>\$ -</u>	<u>\$ 31,223</u>	<u>\$ 137,202</u>	<u>\$ 216,756</u>	<u>\$ 2,549,269</u>

**TOWN OF DARIEN, CONNECTICUT
PARKING OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 941,000	\$ 941,000	\$ 758,361	\$ (182,639)
Fines and forfeits	140,100	140,100	98,857	(41,243)
Miscellaneous income	12,000	12,000	4,700	(7,300)
Total revenues	<u>1,093,100</u>	<u>1,093,100</u>	<u>861,918</u>	<u>(231,182)</u>
Expenditures:				
Parking operations	<u>693,571</u>	<u>693,571</u>	<u>559,157</u>	<u>134,414</u>
Excess of Revenues over Expenditures	399,529	399,529	302,761	(96,768)
Other Financing Uses:				
Transfers out	<u>(899,529)</u>	<u>(899,529)</u>	<u>(899,529)</u>	<u>-</u>
Excess of Revenues over Expenditures and Other Financing Uses	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	(596,768)	<u>\$ (96,768)</u>
Fund Balance at Beginning of Year			<u>1,589,047</u>	
Fund Balance at End of Year			<u>\$ 992,279</u>	



Fiduciary Funds

FIDUCIARY FUNDS

TRUST FUNDS

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

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

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

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

AGENCY FUND

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

TOWN OF DARIEN, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION - TRUST FUNDS
JUNE 30, 2020

	<u>Pension Trust Funds</u>		<u>OPEB Trust Funds</u>		<u>Eliminations</u>	<u>Total Pension and OPEB Trust Funds</u>
	<u>Police Pension Trust Fund</u>	<u>Town Pension Trust Fund</u>	<u>Police Retiree Medical Reserve Trust Fund</u>	<u>Non-Police Retiree Benefit Trust Fund</u>		
Assets:						
Cash and cash equivalents	\$ 766,633	\$ 1,634,912	\$ 87,090	\$ 73,349	\$	\$ 2,561,984
Investments:						
Equity securities	28,553,186	46,645,999	2,631,576	2,166,600		79,997,361
Mutual funds	20,049,704	32,834,277	1,846,638	1,525,477		56,256,096
Receivables:						
Due from other funds		85,110			(85,110)	-
Interest and dividends	33,137	54,156	3,074	2,554		92,921
Total assets	<u>49,402,660</u>	<u>81,254,454</u>	<u>4,568,378</u>	<u>3,767,980</u>	<u>(85,110)</u>	<u>138,908,362</u>
Liabilities:						
Accounts and other payables	54,069	88,407	4,983	4,117		151,576
Due from other funds	85,110				(85,110)	-
Total liabilities	<u>139,179</u>	<u>88,407</u>	<u>4,983</u>	<u>4,117</u>	<u>(85,110)</u>	<u>151,576</u>
Net Position:						
Restricted for Pension Benefits and Postemployment Benefits	<u>\$ 49,263,481</u>	<u>\$ 81,166,047</u>	<u>\$ 4,563,395</u>	<u>\$ 3,763,863</u>	<u>\$ -</u>	<u>\$ 138,756,786</u>

TOWN OF DARIEN, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Pension Trust Funds</u>		<u>OPEB Trust Funds</u>		<u>Total Pension and OPEB Trust Funds</u>
	<u>Police Pension Trust Fund</u>	<u>Town Pension Trust Fund</u>	<u>Police Retiree Medical Reserve Trust Fund</u>	<u>Non-Police Retiree Benefit Trust Fund</u>	
Additions:					
Contributions:					
Employer	\$ 181,357	\$ 1,679,958	\$ 593,615	\$ 428,451	\$ 2,883,381
Plan members	316,152	1,271,714			1,587,866
Total contributions	<u>497,509</u>	<u>2,951,672</u>	<u>593,615</u>	<u>428,451</u>	<u>4,471,247</u>
Investment income (loss):					
Net change in fair value of investments	(1,790,869)	(2,940,383)	(186,582)	(142,978)	(5,060,812)
Interest and dividends	1,236,059	2,007,491	131,328	109,942	3,484,820
Total investment income (loss)	<u>(554,810)</u>	<u>(932,892)</u>	<u>(55,254)</u>	<u>(33,036)</u>	<u>(1,575,992)</u>
Less investment expense:					
Investment management fees	188,251	304,313	17,574	14,938	525,076
Net investment income (loss)	<u>(743,061)</u>	<u>(1,237,205)</u>	<u>(72,828)</u>	<u>(47,974)</u>	<u>(2,101,068)</u>
Total net additions	<u>(245,552)</u>	<u>1,714,467</u>	<u>520,787</u>	<u>380,477</u>	<u>2,370,179</u>
Deductions:					
Benefits	2,634,980	3,698,621	492,963	339,421	7,165,985
Administration	36,198	59,598	17,260	25,545	138,601
Total deductions	<u>2,671,178</u>	<u>3,758,219</u>	<u>510,223</u>	<u>364,966</u>	<u>7,304,586</u>
Change in Net Position	(2,916,730)	(2,043,752)	10,564	15,511	(4,934,407)
Net Position at Beginning of Year	<u>52,180,211</u>	<u>83,209,799</u>	<u>4,552,831</u>	<u>3,748,352</u>	<u>143,691,193</u>
Net Position at End of Year	<u>\$ 49,263,481</u>	<u>\$ 81,166,047</u>	<u>\$ 4,563,395</u>	<u>\$ 3,763,863</u>	<u>\$ 138,756,786</u>

**TOWN OF DARIEN, CONNECTICUT
 AGENCY FUND
 STUDENT ACTIVITIES
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
ASSETS				
Cash and cash equivalents	\$ <u>416,592</u>	\$ <u>1,104,604</u>	\$ <u>1,150,436</u>	\$ <u>370,760</u>
LIABILITIES				
Accounts and other payables	\$ <u>416,592</u>	\$ <u>1,104,604</u>	\$ <u>1,150,436</u>	\$ <u>370,760</u>



Statistical Section

STATISTICAL SECTION INFORMATION

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

Statistical section information is presented in the following categories:

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

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Net investment in capital assets \$	129,040	\$ 124,971	\$ 122,055	\$ 122,133	\$ 106,977	\$ 101,619	\$ 96,371	\$ 97,749	\$ 89,762	\$ 88,823
Restricted	398	489	14,861	17,956			1,942	1,469	5,616	1,102
Unrestricted	43,859	47,306	31,508	21,180	46,569	45,269	41,969	26,101	23,629	28,719
Total Governmental Activities										
Net Position	<u>\$ 173,297</u>	<u>\$ 172,766</u>	<u>\$ 168,424</u>	<u>\$ 161,269</u>	<u>\$ 153,546</u>	<u>\$ 146,888</u>	<u>\$ 140,282</u>	<u>\$ 125,319</u>	<u>\$ 119,007</u>	<u>\$ 118,644</u>

Notes:
-Schedule prepared on the accrual basis of accounting.

TABLE 2

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental activities:										
General government	\$ 5,497	\$ 4,993	\$ 4,492	\$ 4,893	\$ 4,825	\$ 4,716	\$ 4,493	\$ 4,329	\$ 4,116	\$ 4,117
Community environment	1,308	1,186	1,159	1,174	1,124	894	873	846	838	841
Public safety	17,688	16,563	15,582	13,467	13,766	14,775	13,886	12,695	12,026	12,059
Health and social services	1,898	1,924	1,820	2,004	1,809	1,625	1,971	2,373	1,652	1,447
Library	3,820	3,732	3,685	3,583	3,503	3,479	3,401	3,264	3,186	3,131
Parks and recreation	2,504	2,001	1,871	2,502	2,024	2,258	2,188	1,715	2,901	1,715
Public works	8,260	10,058	7,541	8,285	8,027	7,225	7,194	6,444	7,143	5,872
Board of Education	133,518	116,480	123,896	120,351	110,911	105,076	104,235	97,796	94,266	88,077
Sewer operations	4,703	3,735	3,337	3,321	3,146	3,269	3,585	3,065	2,739	3,312
Solid waste										1,207
Interest on long-term debt	1,502	1,456	2,187	1,871	2,206	2,338	2,836	2,765	4,118	3,703
Total governmental activities expenses	180,698	162,128	165,570	161,451	151,341	145,655	144,662	135,292	132,985	125,481
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	1,651	1,447	1,643	1,543	1,958	1,876	1,762	1,779	1,392	1,448
Community environment	129	122	123	123	108	109	104	98	87	70
Public safety	3,870	4,458	4,000	3,999	3,330	3,349	2,476	2,517	1,793	1,678
Health and social services	210	479	447	181	175	166	295	665	325	291
Parks and recreation	845	604	559	592	582	563	479	480	516	416
Public works	653	623	435	666	767	728	1,628	1,636	2,019	1,135
Board of Education	1,515	2,240	2,245	2,242	2,346	2,257	2,304	2,208	2,176	2,050
Sewer operations	4,185	3,893	3,848	3,957	3,923	3,747	3,621	5,335	3,088	2,592
Solid waste										767
Operating grants and contributions:										
General government	473	482	781	490	19	13	56	32		
Public safety	66	41	34	21	31	30			42	42
Health and social services	124	10	50	355	238	227	163	149	68	74
Parks and recreation	20	41								
Board of Education	25,753	11,889	23,572	21,232	14,484	13,387	14,901	13,443	13,260	11,909
Capital grants and contributions:										
General government							146	324	110	109
Public safety				234					34	278
Health and social services				43	41	39				2
Parks and recreation				296		25			4	10
Public works	59			31	449	557	1,130	83	167	393
Board of Education			3		187	14			1	34
Total governmental activities program revenues	39,553	26,329	37,740	36,005	28,638	27,087	29,065	28,749	25,082	23,298
Net (expense) revenue -										
Governmental activities	(141,145)	(135,799)	(127,830)	(125,446)	(122,703)	(118,568)	(115,597)	(106,543)	(107,903)	(102,183)
Total primary government net expense	(141,145)	(135,799)	(127,830)	(125,446)	(122,703)	(118,568)	(115,597)	(106,543)	(107,903)	(102,183)

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General revenues and other changes in net expenses										
Governmental activities:										
Property taxes	\$ 140,271	\$ 138,547	\$ 138,101	\$ 132,032	\$ 128,172	\$ 124,174	\$ 116,634	\$ 111,719	\$ 106,666	\$ 102,220
Grants and contributions not restricted to specific purposes	23	24	98	278	484	192	177	241	332	341
Unrestricted investment earnings	841	1,029	341	235	198	164	154	211	848	655
Other general revenues	541	540	721	624	507	644	489	685	420	475
Total governmental activities	<u>141,676</u>	<u>140,140</u>	<u>139,261</u>	<u>133,169</u>	<u>129,361</u>	<u>125,174</u>	<u>117,454</u>	<u>112,856</u>	<u>108,266</u>	<u>103,691</u>
Special items	-	-	-	-	-	-	-	-	-	-
Changes in Net Position - Governmental Activities	<u>\$ 531</u>	<u>\$ 4,341</u>	<u>\$ 11,431</u>	<u>\$ 7,723</u>	<u>\$ 6,658</u>	<u>\$ 6,606</u>	<u>\$ 1,857</u>	<u>\$ 6,313</u>	<u>\$ 363</u>	<u>\$ 1,508</u>

Notes:
-Schedule prepared on the accrual basis of accounting.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund:										
Nonspendable	\$ 62	\$ 12	\$ 209	\$ 50	\$ 42	\$ 32	\$ 575	\$ 659	\$ 598	\$ 47
Restricted										
Committed	139	139	334	334	354	356				
Assigned	184	325	213	1,199	1,646	1,971	1,409	1,410	930	522
Unassigned	<u>25,527</u>	<u>25,253</u>	<u>22,434</u>	<u>18,427</u>	<u>18,244</u>	<u>16,693</u>	<u>16,482</u>	<u>17,404</u>	<u>17,008</u>	<u>17,160</u>
Total General Fund	<u>\$ 25,912</u>	<u>\$ 25,729</u>	<u>\$ 23,190</u>	<u>\$ 20,010</u>	<u>\$ 20,286</u>	<u>\$ 19,052</u>	<u>\$ 18,466</u>	<u>\$ 19,473</u>	<u>\$ 18,536</u>	<u>\$ 17,729</u>
All other governmental funds:										
Nonspendable	\$	\$	\$ 4	\$ 3	\$	\$	\$ 10	\$ 10	\$ 10	\$ 22
Restricted	398	489	14,861	17,956	5,908	2,001	4,148	4,609	5,594	5,435
Committed	36,864	17,339	7,068	7,082	6,654	6,314	5,273	5,566	7,205	6,765
Assigned										
Unassigned	<u>(4)</u>	<u>(12)</u>	<u>(5,979)</u>	<u>(18,515)</u>		<u>(38)</u>	<u>(3)</u>	<u>(709)</u>		
Total All Other Governmental Funds	<u>\$ 37,258</u>	<u>\$ 17,816</u>	<u>\$ 15,954</u>	<u>\$ 6,526</u>	<u>\$ 12,562</u>	<u>\$ 8,277</u>	<u>\$ 9,428</u>	<u>\$ 9,476</u>	<u>\$ 12,809</u>	<u>\$ 12,222</u>

Notes:

- Schedule prepared on the modified accrual basis of accounting.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property taxes	\$ 139,961	\$ 138,403	\$ 137,962	\$ 132,391	\$ 128,493	\$ 124,755	\$ 116,638	\$ 112,058	\$ 106,518	\$ 102,076
Intergovernmental revenues	19,932	20,287	17,141	22,171	15,657	14,383	16,796	14,859	14,415	13,258
Charges for services	13,053	14,055	13,625	13,868	13,794	13,357	13,230	13,216	11,827	11,096
Income on investments	841	1,029	341	235	199	164	154	211	240	258
Miscellaneous	676	594	750	647	722	863	489	685	420	475
Total revenues	<u>174,463</u>	<u>174,368</u>	<u>169,819</u>	<u>169,312</u>	<u>158,865</u>	<u>153,522</u>	<u>147,307</u>	<u>141,029</u>	<u>133,420</u>	<u>127,163</u>
Expenditures:										
General government	4,722	4,302	4,089	3,312	3,163	3,289	3,400	2,951	3,071	3,014
Community environment	1,190	1,112	1,085	771	692	645	627	598	591	595
Public safety	14,741	14,705	13,682	10,115	9,518	9,296	9,561	8,953	8,259	8,098
Health and social services	1,774	1,866	1,843	1,354	1,298	1,320	1,379	1,217	1,232	1,098
Library	3,820	3,733	3,685	3,584	3,503	3,479	3,401	3,264	3,186	3,132
Parks and recreation	2,199	1,805	1,658	1,263	1,286	1,334	1,226	1,337	1,127	1,099
Public works	5,703	5,676	5,630	4,519	5,179	5,220	5,522	5,087	4,547	3,538
Schools	120,139	119,216	112,768	116,474	105,769	102,668	100,977	93,369	89,696	84,091
Sewer operations	4,703	3,735	3,337	3,321	3,146	3,269	3,585	3,065	2,739	3,312
Solid waste										5,701
General overhead				6,040	6,714	6,764	6,449	5,897	5,719	1,207
Capital outlay	8,058	7,285	10,476	13,326	4,960	5,320	6,670	6,984	15,906	7,321
Debt service:										
Principal	10,890	8,832	9,656	9,355	8,893	8,893	8,022	7,954	7,145	6,264
Interest	2,166	2,000	1,786	2,190	2,569	2,748	3,043	2,925	2,950	3,177
Total expenditures	<u>180,105</u>	<u>174,267</u>	<u>169,695</u>	<u>175,624</u>	<u>156,690</u>	<u>154,245</u>	<u>153,862</u>	<u>143,601</u>	<u>146,168</u>	<u>131,647</u>
Excess of Revenues over (Under) Expenditures	<u>(5,642)</u>	<u>101</u>	<u>124</u>	<u>(6,312)</u>	<u>2,175</u>	<u>(723)</u>	<u>(6,555)</u>	<u>(2,572)</u>	<u>(12,748)</u>	<u>(4,484)</u>
Other Financing Sources (Uses):										
Transfers in	4,852	5,840	7,446	7,101	5,069	3,894	3,907	2,400	3,044	4,405
Transfers out	(4,852)	(5,840)	(7,446)	(7,101)	(5,069)	(3,894)	(3,907)	(2,400)	(3,044)	(4,405)
Issuance of debt	34,685	4,185	12,460		16,310	5,500	33,610	14,000	12,000	11,305
Payment to escrow agent	(15,215)				(17,862)		(36,512)			(12,308)
Bond premium	5,798	116	347		1,710		3,078	608	398	1,151
Issuance of BAN										4,000
Total other financing sources (uses)	<u>25,268</u>	<u>4,301</u>	<u>12,807</u>	<u>-</u>	<u>158</u>	<u>5,500</u>	<u>176</u>	<u>14,608</u>	<u>12,398</u>	<u>4,148</u>
Net Change in Fund Balances	<u>\$ 19,626</u>	<u>\$ 4,402</u>	<u>\$ 12,931</u>	<u>\$ (6,312)</u>	<u>\$ 2,333</u>	<u>\$ 4,777</u>	<u>\$ (6,379)</u>	<u>\$ 12,036</u>	<u>\$ (350)</u>	<u>\$ (336)</u>
Debt Service as a Percentage of Noncapital Expenditures										
	7.46%	6.22%	6.99%	6.99%	7.45%	7.73%	7.49%	7.91%	8.40%	7.59%

Notes:

-Schedule prepared on the modified accrual basis of accounting.

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

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
	Residential	Commercial	Other							
2020	\$ 7,238,849	\$ 724,289	\$ 110,438	\$ 173,831	\$ 252,603	\$ 5,661	\$ 8,494,349	16.47%	\$ 12,134,748	70.00%
2019	7,394,614	666,861	115,924	175,574	249,623	3,997	8,598,599	16.08%	12,283,712	70.00%
2018	7,341,923	658,433	114,211	163,813	245,531	2,398	8,521,513	16.16%	12,073,589	70.00%
2017	7,229,541	647,323	171,462	164,356	241,230	2,400	8,451,512	15.77%	12,073,589	70.00%
2016	7,172,564	648,915	141,269	168,385	237,377	2,514	8,365,996	15.35%	11,951,423	70.00%
2015	7,047,408	646,124	158,818	166,468	232,985	1,158	8,250,645	15.01%	11,786,636	70.00%
2014	7,661,274	645,553	199,516	163,002	228,337	1,224	8,896,458	13.17%	12,709,226	70.00%
2013	7,617,128	660,314	192,464	160,293	233,014	1,188	8,862,025	12.68%	12,660,036	70.00%
2012	7,564,758	666,677	192,373	156,415	216,654	1,474	8,795,403	12.20%	12,651,744	69.52%
2011	7,553,873	686,405	149,514	150,120	201,218	1,547	8,739,583	11.74%	12,485,120	70.00%

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

Source: Town of Darien, Office of Tax Assessor

TABLE 6

TOWN OF DARIEN, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
(In Thousands)
OCTOBER 1, 2018 AND OCTOBER 1, 2009

Taxpayer	October 1, 2018 ⁽¹⁾			October 1, 2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Eversource	\$ 87,028	1	1.02%	\$ 84,803	1	0.97%
Darien Financing LLC	46,322	2	0.55%			
Steinkraus Estate	35,030	3	0.41%			
Wee Burn Country Club	25,376	4	0.30%	48,416	2	0.55%
Country Club of Darien	24,778	5	0.29%	38,099	3	0.44%
U.B. Darien Inc.	22,440	6	0.26%	19,907	8	0.23%
Woodway Country Club	21,435	7	0.25%	25,618	5	0.29%
Virtus/LCB Darien LLC	20,104	8	0.24%			
Contentamiento LLC	18,119	9	0.21%			
Walsh, Kevin, et al	17,255	10	0.20%			
Avalon Bay Communities				36,191	4	0.41%
Rivoire, Helen M. et al (Estate)				22,249	6	0.25%
Zotos International				21,753	7	0.25%
9 Old Kings Highway, LLC				17,353	9	0.20%
Parkland Limited Partnership				15,458	10	0.18%
Total Taxable Grand List	\$ 317,886		3.74%	\$ 329,846		3.77%

Source: Town of Darien, Office of Tax Assessor

⁽¹⁾ Fiscal year is July 1, 2019-June 30, 2020

TABLE 7

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

Fiscal Year Ended June 30,	Tax Rate In Mills	Taxes Levied for the Fiscal Year	Collected Within The Fiscal Year of Levy		Tax Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2020	16.47	\$ 139,869	\$ 139,381	99.65%	\$	\$ 139,381	99.65%
2019	16.08	138,221	137,774	99.68%	283	138,057	99.88%
2018	16.16	137,617	137,308	99.78%	201	137,509	99.92%
2017	15.77	132,510	132,147	99.73%	376	132,523	100.01%
2016	15.35	128,189	127,664	99.59%	140	127,804	99.70%
2015	15.01	123,644	123,136	99.59%	(87)	123,049	99.52%
2014	13.17	116,477	115,663	99.30%	726	116,389	99.92%
2013	12.68	111,676	111,114	99.50%	446	111,560	99.90%
2012	12.20	106,578	106,074	99.53%	370	106,444	99.87%
2011	11.74	102,098	101,469	99.38%	174	101,643	99.55%

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

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

Fiscal Year	Governmental Activities General Obligation Bonds⁽¹⁾	Ratio of Debt to Taxable Assessed Value	Debt Per Capita	Estimated Personal Income (in thousands)	Debt as Percent of Estimated Personal Income
2020	\$ 76,632	0.90%	\$ 3.52	\$ 2,439,097	3.14%
2019	64,166	0.75%	2.95	2,303,087	2.79%
2018	69,373	0.81%	3.35	2,111,077	3.29%
2017	66,875	0.79%	3.13	2,070,040	3.23%
2016	76,858	0.92%	3.54	2,073,620	3.71%
2015	82,583	0.94%	3.81	2,056,551	4.02%
2014	90,922	1.01%	4.26	2,011,440	4.52%
2013	93,868	1.03%	4.33	1,992,655	4.59%
2012	100,614	1.13%	4.77	2,001,574	4.99%
2011	93,285	1.05%	4.44	2,011,978	4.58%

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

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

TOWN OF DARIEN, CONNECTICUT
COMPUTATION OF LEGAL DEBT MARGIN (UNAUDITED)
JUNE 30, 2020
(In Thousands)

Total tax collections (including interest and lien fees):

For the year ended June 30, 2019

Town of Darien	\$ 138,238
Taxing districts	605

Reimbursement for revenue loss:

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

Base for Establishing Debt Limit	<u>\$ 138,845</u>
----------------------------------	-------------------

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Funding</u>	<u>Total</u>
Debt Limitation						
2 1/4 times base	\$ 312,402	\$	\$	\$	\$	\$ 312,402
4 1/2 times base		624,805				624,805
3 3/4 times base			520,671			520,671
3 1/4 times base				451,248		451,248
3 times base					416,536	416,536
Total debt limitation	<u>312,402</u>	<u>624,805</u>	<u>520,671</u>	<u>451,248</u>	<u>416,536</u>	<u>2,325,662</u>
Debt, as defined by Statute:						
Bonds payable ⁽¹⁾	27,890	39,409	1,608			68,907
Bonds authorized but unissued	1,656	43,695	59			45,410
Less: School building grants receivable						-
Total indebtedness	<u>29,546</u>	<u>83,104</u>	<u>1,667</u>	<u>-</u>	<u>-</u>	<u>114,317</u>
Debt Limitation in Excess of Indebtedness	<u>\$ 282,856</u>	<u>\$ 541,701</u>	<u>\$ 519,004</u>	<u>\$ 451,248</u>	<u>\$ 416,536</u>	<u>\$ 2,211,345</u>

Note 1: Total net indebtedness above amounts of \$114,317 but in no event shall total indebtedness exceed \$971,918 (seven times the base for debt limitation).

Note 2: There is no overlapping debt.

Source: Town of Darien, Finance Department

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limitation	\$ 971,918	\$ 971,009	\$ 930,804	\$ 930,804	\$ 902,895	\$ 875,826	\$ 819,826	\$ 784,105	\$ 749,266	\$ 719,201
Total net debt applicable to limit	<u>114,317</u>	<u>125,511</u>	<u>70,176</u>	<u>85,046</u>	<u>94,914</u>	<u>101,560</u>	<u>110,451</u>	<u>117,617</u>	<u>124,678</u>	<u>124,982</u>
Legal Debt Margin	<u>\$ 857,601</u>	<u>\$ 845,498</u>	<u>\$ 860,628</u>	<u>\$ 845,758</u>	<u>\$ 807,981</u>	<u>\$ 774,266</u>	<u>\$ 709,375</u>	<u>\$ 666,488</u>	<u>\$ 624,588</u>	<u>\$ 594,219</u>
Total net debt applicable to the limit as percentage of debt limit	11.76%	12.93%	7.54%	9.14%	10.51%	11.60%	13.47%	15.00%	16.64%	17.38%

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

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

**TOWN OF DARIEN, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
LAST TEN CALENDAR YEARS**

Calendar Year	Population⁽¹⁾	Estimated Personal Income (In Thousands)	Per Capita Income⁽¹⁾	Median Age⁽¹⁾	School Enrollment⁽²⁾	Unemployment Rate⁽³⁾
2020	21,759	\$ 2,439,097	\$ 112,096	39.3	4,739	6.7%
2019	21,742	2,303,087	105,928	39.4	4,777	3.8%
2018	20,732	2,111,077	101,827	38.9	4,726	4.3%
2017	21,392	2,070,040	96,767	38.7	4,781	4.5%
2016	21,689	2,073,620	95,607	39.1	4,799	5.0%
2015	21,689	2,056,551	94,820	39.1	4,899	4.3%
2014	21,330	2,011,440	94,301	39.1	4,895	4.3%
2013	21,114	1,992,655	94,376	39.1	4,846	5.7%
2012	20,942	2,001,574	95,577	39.0	4,817	6.4%
2011	20,732	2,011,978	97,047	38.0	4,841	6.0%

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

⁽²⁾ Darien Board of Education.

⁽³⁾ State of CT Department of Labor.

TABLE 12

**TOWN OF DARIEN, CONNECTICUT
PRINCIPAL EMPLOYERS (UNAUDITED)
2020 AND 2011**

<u>Employer</u>	<u>Nature of Business</u>	<u>2020</u>			<u>2011</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Town of Darien	Municipality	955	1	11.38%	932	1	9.87%
Zoto's International	Hair Care Products	240	2	2.86%	120	4	1.34%
Woodway Country Club	Country Club	185	3	2.20%			
Stop & Shop	Grocery Store	151	4	1.80%			
Wee Burn Country Club	Country Club	150	5	1.79%			
Ring's End, Inc.	Building Supplies	124	6	1.48%	121	3	1.56%
BMW of Darien	Automotive Sales	108	7	1.29%	105	5	0.95%
Land Rover of Darien	Automotive Sales	75	8	0.89%			
Country Club of Darien	Country Club	70	9	0.83%			
Atria	Assisted Living Center	68	10	0.81%			
Colangelo Synergy Marketing	Marketing				140	2	1.98%
U.S. Postal Service	Mail Delivery				48	9	0.53%
CRA Rogers Casey	Investment Consulting				80	6	0.89%
Miller Automotive	Automotive Sales				70	7	0.78%
Sterling Glen	Assisted Living Center				68	8	0.78%
		<u>2,126</u>		<u>25.3%</u>	<u>1,684</u>		<u>18.68%</u>

Source: Town of Darien survey.
Connecticut Economic Resource Center

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General government	41	41	41	41	39	40	42	42	43	42
Police	62	61	61	59	59	58	58	58	58	57
Public Works	30	29	29	29	29	25	26	26	26	26
Sewer Authority	4	4	4	5	4	3	3	3	3	2
Parks and Recreation	11	10	10	9	10	10	9	9	9	9
Education	<u>807</u>	<u>798</u>	<u>800</u>	<u>802</u>	<u>799</u>	<u>797</u>	<u>790</u>	<u>760</u>	<u>760</u>	<u>785</u>
Total	<u><u>955</u></u>	<u><u>943</u></u>	<u><u>945</u></u>	<u><u>945</u></u>	<u><u>940</u></u>	<u><u>933</u></u>	<u><u>928</u></u>	<u><u>898</u></u>	<u><u>899</u></u>	<u><u>921</u></u>

Source: Town of Darien, Finance Department and Board of Education

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government:										
Building permits issued	625	735	730	814	824	733	811	806	607	700
Building inspections conducted	3,431	3,272	3,389	3,515	3,850	3,932	4,155	3,435	2,533	2,859
Police:										
Calls answered	16,788	15,976	16,385	18,341	17,798	16,809	17,546	18,288	19,621	19,156
Criminal arrests	104	146	132	168	191	169	136	205	261	287
Motor vehicle arrests	955	1,465	1,189	1,588	1,233	1,414	2,129	2,355	3,280	3,081
DWI arrests	25	21	29	46	30	21	60	73	56	51
Motor vehicle warnings	420	365	387	405	506	372	500	525	759	634
Accidents	366	421	531	517	665	603	519	551	589	550
Fire:										
Emergency responses	1,317	1,405	1,501	1,348	1,226	1,199	1,262	1,259	1,454	1,295
Fires extinguished	45	31	31	70	65	31	32	42	85	67
Inspections	611	498	569	293	282	254	192	189	319	371
Other Public Works:										
Street resurfacing (miles)	5.80	3.85	4.40	4.01	3.6	3.7	3	3.1	3.1	3.00
Parks and Recreation:										
Facility permits issued	1,463	1,533	1,444	3,079	1,666	1,675	1,565	489	496	484
Beach permits issued	8,741	8,324	8,449	8,243	8,060	7,939	7,846	7,365	7,137	7,129
Boat permits issued	137	95	94	122	135	140	153	168	171	195
Program registrations	2,726	4,115	3,545	3,539	3,960	3,512	3,370	4,355	3,930	4,052
Youth Programs:										
Summer camp registrations	466	466	467	465	444	411	297	344	371	330
Teen program registrations	825	981	1,328	1,041	1,079	1,093	1,142	1,147	1,121	1,054

Source: Town of Darien departments

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	3
Other public works:										
Streets (miles)	81	81	81	81	81	81	81	81	81	81
Streetlights	792	792	792	842	842	834	834	834	828	828
Traffic signals	13	13	13	13	12	12	12	12	12	12
Parks and recreation:										
Acreage	223.6	207.6	207.6	207.6	207.6	207.6	207	207	207	207
Parks	13	13	13	13	13	13	13	13	13	13
Tennis courts	10	10	10	10	10	10	10	10	10	10
Paddle tennis courts	5	5	5	5	5	5	5	5	5	5
Water:										
Fire hydrants	616	616	616	616	606	608	605	560	550	545
Wastewater:										
Sanitary sewers (miles)	81.9	81.9	81.9	81.9	81.2	81.2	81.2	81.2	81.2	79.2
Pump stations	14	14	14	14	14	14	14	14	14	14

Source: Town of Darien departments