



February 18, 2011

TO ALL BIDDERS

TOWN OF DARIEN, CONNECTICUT

\$12,000,000 GENERAL OBLIGATION BONDS

BOOK-ENTRY-ONLY

DATED: MARCH 17, 2011 DUE: MARCH 15, 2014-2024

Enclosed is the Town of Darien's Notice of Sale dated February 18, 2011, which allows for electronic bidding through **PARITY®**. As per the Notice of Sale, electronic bids for the Bonds will be received at the office of the Finance Director, Darien Town Hall, 2 Renshaw Road, Darien, Connecticut 06820, until 11:00 A.M. (E.S.T.) on **THURSDAY**,

MARCH 3, 2011

If we may be of service in submitting your bid, please note that a representative of *IBIC LLC* will be available prior to the sale at the following telephone number.

(Darien): (203) 656-7334

We trust we may be of service.

Independent Bond & Investment Consultants LLC
Member: National Association of Independent Public Finance Advisors

129 Samson Rock Drive, Suite A, Madison, CT 06443 Phone 203.245.8715 Fax 203.245.7763 Email muniibic@aol.com

Official Statement Dated February 18, 2011

NEW MONEY

MOODY'S RATING:

(See "Ratings" herein)

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town of Darien with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax, however with respect to certain corporations such interest is taken into account in the calculation of adjusted current earnings for the purpose of the federal alternative minimum tax. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. (See "Tax Matters" herein.)

TOWN OF DARIEN, CONNECTICUT

\$12,000,000

GENERAL OBLIGATION BONDS BOOK-ENTRY-ONLY

Dated: Date of Delivery

Due: March 15, as shown below

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

The Bonds will bear interest payable on September 15, 2011 and semiannually thereafter on March 15 and September 15 in each year until maturity. The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry Transfer System" herein).

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

This Official Statement is in a form "deemed final" by the Town for the purpose of Securities and Exchange Commission Rule 15c2-12.

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

The Bonds are being offered for sale in accordance with an official Notice of Sale dated February 18, 2011. Sealed bids via **PARITY**® for the Bonds will be received until 11:00 o'clock A.M. (E.S.T.) on Thursday, March 3, 2011, at the office of the Finance Director, Darien Town Hall, 2 Renshaw Road, Darien, Connecticut 06820 as described in the Notice of Sale. (See "Appendix D" herein.)

MATURITIES AND AMOUNTS

Maturity	Amount	Interest Rate	Yield	CUSIP	Maturity	Amount	Interest Rate	Yield	CUSIP
2014	\$ 900,000	%	%		2020	\$ 1,100,000	%	%	
2015	1,150,000				2021	1,100,000			
2016	1,350,000				2022	1,100,000			
2017	1,000,000				2023	1,100,000			
2018	1,000,000				2024	1,100,000			
2019	1,100,000								

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Pullman & Comley, LLC of Hartford and Bridgeport, Connecticut, Bond Counsel. It is expected that delivery of the Bonds in book-entry form will be made on or about March 17, 2011.

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

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

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

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

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

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

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

BOND COUNSEL

PULLMAN & COMLEY, LLC

Hartford and Bridgeport, Connecticut
(860) 424-4337

INDEPENDENT FINANCIAL ADVISOR

**INDEPENDENT BOND AND
INVESTMENT CONSULTANTS LLC**

Madison, Connecticut
(203) 245-8715

TABLE OF CONTENTS

	<u>Page #</u>
Bond Sale Summary	i

SECTION I – SECURITIES OFFERED

Introduction	1
Description of the Bonds	1
Optional Redemption	1
Notice of Redemption	1
Authorization and Purpose	2
Ratings	2
Tax Matters	2
Original Issue Discount	3
Original Issue Premium	3
Other Federal Tax Matters	3
State Taxes	3
General	4
Miscellaneous	4
Security and Remedies	4
Qualification for Financial Institutions	5
Book-Entry Transfer System	5
Replacement Bonds	6
DTC Practices	6

SECTION II – THE ISSUER

Description of the Town	7
Organizational Chart	8
Form of Government	8
Municipal Officials	9
Summary of Municipal Services	9
Educational Facilities	10
School Enrollment History and Projections	10
Municipal Employment	11
Municipal Employment by Category	11
Municipal Employees Bargaining Organizations	11

SECTION III – ECONOMIC AND DEMOGRAPHIC DATA

Population Trends	12
Age Characteristics of the Population	12
Selected Wealth and Income Indicators	12
Income Distribution	12
Educational Attainment	13
Employment by Industry	13
Major Employers	13
Unemployment Rate Statistics	14
Number and Value of Building Permits	14
Characteristics of Housing Units	14
Age Characteristics of Housing	15
Number of Dwelling Units	15

SECTION IV – INDEBTEDNESS

Page #

Computation of Statutory Debt Limit	16
Calculation of Net Direct Indebtedness	17
Current Debt Ratios	17
Historical Debt Statement	18
Historical Debt Ratios	18
Outstanding Short-Term Indebtedness	18
Capital Leases	18
Overlapping and Underlying Indebtedness	18
Legal Requirements for Approval of Borrowing	18
Clean Water Fund Program	19
Temporary Financing	19
School Projects	19
Authorized but Unissued Debt	20
Existing and Future Capital Project Financing	20
Combined Schedule of Long Term Debt through Maturity	21

SECTION V – FINANCIAL DATA

Accounting Policies	22
Basis of Accounting	22
Audit	22
Budgetary Procedures	22
Employee Pension Systems	22
Other Post Employment Benefits	23
Investment Policies and Procedures	25
Assessment Practices	25
Tax Collection Procedure	26
Tax Levies and Collections	26
Taxable Grand List	26
Largest Taxpayers	27
Revenues	27
Property Tax Revenues	27
Intergovernmental Revenues	28
Expenditures	28
Comparative General Fund Operating Statement – Budget and Actual (Budgetary Basis)	29
Comparative Balance Sheets – General Fund	30
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund	31

SECTION VI – ADDITIONAL INFORMATION

Litigation	32
Availability of Continuing Disclosure Information	32
Financial Advisor	32
Documents Accompanying Delivery of the Bonds	32
Concluding Statement	33

APPENDICES

Appendix A – Audited Financial Statements	A-1
Appendix B – Form of Legal Opinion of Bond Counsel	B-1
Appendix C – Form of Continuing Disclosure Agreement	C-1
Appendix D – Notice of Sale	D-1

BOND SALE SUMMARY

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

Date of Sale: Thursday, March 3, 2011, at 11:00 A.M. (E.S.T.).

Location of Sale: Office of the Finance Director, Darien Town Hall, 2 Renshaw Road, Darien, Connecticut 06820.

Issuer: Town of Darien, Connecticut (the "Town").

Issue: \$12,000,000 General Obligation Bonds (the "Bonds").

Dated Date: Date of Delivery.

Interest Due: September 15, 2011 and semiannually thereafter on March 15 and September 15 in each year.

Principal Due: Serially, March 15, 2014-2024.

Purpose and Authority: The Bonds are being issued to finance the Library Building Acquisition, the Police Station Project and the Goodwives Sewer Project undertaken by the Town and authorized by the Representative Town Meeting. (See "Authorization and Purpose" herein).

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

Security: The Bonds will be general obligations of the Town of Darien, Connecticut, and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Bonds when due.

Credit Rating: The Town has made an application to Moody's Investors Service, Inc. (Moody's) for a rating on the Bonds. The Town's current bond rating by Moody's is "Aaa". (See "Ratings" herein).

Basis of Award: Lowest True Interest Cost ("TIC") as of the dated date.

Continuing Disclosure: See Appendix C – "Continuing Disclosure Agreement" herein.

Tax Exemption: See Tax Matters and Appendix D – "Form of Legal Opinion of Bond Counsel" herein.

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

Certifying Bank Registrar, Transfer and Paying Agent: U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103 (email: ctmuniservices@usbank.com).

Legal Opinion: Pullman & Comley, LLC, of Hartford and Bridgeport, Connecticut will act as Bond Counsel.

Delivery and Payment: It is expected that delivery of the Bonds in book-entry form will be made on or about March 17, 2011, against payment in Federal Funds.

Issuer Official: Questions regarding the Town and this Official Statement should be directed to Kathleen C. Buch, Finance Director, 2 Renshaw Road, Darien, Connecticut 06820 -Telephone (203) 656-7334.

SECTION I - SECURITIES OFFERED

Introduction

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

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

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

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

Description of the Bonds

The Bonds will be dated the date of delivery and will mature in annual installments on March 15 in each of the years and in the principal amounts set forth on the cover of this Official Statement. The Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest will be payable September 15, 2011 and semiannually thereafter on March 15 and September 15 in each year. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the last business day of February and August in each year.

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

Optional Redemption

The Bonds maturing on or before March 15, 2016 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2017 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after March 15, 2016, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine at the following redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 15, 2016 and thereafter	100%

Notice of Redemption

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

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

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

Authorization and Purpose

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

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

Projects	Amount of Total Authorization	Previously Bonded	Notes Outstanding	Additions / (Reductions)	The Bonds (<i>This Issue</i>)
Library Building Acquisition	\$ 4,200,000	\$ 875,000	\$ 3,060,000	\$ -	\$ 3,060,000
Police Station Project	17,680,000	250,000	-	7,825,000	7,825,000
Goodwives Sewer Project	2,700,000	-	1,115,000	-	1,115,000
Total	<u>\$ 24,580,000</u>	<u>\$ 1,125,000</u>	<u>\$ 4,175,000</u>	<u>\$ 7,825,000</u>	<u>\$ 12,000,000</u>

Ratings

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

Tax Matters

Opinion of Bond Counsel

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

In the opinion of Bond Counsel for the Bonds, under existing law, interest on the Bonds (a) is excludable from in gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, however, with respect to certain corporations subject to the federal alternative minimum tax, such interest is taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax.

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

Original Issue Discount

The initial public offering prices of the Bonds of certain maturities (the "OID Bonds") may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute OID. The offering prices relating to the yields set forth on the inside front cover page of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law, OID on the Bonds accrued and properly allocable to the owners thereof under the Code is excludable from in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

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

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Bonds purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owing or disposing of such OID Bonds.

Original Issue Premium

The initial public offering prices of the Bonds of certain maturities (the "OIP Bonds") may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduced the owner's basis in the Bond for federal income tax purposes. Prospective purchasers of OIP Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

Other Federal Tax Matters

In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, certain insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Legislation affecting the exclusion from gross income of interest on bonds is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect upon the tax-exempt status or the market price of the Bonds.

State Taxes

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

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

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

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

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

General

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

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

Miscellaneous

Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law and could affect the market price for, or the marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers regarding the foregoing matters.

Security and Remedies

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

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

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

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

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

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

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

Qualification for Financial Institutions

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

Book-Entry Transfer System

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

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

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

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

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

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

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

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

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

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

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

Replacement Bonds

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

DTC Practices

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

SECTION II - THE ISSUER

Description of the Town

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

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

The Town, located in one of the highest per capita income areas of the United States, is a high quality suburban residential community with modern commercial and executive research office buildings. According to the 2000 Bureau of Census, the median family income exceeded \$173,000 and the per capita income was \$77,519. A great number of the Town's residents are executives, professional, technical and managerial people employed in New York City and at the industrial and corporate headquarters of nationally known firms located in surrounding Fairfield County communities.

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

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

The Town established the Planning and Zoning Commission in 1926, which has placed great importance on sound town planning. Its first Town Plan of Development was adopted in 1954 and was subsequently updated in 1967, 1984, 1996 and most recently in June 2006. Since 1967 Darien has witnessed significant changes in the use of its land, the composition of its population, and the economic function of the South Western Planning Region. This Region consists of the communities of Darien, Greenwich, New Canaan, Norwalk, Stamford, Weston, Westport and Wilton. The Planning and Zoning Commission uses the 1996 Town Plan to implement the policies necessary to achieve its most basic goal - the preservation of an attractive suburban living environment.

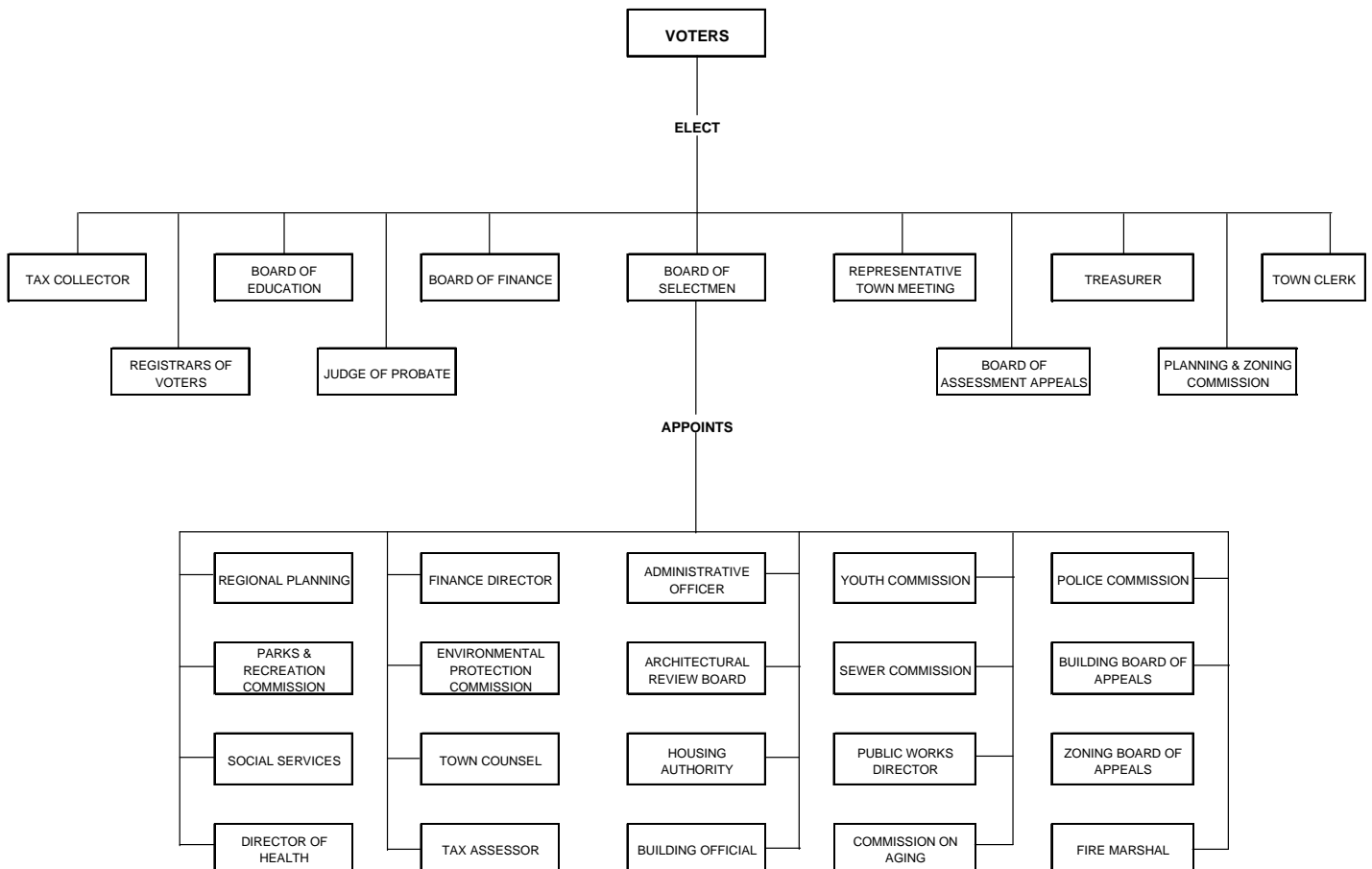
It is expected that population growth in Darien will be gradual due to the limited amount of land available for development (approximately 606.5 acres or 7.0% of the Town according to the Plan of Development). The values of new homes range from approximately \$500,000 to \$650,000 with many in the \$1,000,000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

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

Darien has 16 miles of shoreline and a number of public parks, open space, and recreation facilities consisting of approximately 530 acres. The Town is also known for its private recreation facilities such as the Country Club of Darien, Wee Burn Country Club, Woodway Country Club, The Ox Ridge Hunt Club, Darien Boat Club and Noroton Yacht Club.

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

Organizational Chart



Form of Government

The Town has a Representative Town Meeting (RTM) form of government with a Board of Selectmen and Board of Finance. The current Charter was adopted by the RTM on June 15, 1959 and became effective thirty days later. Subsequent amendments to the Charter have occurred periodically from 1961 to 1992.

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

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

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

Municipal Officials

	Term of Office		Years of Service
David M. Campbell, First Selectman	Elected	2 years	1.0
Elizabeth Smith Mao, Chairman, Board of Finance	Elected	4 years	3.0
Karl Kilduff, Administrative Officer	Appointed	Indefinite	2.5
Kathleen C. Buch, Finance Director	Appointed	Indefinite	10.5
Joan D. Hendrickson, Treasurer	Elected	2 years	5.0
Donna E. Rajczewski, Town Clerk	Elected	2 years	11.0
Robert A. Locke, Tax Collector	Elected	2 years	11.0
Stephen Falcone, Superintendent of Schools	Appointed	3 years	0.5

Summary of Municipal Services

Police Protection: The Police Department is managed and controlled by a three-member Police Commission appointed to overlapping terms by the Board of Selectmen. The Department includes 51 full-time officers, 6 full-time civilian employees, several traffic agents, including 9 school crossing guards. Department rolling stock/equipment consists of 22 vehicles, including one underwater recovery vehicle, one boat and three trailers.

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

Sewers: The Darien sanitary sewer system consists of 79 miles of mains, 14 pump stations and six pipeline crossings of the Noroton River for delivery of wastewater to the City of Stamford treatment facility. The system is available to approximately 70% of properties in Town. All operational, maintenance and repair costs, and user fees paid to the City of Stamford, are paid solely from benefiting owners through user fees. The Town is currently undertaking several sewer extension projects. The Town will assess benefiting owners for the annual costs of these projects.

Solid Waste: The Town has contracted City Carting Inc. of Stamford, CT for disposal of solid waste and recycling. The Agreement with City Carting provides for hauling and disposal of acceptable solid waste, operation of the Town transfer station and recycling operations. There are no "put or pay" provisions in the new Agreement. The current tipping fee is \$77.88 per ton, and escalates annually at the rate of 4%.

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

Social Services: A five-member Board of Commissioners oversees the operation of the Social Services Department that provides financial and medical care to all Darien residents in need. In addition, counseling, information and referral, and elderly outreach services are offered. There is also a seven-member Youth Commission offering numerous youth social and instructional programs and an 11 member Commission on Aging offering various programs and services to Darien's elderly through a Senior Activities Center.

Public Works: The Department is responsible for the maintenance of over 81 miles of town roads.

Parks and Recreation: The Department manages and cares for a variety of recreation facilities and offers varied programs for pre-school to adults. The department is governed by a nine-member board appointed by the Board of Selectmen, called the Parks and Recreation Commission. Among department facilities are 13 parks consisting of 207 acres; 2 Town beaches, public boat launch ramp, 10 tennis courts, 5 paddle tennis courts, basketball court, 9 athletic fields, nature preserves with trails, 2 skating ponds (winter), 4 picnic areas, 3 gazebos, 4 pavilions, 4 children's play equipment areas with an additional one in planning, and general open space. Youth and adult recreation programs consist of: tennis and paddle lessons, basketball and baseball clinics and programs, golf lessons, piano and guitar lessons, indoor and outdoor soccer clinics, summer sports camps, Little Scientist programs, horseback riding lessons, adult drop-in volleyball and basketball, and community gardens. The department co-sponsors events and programs such as: Darien Junior sailing, school vacation activity programs, Hot-Shot Basketball, paddle tennis tournaments and movies on the beach.

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

Educational Facilities

<u>Schools</u>	<u>Grades</u>	<u>Date Occupied</u>	<u>Additions/ Renovations</u>	<u>Enrollment 10/01/10</u>	<u>Capacity ⁽¹⁾</u>
<u>Elementary</u>					
Hindley School	K-5	1947	1976, 1995, 1996	572	550
Holmes School	K-5	1953	1995, 1996	440	550
Ox Ridge School	K-5	1966	1976, 1995, 1996	473	625
Royle School	K-5	1948	1958, 1976, 1995, 1996	419	550
Tokeneke School	K-5	2008		444	550
<u>Middle School</u>					
Middlesex Middle School (2)	6-8	1937	1952, 1976, 2000	1,158	1,200
<u>High School</u>					
Darien High School	9-12	2005		1,335	1,300
Total				<u>4,841</u>	<u>5,325</u>

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

(2) Includes two portable classrooms.

Source: Office of the Superintendent of Schools.

School Enrollment History and Projections

<u>As of October 1</u>	Actual			
	<u>K-5</u>	<u>6 - 8</u>	<u>9 - 12</u>	<u>Total</u>
2001	2,149	878	873	3,900
2002	2,250	955	911	4,116
2003	2,344	982	958	4,284
2004	2,362	1,065	951	4,378
2005	2,310	1,054	1,091	4,455
2006	2,345	1,100	1,142	4,587
2007	2,334	1,117	1,202	4,653
2008	2,341	1,133	1,253	4,727
2009	2,338	1,156	1,284	4,778
2010	2,348	1,158	1,335	4,841
Projected				
2011	2,345	1,168	1,358	4,871
2012	2,347	1,149	1,397	4,893
2013	2,340	1,145	1,394	4,879
2014	2,248	1,103	1,395	4,746
2015	2,289	1,136	1,398	4,823

Source: Office of the Superintendent of Schools.

Municipal Employment

Fiscal Year	2011	2010	2009	2008	2007	2006	2005	2004 (1)	2003	2002
General Government	140	142	140	135	135	136	137	137	148	147
Board of Education	792	790	716	721	721	698	669	665	595	551
Totals	<u>932</u>	<u>932</u>	<u>856</u>	<u>856</u>	<u>856</u>	<u>834</u>	<u>806</u>	<u>802</u>	<u>743</u>	<u>698</u>

(1) The increase in Board of Education employees is primarily due to an increase in the number of teachers employed and to the addition of cafeteria workers not previously included in prior fiscal years.

Source: Town Officials

Municipal Employment by Category

Department	Employees
<u>General Government</u>	
Public Works	28
Town Hall and Human Services	44
Sewer Authority	4
Police Personnel	57
Parks and Recreation Department	9
Subtotal	<u>142</u>
<u>Board of Education</u>	
Certified Staff	484
Non-Certified Employees	<u>306</u>
Subtotal	<u>790</u>
Total Town Employees	<u>932</u>

Source: Town Officials

Municipal Employees Bargaining Organizations

Employees Represented	Union Representation	Contract Expiration Date
<u>GENERAL GOVERNMENT</u>		
28	AFSCME, Council # 4, Local 1303-292 Public Works	6/30/11
48	Darien Police Association, Inc. Police Department	6/30/10 (1)
29	AFSCME, Council #4, Local 1303-289 Support Personnel	6/30/11
35	Non-Bargaining General Government Employees	
<u>BOARD OF EDUCATION</u>		
25	Darien Administrators' Association Administrators	6/30/14
459	Darien Education Association Teachers	6/30/12
12	Darien Registered Nurses' Association Nurses	6/30/13
185	AFSCME, Council #4, Local 1303 Secretaries	6/30/10 (1)
30	AFSCME, Council #4, Local 1303 Custodians	6/30/12
13	Darien School Maintenance Association	6/30/12
23	Darien School Cafeteria Association Council #4 Local 1303-357	6/30/13
56	Non-Bargaining Board of Education Employees	

(1) In negotiations.

Source: Town Officials

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

SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

Year	Town of Darien	Fairfield County	State of Connecticut
1960	18,437	653,589	2,535,234
1970	20,336	792,814	3,032,217
1980	18,892	807,143	3,107,564
1990	18,196	857,270	3,287,116
2000	19,607	882,567	3,405,565
2009	20,292	901,208	3,518,288

Source: U.S. Department of Commerce, Bureau of the Census; State of Connecticut, Department of Health.

Age Characteristics of Population

	Town of Darien		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5 years of age	2,028	10.3	64,005	7.2	223,344	6.6
5 - 19 years of age	4,568	23.3	180,568	20.5	702,358	20.6
20 - 24 years of age	349	1.8	42,982	4.9	187,571	5.5
25 - 44 years of age	5,528	28.2	272,538	30.9	1,032,689	30.3
45 - 64 years of age	4,698	24	205,311	23.2	789,420	23.2
Over 65 years of age	2,436	12.4	117,163	13.3	470,183	13.8
TOTAL	19,607	100.0	882,567	100.0	3,405,565	100.0

Median age	38.0	37.3	37.4
------------	------	------	------

Source: U. S. Department of Commerce, Bureau of the Census, 2000

Selected Wealth and Income Indicators

	Median Family Income		Per Capita Income	
	(1990)	(2000)	(1990)	(2000)
Town of Darien	\$101,583	\$173,777	\$51,795	\$77,519
Fairfield County	57,990	77,690	26,161	38,350
Connecticut	49,199	65,521	20,189	28,766
United States	35,353	49,600	14,617	21,690

Source: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census.

Income Distribution

	Town of Darien		Fairfield County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ -0- to 9,999	18	0.3	7,783	3.4	33,423	3.8
10,000 to 14,999	20	0.4	4,924	2.1	23,593	2.7
15,000 to 24,999	139	2.6	13,948	6.1	63,262	7.1
25,000 to 34,999	93	1.7	16,063	7.0	75,413	8.5
35,000 to 49,999	244	4.5	25,941	11.3	120,134	13.6
50,000 to 74,999	481	8.9	42,367	18.4	198,924	22.5
75,000 to 99,999	457	8.4	31,974	13.9	141,981	16
100,000 to 149,999	882	16.3	38,421	16.7	132,177	14.9
150,000 to 199,999	627	11.6	17,177	7.5	42,472	4.8
200,000 or more	2,448	45.3	31,253	13.6	54,368	6.1
TOTAL	5,409	100.0	229,851	100.0	885,747	100.0

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

Educational Attainment
Years of School Completed, Age 25 & Over

	Town of Darien		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade	177	1.4	36,948	6.2	132,917	5.8
9th to 12th grade	365	2.9	56,287	9.5	234,739	10.2
High School Graduate	1,338	10.5	140,262	23.5	653,300	28.4
Some College	1,330	10.5	91,775	15.4	402,741	17.5
Associate Degree	533	4.2	33,425	5.6	150,926	6.6
Bachelor Degree	5,088	40.2	137,383	23.0	416,751	18.2
Graduate or Professional Degree	3,834	30.3	100,291	16.8	304,243	13.3
TOTAL	12,665	100.0	596,371	100.0	2,295,617	100.0
Percent High School Graduate or Higher		95.7%		84.4%		84.0%
Percent Bachelor Degree or Higher		70.4%		39.9%		31.4%

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

Employment by Industry

	Town of Darien		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing, hunting and mining	20	0.2	1,024	0.2	7,445	0.5
Construction	275	3.3	27,627	6.5	99,913	6.0
Manufacturing	557	6.7	56,520	13.3	246,607	14.8
Wholesale trade	251	3.0	14,052	3.3	53,231	3.2
Retail trade	583	7.0	46,957	11.0	185,633	11.2
Transportation, warehousing, and utilities	115	1.4	13,636	3.2	64,662	3.9
Information	620	7.4	19,367	4.5	55,202	3.3
Finance, insurance, real estate and rental & leasing	2,273	27.2	50,701	11.9	163,568	9.8
Professional, scientific, management, administrative, and waste management services	1,651	19.8	61,695	14.5	168,334	10.1
Educational, health and social services	1,158	13.9	78,620	18.4	366,568	22.0
Arts, entertainment, recreation, accommodation and food services	386	4.6	24,357	5.7	111,424	6.7
Other services (except public administration)	322	3.9	21,097	4.9	74,499	4.5
Public Administration	131	1.6	10,985	2.6	67,354	4.0
TOTAL	8,342	100.0	426,638	100.0	1,664,440	100.0

Source: U. S. Department of Commerce, Bureau of the Census, 2000

Major Employers

Name of Employer	Nature of Entity	Estimated Number of Employees
Town of Darien	Municipality	932
Colangelo Synergy Marketing	Marketing	140
Rings' End, Inc.	Building Supplies	125
Zotos International	Hair Care Products - Corporate HQ	120
BMW of Darien	Automotive Sales and Service	85
CRA Rogers Casey	Investment Consulting Firm - Corporate HQ	80
Miller Automotive	Automotive Sales	70
Sterling Glen	Assisted Living Center	70
Jet Blue	Commercial Airline	54
U.S. Postal Service	Mail Delivery Services	48

Source: Town Officials

Unemployment Rate Statistics

Yearly Average	Town of Darien %	Bridgeport-Stamford Labor Market (1) %	State of Connecticut %	United States %
2001	1.9	2.4	3.3	4.8
2002	2.3	3.2	4.3	5.8
2003	2.7	3.6	5.5	5.8
2004	2.0	2.9	4.7	5.5
2005	3.3	4.5	4.9	5.1
2006	2.8	3.9	4.3	4.6
2007	2.8	4.1	4.5	4.6
2008	3.9	5.3	5.8	5.8
2009	5.8	7.6	8.0	9.3
2010	6.1	8.4	9.0	9.6

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

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

Number and Value of Building Permits

Fiscal Year	Residential		Industrial/Commercial		Other Construction		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2011 (1)	192	\$ 33,422,000	24	\$ 3,798,000	166	\$ 2,971,000	382	\$ 40,191,000
2010	331	65,617,000	62	18,052,475	226	4,090,000	619	87,759,475
2009	307	66,290,000	40	24,787,000	208	6,970,000	555	98,047,000
2008	445	115,472,000	59	23,002,000	316	7,516,000	820	145,990,000
2007	490	122,999,000	46	47,104,000	490	7,823,000	1,026	177,926,000
2006	461	142,336,000	51	9,029,000	389	8,256,000	901	159,621,000
2005	485	146,620,000	48	11,019,119	352	7,137,000	885	164,776,119
2004	464	113,373,000	55	9,641,000	307	5,634,000	826	128,648,000
2003	423	97,204,000	43	79,522,000	354	18,415,000	820	195,141,000
2002	458	87,306,000	68	15,196,000	345	5,705,000	871	108,207,000

(1) As of December 31, 2010.

Source: Town Officials; Building Inspector's Office.

Characteristics of Housing Units

	Town of Darien		Fairfield County		State of Connecticut	
	Number	%	Number	%	Number	%
\$ 1,000 to \$ 99,999	14	0.3	7,628	4.1	91,217	12.5
100,000 to 149,999	56	1.0	17,969	9.8	212,010	29.1
150,000 to 199,999	48	0.9	26,310	14.3	156,397	21.5
200,000 to 299,999	224	4.1	44,679	24.2	137,499	18.9
300,000 to 499,999	1,264	22.9	44,583	24.2	79,047	10.9
500,000 and over	3,897	70.8	43,023	23.4	52,074	7.1
	<u>5,503</u>	<u>100.0</u>	<u>184,192</u>	<u>100.0</u>	<u>728,244</u>	<u>100.0</u>

Source: U. S. Department of Commerce, Bureau of the Census, 2000

Age Characteristics of Housing

	Town of Darien		Fairfield County		State of Connecticut	
	Number	%	Number	%	Number	%
Built in 1939 or earlier	2,112	31.1	71,784	21.1	308,896	22.3
Built in 1940 -- 1969	3,414	50.3	154,038	45.4	571,218	41.2
Built in 1970 -- 1989	905	13.3	86,748	25.6	386,782	27.9
Built in 1990 -- March 2000	361	5.3	26,896	7.9	119,079	8.6
	<u>6,792</u>	<u>100.0</u>	<u>339,466</u>	<u>100.0</u>	<u>1,385,975</u>	<u>100.0</u>

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

Number of Dwelling Units

<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>1970</u>	% Increase <u>1990-2000</u>	% Increase <u>1980-2000</u>	% Increase <u>1970-2000</u>
6,792	6,653	6,340	4,790	2.1%	7.1%	41.8%

Source: U. S. Department of Commerce, Bureau of Census.

SECTION IV - INDEBTEDNESS

Computation of Statutory Debt Limit

As of March 17, 2011 (Pro Forma)

Total Receipts for fiscal year ended June 30, 2010 (including interest and lien fees)	\$ 98,934,000
Town of Darien Taxing Districts	556,000
State Reimbursement for Revenue Loss on: Tax Relief for Elderly	2,000
Base for Establishing Debt Limit (Thousands) (1)	<u>\$ 99,492,000</u>

Debt Limit

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base)	\$ 223,857,000					
(4.50 times base)		\$ 447,714,000				
(3.75 times base)			\$ 373,095,000			
(3.25 times base)				\$ 323,349,000		
(3.00 times base)					\$ 298,476,000	
(7.00 times base)						\$ 696,444,000

Indebtedness (Including the Bonds)

Bonds Payable	\$ 1,349,750	\$ 73,953,250	\$ 4,382,000	\$ -	\$ -	\$ 79,685,000
The Bonds (<i>This Issue</i>)	10,885,000	-	1,115,000	-	-	12,000,000
State of Connecticut Clean Water Fund Project Loan Obligation ("PLO") (2)	-	-	476,275	-	-	476,275
Authorized but Unissued Debt	13,170,000	1,992,833	2,970,000	-	-	18,132,833
Total Indebtedness	25,404,750	75,946,083	8,943,275	-	-	110,294,108
Less:						
Sewer assessments receivable (3)	-	-	(4,039,711)	-	-	(4,039,711)
School grants receivable (4)	-	(1,328,218)	-	-	-	(1,328,218)
Total Net Indebtedness	25,404,750	74,617,865	4,903,564	-	-	104,926,179
Excess of Limit Over Outstanding and Authorized Debt	\$ 198,452,250	\$ 373,096,135	\$ 364,151,725	\$ 323,349,000	\$ 298,476,000	\$ 587,478,110

(1) Under Connecticut General Statutes, Town debt cannot exceed seven times the debt limit base or \$696,444,000.

(2) On December 22, 1998 the Town signed an agreement with the State of Connecticut Department of Environmental Protection under the Clean Water Fund Program. The Agreement provides Clean Water Fund financing for the rehabilitation of the Town's sanitary system in the amount of \$1,498,500. Pursuant to the Agreement, the Town completed the project with a 2% Project Loan Obligation of \$894,671. As of March 17, 2011 the Town has a balance outstanding of \$476,275.

(3) Sewer Assessments receivable as of June 30, 2010.

(4) As of March 17, 2011, the State of Connecticut school construction progress payments for the new high school and the Tokeneke school projects are estimated to be \$12,628,107 and \$3,561,080, respectively, or 20.7% of eligible costs. The Town has received progress payments for the new high school and Tokeneke projects in the amount of \$12,286,985 and \$3,451,455. The Town anticipates receiving State of Connecticut principal subsidy grants in the amount of \$877,471 over the remaining life of outstanding school bonds approved prior to July 1, 1996. (See "School Projects" herein.)

Calculation of Net Direct Indebtedness

As of March 17, 2011 (Pro Forma)

Long-Term Indebtedness (1)

Long Term Debt

The Bonds (<i>This Issue</i>)	\$ 12,000,000
General Purpose	1,349,750
Schools	73,953,250
Sewers	4,382,000
State of Connecticut CWF Project Loan Obligation	476,275
Total Long-Term Indebtedness	92,161,275

Short-Term Indebtedness

Bond Anticipation Notes	-
Total Direct Indebtedness	92,161,275

Exclusions:

(School building grants receivable) (2)	(877,471)
(Sewer assessments receivable) (3)	(4,039,711)

Net Direct Indebtedness	\$ 87,244,093
--------------------------------	----------------------

(1) Does not include authorized but unissued debt of \$18,132,833. (See "Authorized but Unissued Debt" herein).

(2) As of March 17, 2011 the Town estimates it has school building construction grants receivable in the amount \$877,471 for school projects approved prior to July 1, 1996. (See "School Projects" herein.).

(3) As of June 30, 2010.

Source: Town Officials.

Current Debt Ratios

As of March 17, 2011 (Pro Forma)

Total Direct Indebtedness	\$92,161,275
Total Net Direct Indebtedness	\$87,244,093

Population (1)	20,292
Net Taxable Grand List (10/1/09)	\$8,753,257,000
Estimated Full Value	\$12,504,652,857
Equalized Net Taxable Grand List (2008) (2)	\$9,431,803,793
Per Capita Income (1999) (3)	\$77,519

Total Direct Indebtedness:

Per Capita	\$4,541.75
To Net Taxable Grand List	1.05%
To Estimated Full Value	0.74%
To Equalized Net Taxable Grand List	0.98%
Per Capita to Per Capita Income	5.86%

Total Net Direct Indebtedness:

Per Capita	\$4,299.43
To Net Taxable Grand List	1.00%
To Estimated Full Value	0.70%
To Equalized Net Taxable Grand List	0.92%
Per Capita to Per Capita Income	5.55%

(1) U.S. Bureau of Census.

(2) Office of Policy and Management, State of Connecticut.

(3) U.S. Department of Commerce, Bureau of Census, Census 2000.

Historical Debt Statement

	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
Population (1)	20,292	20,156	20,031	20,104	20,221
Net taxable grand list	\$ 6,606,255,385	\$ 6,606,255,385	\$ 6,504,163,707	\$ 6,405,574,735	\$ 6,325,991,597
Estimated full value	\$ 9,437,507,693	\$ 9,437,507,693	\$ 9,291,662,439	\$ 9,150,821,050	\$ 9,037,130,853
Equalized net taxable grand list (2)	\$ 9,431,803,793	\$ 12,460,762,952	\$ 12,768,925,522	\$ 12,464,978,529	\$ 11,659,514,242
Per capita income (3)	\$ -	\$ 77,519	\$ 77,519	\$ 77,519	\$ 77,519
Short-term debt	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -
Long-term debt	\$ 86,414,211	\$ 89,722,365	\$ 97,939,665	\$ 84,551,128	\$ 90,051,770
Total Direct Indebtedness	\$ 86,414,211	\$ 89,722,365	\$ 97,939,665	\$ 99,551,128	\$ 90,051,770
Net Direct Indebtedness	\$ 81,266,460	\$ 83,986,117	\$ 91,596,973	\$ 93,028,775	\$ 83,470,865

(1) U. S. Bureau of Census.

(2) Office of Policy and Management, State of Connecticut

(3) U.S. Department of Commerce, Bureau of Census, Census 2000.

Historical Debt Ratios

	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
Total Direct Indebtedness:					
Per capita	\$4,258.54	\$4,451.40	\$4,889.40	\$4,951.81	\$4,453.38
To net taxable grand list	1.31%	1.36%	1.51%	1.55%	1.42%
To estimated full value	0.92%	0.95%	1.05%	1.09%	1.00%
To equalized net taxable grand list	0.92%	0.72%	0.77%	0.80%	0.77%
Debt per capita to per capita income	5.49%	5.74%	6.31%	6.39%	5.74%
Net Direct Indebtedness:					
Per capita	\$4,004.85	\$4,166.80	\$4,572.76	\$4,627.38	\$4,127.93
To net taxable grand list	1.23%	1.27%	1.41%	1.45%	1.32%
To estimated full value	0.86%	0.89%	0.99%	1.02%	0.92%
To equalized net taxable grand list	0.86%	0.67%	0.72%	0.75%	0.72%
Debt per capita to per capita income	5.17%	5.38%	5.90%	5.97%	5.33%

Outstanding Short-Term Indebtedness

The Town has \$4,175,000 in bond anticipation notes outstanding that mature on March 17, 2011 which will be retired with the proceeds of the Bonds. (See "Authorized but Unissued Debt" herein).

Capital Leases

The Town has outstanding operating lease agreements in the amount of \$1,128,529 as of June 30, 2010. These payments are not included in the outstanding bonded debt.

Overlapping and Underlying Indebtedness

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

Legal Requirements for Approval of Borrowing

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

Clean Water Fund Program

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

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

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

The Town has the following Clean Water Fund loan outstanding:

Project	Original 2%	Amount Outstanding
	Loan Amount	As of March 17, 2011
CWF PLO 407-C	\$ 894,671	\$ 476,275

Temporary Financing

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

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

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

School Projects

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

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

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

Project	Amount of Total Authorization	Estimated Eligible Cost For Reimbursement	Reimbursement Rate (%)	Estimated Grant (1)
New Darien High School	\$ 75,400,000	\$ 61,005,348	20.7	\$ 12,628,107
Tokeneke Elementary School	23,170,000	17,203,285	20.7	3,561,080
TOTAL	\$ 98,570,000	\$ 78,208,633	20.7	\$ 16,189,187

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

Authorized but Unissued Debt

Projects	Amount Authorized	Prior Financings	BANs Outstanding	Paydowns/ Grants	The Bonds (This Issue)	Authorized But Unissued (1)
New Darien High School	\$ 75,400,000	\$ 62,713,727	\$ -	\$ 12,286,985	\$ -	\$ 399,288
Town Sewer Extension	2,100,000	715,000	-	-	-	1,385,000
Tokeneke Elementary School	23,170,000	18,125,000	-	3,451,455	-	1,593,545
Library Building Acquisition	4,200,000	875,000	3,060,000	-	3,060,000	265,000
Police State Project	17,680,000	250,000	-	-	7,825,000	9,605,000
Weed Beach Project	3,300,000	-	-	-	-	3,300,000
Goodwives Sewer Project	2,700,000	-	1,115,000	-	1,115,000	1,585,000
Total	\$ 128,550,000	\$ 82,678,727	\$ 4,175,000	\$ 15,738,440	\$ 12,000,000	\$ 18,132,833

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

Existing and Future Capital Project Financing

The Representative Town Meeting (the "RTM") adopted an appropriation and bond authorization of \$73,000,000 for the Darien High School project on October 22, 2001. The appropriation was sent to a vote by referendum held on December 4, 2001 and approved. The appropriation may be spent for the planning, acquisition and construction of the new Darien High School including engineering, administrative, legal, financing, capitalized interest and other expenses related to the project. This project was completed in May, 2009. (See "School Projects" herein).

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

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

On June 11, 2007, the RTM adopted an appropriation of \$4,200,000 for the acquisition of the Darien Library building and related property located at 35 Leroy Avenue in the Town of Darien.

On April 28, 2008, the RTM adopted an appropriation and bond authorization of \$17,680,000 for an addition to and renovation of the Police Station and an appropriation of \$3,600,000 with authorization for up to \$2,000,000 in bonds for the purpose of renovations to Weed Beach, including but not limited to replacing the existing facilities. The Police Station project has been restarted, with ground breaking expected in the Spring of 2011. \$7,825,000 of this issue is for the Police Station renovation and addition. At the January 18, 2011 meeting of the RTM, the amount of bonding authorized for the Weed Beach project was raised to \$3,300,000, with no increase in the overall appropriation. This project is expected to resume in the fall of 2011.

On September 28, 2009, the RTM adopted an appropriation and bond authorization of \$2,700,000 for the design and construction of a sewer extension on Goodwives River Road. The appropriation may be spent for the planning, acquisition and construction of sewer extensions, upgrade and expansion including a pumping station, interceptor sewers, land acquisition and easements, and for engineering, administrative, and other expenses related to the project. \$1,115,000 of this issue is for the Goodwives River Road sewer extension.

Combined Schedule of Long Term Debt through Maturity

As of March 17, 2011 (Pro Forma)

Fiscal Year	Principal Payments (1,2)	Interest Payments	Total Debt Service (1,2)	The Bonds Principal	All Issues Principal (1,2)
2011	\$ 6,264,025	\$ 3,125,879	\$ 9,389,904	\$ -	\$ 6,264,025
2012	7,144,913	2,939,894	10,084,807	-	7,144,913
2013	7,250,820	2,680,387	9,931,207	-	7,250,820
2014	7,561,745	2,412,343	9,974,087	900,000	8,461,745
2015	7,502,688	2,157,928	9,660,616	1,150,000	8,652,688
2016	7,343,651	1,864,375	9,208,026	1,350,000	8,693,651
2017	7,174,633	1,581,377	8,756,010	1,000,000	8,174,633
2018	6,520,635	1,302,997	7,823,632	1,000,000	7,520,635
2019	5,926,657	1,048,044	6,974,701	1,100,000	7,026,657
2020	5,467,699	846,764	6,314,463	1,100,000	6,567,699
2021	5,286,747	632,187	5,918,935	1,100,000	6,386,747
2022	3,805,000	454,388	4,259,388	1,100,000	4,905,000
2023	3,515,000	311,644	3,826,644	1,100,000	4,615,000
2024	975,000	224,281	1,199,281	1,100,000	2,075,000
2025	1,750,000	171,250	1,921,250	-	1,750,000
2026	975,000	117,000	1,092,000	-	975,000
2027	975,000	78,000	1,053,000	-	975,000
2028	975,000	39,000	1,014,000	-	975,000
	<u>\$86,414,211</u>	<u>\$21,987,738</u>	<u>\$ 108,401,949</u>	<u>\$12,000,000</u>	<u>\$ 98,414,211</u>

(1) Does not reflect principal payments of \$6,252,936 made by the Town as of March 17, 2011.

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

Source: Town Officials.

SECTION V - FINANCIAL DATA

Accounting Policies

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

Basis of Accounting

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

Audit

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

The most recent annual audit covers the fiscal year ended June 30, 2010, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are Independent Auditor's Report, Management's Discussion and Analysis, the Town's Basic Financial Statements and the Notes to the Financial Statements, together with the report of the independent auditor as prepared by McGladrey & Pullen, LLP, Independent Certified Public Accountants. The information contained in "Appendix A" is not the whole audit report. A full report is available from the Finance Director, Town of Darien, upon request. The auditors have not been asked nor has it given its consent to print the Financial Statements in this Official Statement

The Town of Darien has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its comprehensive annual financial reports for fiscal years ended June 30, 1990-2009. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted audited standards. The reports also contain a wide variety of information useful in evaluating the financial condition of a government and conform to certain generally accepted terminology and formatting standards established for the Certificate Program.

Budgetary Procedures

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

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

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

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

Employee Pension Systems

The Town contributes to a single employer, contributory defined benefit pension plan (the "Town Plan") covering substantially all Town employees (except policemen and non-certified Board of Education employees). Employees of the Town regularly employed on a permanent full-time basis (excluding policemen and teachers) are covered by the Town Plan. The Town Plan provides retirement benefits as well as death and disability benefits. All benefits vest after five years of employment.

Police are covered in the Town of Darien Police Pension Fund. The police plan is a single employer, contributory defined benefit plan covering all Town policemen. The Police Plan provides retirement benefits as well as death and disability benefits. Employees who retire with 20 years or more of credited service are vested and entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their average monthly pay, for each year of credited service, up to a maximum of 76% of their average monthly pay. Average monthly pay is the employee's monthly compensation, excluding overtime, for members beginning work after January 1, 1978, averaged over the last 21 months of service with the Town. There is no provision for early retirement.

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

An actuarial valuation is prepared biennially; the most recent actuarial valuation was performed as of July 1, 2009. The pension benefit obligation and net assets were as follows:

	<u>Town Plan</u>	<u>Police Plan</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits	147	52	199
Terminated employees not yet receiving benefits	6	0	6
Current employees:	381	51	432
 Total Actuarial Pension Benefit Obligation	 \$38,943,751	 \$ 31,211,236	 \$ 70,154,987
Net Actuarial Assets Available for Benefits	<u>33,150,591</u>	<u>25,437,366</u>	<u>58,587,957</u>
Under (Over) Funded Pension Benefit Obligation	<u>\$ 5,793,160</u>	<u>\$ 5,773,870</u>	<u>\$ 11,567,030</u>

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

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

For further information on the Town's Pension Plans, see Appendix A – Note 12, page 45 and RSI-5 and RSI-6, pages 61 and 62, respectively.

Other Post Employment Benefits

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

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

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

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

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program	Total
Annual required contribution ("ARC")	\$ 604,678	\$ 586,352	\$ 1,191,030
Interest on net OPEB obligation	37,688	30,175	67,863
Adjusted to ARC	(47,939)	(34,066)	(82,005)
Annual OPEB cost	594,427	582,461	1,176,888
Contribution made	1,787,862	1,081,222	2,869,084
Increase in net OPEB obligation	(1,193,435)	(498,761)	(1,692,196)
Net OPEB obligation, beginning of year	502,509	402,328	904,837
Net OPEB obligation (asset), end of year	\$ (690,926)	\$ (96,433)	\$ (787,359)

As of July 1, 2008, the most recent actuarial valuation date, the Police Plan was 0% funded. The actuarial accrued liability for benefits was approximately \$4.5 million, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability ("UAAL") of approximately \$4.5 million. As of July 1, 2007, the most recent actuarial valuation date, the Non-Police plan was 0% funded. The actuarial accrued liability for benefits was approximately \$4.5 million, and the actuarial value of assets was \$-0-, resulting in an UAAL of approximately \$4.5 million.

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

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

In the actuarial valuation of the Police Plan, the aggregate cost method was used. The actuarial assumptions include a 7.5% investment rate of return assuming a trust fund will be established, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate ranges from 5 to 10%. The UAAL is being amortized as a 30 year level dollar amortization. In the actuarial valuation of the Non-Police Plan, the projected unit credit method was used. The actuarial assumptions include a 5.5% investment rate of return due to the lack of a trust fund at June 30, 2009 though one was established on September 28, 2009. The annual healthcare cost trend rate ranges from 5% to 10%. The UAAL is being amortized as a 30 year level dollar amortization.

For further information on the Town's OPEB Plans, see Appendix A – Note 11, page 33 and RSI-4, page 60.

Investment Policies and Procedures

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

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

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

Assessment Practices

The Town last revalued its real property effective October 1, 2008. Under Section 12-62 of the Connecticut General Statutes, the Town must view all real estate by physical inspection no later than ten years following the preceding physical inspection. The Town must conduct a statistical revaluation no later than five years after the last physical inspection. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Assessor's Office. The Grand List represents the total assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. Each year a Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70% of the estimated market value at the time of the last general revaluation.

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

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

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

Tax Collection Procedure

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

Tax Levies and Collections

FY Ending 6/30	Net Taxable Grand List (1)	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2010
2011	\$ 8,753,257,000	11.74	\$ 101,993,570	In Process	In Process	In Process
2010 (1)	8,698,446,472	11.37	98,639,743	99.3	\$ 722,728	\$ 722,728
2009	6,606,255,385	14.55	96,009,567	99.2	805,270	294,156
2008	6,504,163,707	13.87	90,029,920	99.4	535,799	182,192
2007	6,405,574,735	13.40	85,538,313	99.4	523,066	134,444
2006	6,325,991,597	13.02	82,211,465	99.5	425,037	76,698
2005	6,222,450,581	11.95	74,228,392	99.5	358,633	76,466
2004	4,254,707,418	16.00	67,767,842	99.5	353,729	23,394
2003	4,263,934,623	14.98	62,757,798	99.4	402,871	10,798
2002	4,239,958,267	14.02	58,772,372	99.3	385,359	10,646

(1) The Town has recently undergone a revaluation, effective October 1, 2008. The basis of assessment is 70% of estimated full value as of October 1, 2008 for all property excluding personal property and motor vehicles which are assessed at 100% of full value annually.

Source: Town Officials.

Taxable Grand List (Thousands)

Grand List Dated	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/01/09	\$ 8,403,258	\$150,312	\$ 201,218	\$ 8,754,788	\$ 1,531	\$ 8,753,257
10/01/08	8,373,304	122,304	204,330	8,699,938	1,492	8,698,446
10/01/07	6,310,307	78,793	218,603	6,607,703	1,448	6,606,255
10/01/06	6,220,427	75,743	209,534	6,505,704	1,540	6,504,164
10/01/05	6,125,771	71,788	209,838	6,407,397	1,823	6,405,574
10/01/04	6,054,081	63,740	209,890	6,327,711	1,720	6,325,991
10/01/03	5,965,862	63,259	195,169	6,224,290	1,840	6,222,450
10/01/02	4,050,625	71,176	196,384	4,318,185	2,066	4,316,119
10/01/01	4,012,273	63,178	190,198	4,265,649	1,715	4,263,934
10/01/00	3,988,428	69,207	184,032	4,241,667	1,709	4,239,958

Source: Town Officials.

Largest Taxpayers

The following table sets forth the ten largest taxpayers in the Town according to the Grand List dated October 1, 2009 pursuant to the State Office of Policy and Management M-13 filing:

Name of Taxpayer	Nature of Property	Grand List Amount	Estimated Taxes
Connecticut Light & Power Company	Utility	\$ 84,802,520	\$ 995,582
Wee Burn Country Club, Inc.	Country Club	48,415,500	568,398
Country Club of Darien	Country Club	38,099,300	447,286
Darien Financing LLC / Avalonbay	Apartment Complex	36,191,260	424,885
Woodway Country Club	Country Club	25,618,240	300,758
Rivoire Estate, Helen M. et. al.	Real Estate & PP	22,249,220	261,206
Zotos International	Beauty Products Manufacturer	21,752,980	255,380
U.B. Darien Inc.	Shopping Center	19,906,740	233,705
9 Old Kings Highway LLC	Real Estate	17,352,860	203,723
Parklands Office Park LLC	Office Park	15,457,820	181,475
Total		<u>\$ 329,846,440</u> (1)	<u>\$3,872,397</u> (2)

(1) Represents 3.77% of the net taxable Grand List of \$8,753,257,000 dated October 1, 2009.

(2) Represents 3.80% of the total adjusted tax levy of \$101,993,570 for fiscal year 2010-11.

Source: Town Officials.

Revenues

The Town derives its revenues from a direct tax levy on property, state and federal aid, various fees and charges, and other miscellaneous sources. Town revenues are summarized for fiscal years ended 2006-2010 in "Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund" herein. The prior year's appropriated surplus is also included.

Property Tax Revenues

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Tax As a % of General Fund Revenues
2011 (Adopted Budget)	\$ 107,952,993	\$ 101,638,603	94.2
2010	114,202,224	98,967,727	86.7
2009	110,720,620	96,223,301	86.9
2008 (1)	126,548,548	90,532,664	71.5
2007	101,017,507	85,836,854	85.0
2006	95,791,482	82,435,320	86.1
2005	84,192,068	74,865,805	88.9
2004	76,793,471	68,132,134	88.7
2003	70,953,312	63,354,902	89.3
2002	67,484,563	59,399,547	88.0

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

Source: Town annual audited financial statements 2002-2010; Fiscal year 2010-11 Town Budget Document.

Intergovernmental Revenues

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>Federal & State Aid</u>	<u>Aid As a % of General Fund Revenue</u>
2011 (Adopted Budget)	\$ 107,952,993	\$ 2,148,235	2.0
2010	114,202,224	10,282,461	9.0
2009	110,720,620	10,883,824	9.8
2008 (1)	126,548,548	29,590,967	23.4
2007	101,017,507	8,088,165	8.0
2006	95,791,482	7,049,443	7.4
2005	84,192,068	4,494,316	5.3
2004	76,793,471	4,162,409	5.4
2003	70,953,312	4,237,478	6.0
2002	67,484,563	4,122,584	6.1

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

Source: Town annual audited financial statements 2002-2010; Fiscal year 2010-11 Town Budget Document.

Expenditures

<u>Fiscal Year</u>	<u>Education</u> %	<u>Debt Service</u> %	<u>Public Safety</u> %	<u>General Overhead</u> %	<u>General Government</u> %
2011 (Adopted Budget)	66.4	8.8	6.8	5.9	2.5
2010	68.8	9.0	6.5	4.6	2.4
2009	69.1	9.9	6.5	4.1	2.5
2008 (1)	73.8	8.2	5.5	3.6	2.3
2007	68.9	9.6	6.6	4.5	2.8
2006	68.7	10.1	6.6	4.4	2.8
2005	68.2	9.0	7.9	3.8	2.8
2004	68.3	8.6	7.5	3.7	3.2
2003	68.3	8.1	8.1	3.7	3.2
2002	67.2	8.1	7.8	3.1	3.5

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

Source: Town annual audited financial statements 2002-2010; Fiscal year 2010-11 Town Budget Document.

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

	Fiscal Year 2009-10			2010-11
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)	Adopted Budget
REVENUES				
Property taxes	\$ 97,791,290	\$98,967,727	\$ 1,176,437	\$ 101,638,603
Licenses and permits	2,219,450	2,741,355	521,905	2,245,000
Intergovernmental revenue	2,317,098	2,107,250	(209,848)	2,148,235
Charges for services	1,501,247	1,580,656	79,409	1,410,893
Fines and forfeits	36,000	22,047	(13,953)	25,000
Investment income	375,000	179,423	(195,577)	200,000
Other revenues	272,524	433,081	160,557	285,262
TOTAL REVENUES	104,512,609	106,031,539	1,518,930	107,952,993
EXPENDITURES				
Current:				
General government	2,770,218	2,720,063	50,155	2,679,147
Community environment	693,559	669,014	24,545	628,282
Public safety	7,339,378	7,268,306	71,072	7,318,960
Health and social services	1,137,793	1,050,769	87,024	1,168,117
Library	3,061,349	3,061,349	-	3,131,479
Parks and recreation	1,155,324	1,113,831	41,493	1,162,397
Public works	3,976,622	3,886,706	89,916	4,188,307
Board of education -- operations	69,050,458	68,792,731	257,727	71,512,041
General overhead and miscellaneous	5,451,098	5,125,628	325,470	6,390,051
Debt service	9,946,077	9,946,072	5	9,452,907
TOTAL EXPENDITURES	104,581,876	103,634,469	947,407	107,631,688
Excess (deficiency) of revenues over expenditures	<u>(69,267)</u>	<u>2,397,070</u>	<u>2,466,337</u>	<u>321,305</u>
Other financing sources (uses):				
Operating transfers in	1,231,257	1,216,222	(15,035)	638,807
Operating transfers out	(3,021,992)	(3,021,992)	-	(2,060,112)
Appropriation of fund balance	<u>1,860,000</u>	<u>-</u>	<u>(1,860,000)</u>	<u>1,100,000</u>
Total other financing sources (uses)	<u>69,265</u>	<u>(1,805,770)</u>	<u>(1,875,035)</u>	<u>(321,305)</u>
Excess of Revenues and other financing sources over expenditures and other financing uses	<u>\$ (2)</u>	<u>\$ 591,300</u>	<u>\$ 591,302</u>	<u>\$ -</u>

Source: Annual audited financial statements, fiscal year 2010-11 adopted budget; Town Officials.

Comparative Balance Sheets - General Fund

	2006	2007	2008	2009	2010
ASSETS					
Cash and cash equivalents	\$ 15,506,364	\$ 21,067,101	\$ 14,170,597	\$ 9,380,864	\$ 13,940,555
Investments	-	-	-	-	3,001,146
Receivables:					
Net taxes and assessments receivable	865,062	1,046,224	1,021,114	1,395,358	1,490,320
Intergovernmental	2,119,334	1,811,306	1,581,267	1,432,272	1,114,219
Due from other funds	312,316	259,213	5,264,217	11,751,912	5,534,046
Other receivables	680,476	585,798	512,957	579,155	968,678
TOTAL ASSETS	<u>\$ 19,483,552</u>	<u>\$ 24,769,642</u>	<u>\$ 22,550,152</u>	<u>\$ 24,539,561</u>	<u>\$ 26,048,964</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	\$ 2,247,238	\$ 2,784,784	\$ 1,879,005	\$ 1,481,914	\$ 2,142,716
Due to other funds	253,105	1,844,691	251,448	4,140,647	4,256,433
Deferred revenue	3,118,393	3,093,219	2,831,880	2,836,853	2,874,883
TOTAL LIABILITIES	<u>5,618,736</u>	<u>7,722,694</u>	<u>4,962,333</u>	<u>8,459,414</u>	<u>9,274,032</u>
FUND BALANCE					
Reserve for encumbrances	228,555	267,274	177,432	81,204	129,936
Unreserved					
Designated for subsequent year budget	245,538	1,100,000	1,100,000	1,100,000	1,100,000
Undesignated	13,390,723	15,679,674	16,310,387	14,898,943	15,544,996
TOTAL FUND BALANCES	<u>13,864,816</u>	<u>17,046,948</u>	<u>17,587,819</u>	<u>16,080,147</u>	<u>16,774,932</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 19,483,552</u>	<u>\$ 24,769,642</u>	<u>\$ 22,550,152</u>	<u>\$ 24,539,561</u>	<u>\$ 26,048,964</u>

Source: Town annual audited financial statements.

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

REVENUES	2006	2007	2008	2009	2010
Property taxes	\$ 82,435,320	\$ 85,836,854	\$ 90,532,664	\$ 96,223,301	\$ 98,967,727
Intergovernmental	7,049,443	8,088,165	29,590,967	10,883,824	10,282,461
Charges for services	4,700,112	896,064	880,662	828,049	4,267,391
Interest on investments	1,284,672	1,960,870	1,555,071	607,963	179,423
Miscellaneous	321,935	4,235,554	3,989,184	2,177,483	505,222
TOTAL REVENUES	95,791,482	101,017,507	126,548,548	110,720,620	114,202,224
EXPENDITURES					
General government	2,542,803	2,594,173	2,824,737	2,686,202	2,709,804
Community environment	456,932	560,108	637,009	649,454	658,127
Public safety	5,932,932	6,165,758	6,655,942	7,017,493	7,220,282
Health and social services	944,571	1,041,417	1,078,685	1,054,142	1,047,524
Library	2,299,729	2,388,326	2,516,090	2,944,275	3,061,349
Parks and recreation	936,235	940,417	1,010,925	1,076,491	1,081,123
Public works	2,063,582	2,280,824	2,649,652	2,869,383	2,657,348
Schools	61,983,774	64,441,577	89,629,028	74,728,039	76,971,943
General overhead	3,946,860	4,170,159	4,425,521	4,416,840	5,125,628
Solid waste	-	-	-	-	1,222,389
Debt service	9,144,288	8,933,828	9,980,921	10,663,660	10,094,258
TOTAL EXPENDITURES	90,251,706	93,516,587	121,408,510	108,105,979	111,849,775
Excess (deficiency) of revenues over expenditures	5,539,776	7,500,920	5,140,038	2,614,641	2,352,449
Other financing sources (uses)					
Operating transfers in	408,612	500,032	1,668,248	1,290,808	1,216,222
Operating transfers (out)	(3,082,053)	(4,818,820)	(6,442,847)	(5,523,121)	(3,021,992)
Issuance of refunding bonds	30,215,000	-	-	30,343,888	11,305,000
Payment to escrow agent	(29,893,925)	-	-	(30,233,888)	(12,307,964)
Bond premium	-	-	175,432	-	1,151,070
Total other financing sources (uses)	(2,352,366)	(4,318,788)	(4,599,167)	(4,122,313)	(1,657,664)
Net change in fund balances	3,187,410	3,182,132	540,871	(1,507,672)	694,785
Fund Balance - July 1	10,677,406	13,864,816	17,046,948	17,587,819	16,080,147
Fund Balance - June 30	<u>\$ 13,864,816</u>	<u>\$ 17,046,948</u>	<u>\$ 17,587,819</u>	<u>\$ 16,080,147</u>	<u>\$ 16,774,932</u>

Source: Town annual audited financial statements.

SECTION VI – ADDITIONAL INFORMATION

Litigation

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

Availability of Continuing Disclosure Information

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

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

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). To date the Town has not failed to meet any of its undertakings under such agreements.

Financial Advisor

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

Documents Accompanying Delivery of the Bonds

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

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

4. The approving opinion of Pullman & Comley, LLC, Bond Counsel;
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C; and
6. The Town has prepared a Preliminary Official Statement for the Bonds which is dated February 18, 2011. The Town deems such Official Statement final as of its date for the purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The Town will provide the winning bidder 50 copies of the Official Statement prepared at the Town's expense and delivered not later than seven (7) business days of the of the bid opening. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. If the Town's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter of the Bonds.

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

Concluding Statement

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

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

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

TOWN OF DARIEN, CONNECTICUT

By: _____
DAVID M. CAMPBELL
First Selectman

By: _____
JOAN D. HENDRICKSON
Treasurer

By: _____
KATHLEEN C. BUCH
Finance Director

February 18, 2011

APPENDIX A - FINANCIAL STATEMENTS

TOWN OF DARIEN, CONNECTICUT

TABLE OF CONTENTS

June 30, 2010

	<u>Page</u>
<i>Independent Auditors' Report</i>	1
<i>Management Discussion and Analysis</i>	3
<u>Exhibits</u>	
<i>Basic Financial Statements:</i>	
I	Statement of Net Assets 11
II	Statement of Activities 12
III	Balance Sheet – Governmental Funds 13
IV	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 14
V	Statement of Net Assets – Proprietary Funds 16
VI	Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds 17
VII	Statement of Cash Flows – Proprietary Funds 18
VIII	Statement of Fiduciary Net Assets – Fiduciary Funds 19
IX	Combined Statement of Changes in Plan Net Assets 20
	Notes to Financial Statements 21
RSI-1	Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund (Non-GAAP Budgetary Basis) 53
RSI-2	Schedule of Expenditures and Other Financing Uses– Budget and Actual – General Fund (Non-GAAP Budgetary Basis) 56
RSI-3	Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual – Sewer Operating Fund (Non-GAAP Budgetary Basis) 59
RSI-4	Other Post Employment Benefit Plan 60
RSI-5	Town and Police Pension Plans – Schedule of Funding Progress 61
RSI-6	Town and Police Pension Plans – Schedule of Employer Contributions 62

Appendix A – Basic Financial Statements – is taken from the Annual Financial Report of the Town of Darien for the Fiscal Year ended June 30, 2010, and does not include all the schedules or management letter in such report. A copy of the complete report is available upon request to the Town's Finance Director, Town of Darien, Connecticut.



INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Darien
Darien, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Darien, Connecticut (the "Town"), as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Darien, Connecticut, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated December 27, 2010 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis, budgetary comparison information and the pension and other postemployment benefit plans schedules of funding progress and schedules of employer contributions are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information for the year ended June 30, 2009, was audited by other auditors whose report dated December 16, 2009, expressed an unqualified opinion on such information to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 27, 2010

Town of Darien, Connecticut Management's Discussion and Analysis June 30, 2010

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, 2010. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to VI. All amounts are expressed in thousands unless otherwise noted.

FINANCIAL HIGHLIGHTS

Net assets of our governmental activities decreased by \$261 or 0.2%.

During the year, the Town had expenses that were \$261 more than the \$123,215 generated in tax and other revenues for governmental programs.

Total cost of all of the Town's programs was \$123,476 with no new programs added this year.

The General Fund reported a fund balance this year of \$16,775.

The resources available for appropriation were \$356 less than budgeted for the General Fund. Expenditures were kept within spending limits.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

- **Governmental Funds (Exhibits III and IV)** - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- **Fiduciary Funds (Exhibits 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 assets decreased from a year ago decreasing from \$117,397 to \$117,136. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental activities.

TABLE 1
NET ASSETS
(In Thousands)

	Governmental Activities	
	2010	2009
Current assets	\$ 32,889	\$ 30,206
Capital assets, net of accumulated depreciation	175,631	181,141
Total assets	208,520	211,347
Long-term liabilities outstanding	87,760	90,469
Other liabilities	3,624	3,481
Total liabilities	91,384	93,950
Net Assets:		
Invested in capital assets, net of debt	86,656	93,214
Unrestricted	30,480	24,183
Total net assets	\$ 117,136	\$ 117,397

Net assets of the Town's governmental activities decreased by 0.2%. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from \$24,183 at June 30, 2009 to \$30,480 at the end of this year.

This change in unrestricted governmental net assets resulted primarily because of continuing investments in capital assets. The Town's investment in capital assets is \$86,656. This amount represents the original cost of assets, less accumulated depreciation and is net of any debt outstanding that was used to acquire those assets.

TABLE 2
CHANGES IN NET ASSETS
(In Thousands)

	Governmental Activities	
	2010	2009
Revenues:		
Program Revenues:		
Charge for services	\$ 10,574	\$ 9,965
Operating grants and contributions	11,195	11,544
Capital grants and contributions	1,216	528
General Revenues:		
Property taxes	99,221	96,462
Grants and contributions not restricted to specific purposes	214	162
Unrestricted investment earnings	218	585
Other general revenues	577	288
Total revenues	123,215	119,534
Program Expenses:		
General government	3,715	3,989
Community environment	910	939
Public safety	11,339	11,410
Health and social services	1,395	1,341
Library	3,061	2,944
Parks and recreation	1,522	1,811
Public works	6,904	5,290
Board of Education	85,558	84,964
Sewer operations	3,656	3,044
Solid waste	1,223	1,293
Debt service	4,193	1,731
Total program expenses	123,476	118,756
(Decrease) increase in net assets	(261)	778
Net assets – beginning	117,397	116,619
Net assets - ending	<u>\$ 117,136</u>	<u>\$ 117,397</u>

The Town's total revenues were \$123,215. The total cost of all programs and services was \$123,476. Our analysis below considers the operations of governmental activities.

Governmental Activities

Property taxes were 80.5% of revenues and charges for services accounted for 8.6%. Capital grants of \$1,216 were primarily grants from the State of Connecticut for school construction projects and infrastructure. Operating grants and contributions decreased by 3%. The 2009-10 property tax collection rate was 99.3%. Licenses and permits increased by \$905 primarily due to increases in Town Clerk fees. Intergovernmental revenue increased primarily due to increased capital grants. School principal and interest subsidy grants on pre-1996 construction projects continue to decline, which corresponds to the decline in the debt service for older school projects. Investment income decreased due to the decrease in interest rates.

On the expense side, public safety was down, primarily due to decreased personnel costs. Education expenses are the most significant component accounting for 69.3%. Board of Education increased because of increased enrollment, negotiated wage increases, increased medical expenses and increased Special Education expenses. Debt service decreased as a result of a refunding and a decision to postpone certain capital projects.

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

TABLE 3
GOVERNMENTAL ACTIVITIES
(In Thousands)

	Total Cost of Service		Net Cost of Services	
	2010	2009	2010	2009
General government	\$ 3,715	\$ 3,989	\$ 2,353	\$ 3,185
Public safety	11,339	11,410	10,129	8,582
Public works	6,904	5,290	4,192	4,739
Education	85,558	84,964	72,272	72,006
Library	3,061	2,944	3,061	2,944

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$22,037, which is an increase from last year's total of \$19,856. Positive results of operations in the General Fund were a significant cause of the increase. The most significant component of the change in fund balance came from the Capital Projects Fund. The Capital Projects Fund fund balance increased by \$5,301. This was a result of the receipt of bond proceeds of \$4,000, while expenditures during the period were \$2,652.

General Fund Budgetary Highlights

Additional appropriations for the year were \$761. A contingency of \$516 was included in the original budget. This contingency covered items such as unsettled labor contracts and other unexpected expenses. Additional appropriations were for a capital project and anticipated overruns in the Board of Education operating budget.

Actual revenues were lower than budgetary estimates by approximately \$356. Town Clerk fees were \$645 higher than budget. Building Permit revenue was \$152 lower than budget and investment income was \$196 lower than budget. The budget assumed that \$1,860 of fund balance would be used to offset expenses, however, that was not needed. Other revenue accounts exceeded the budget estimates, such as Property Tax collections. Actual expenditures were less than budgetary estimates by \$947. The largest single contributor to this was the General Overhead budget at \$325. The Board of Education was also less than budgetary estimates by \$258. While every other segment of the government was lower than budgetary estimates, none were by a significant dollar or percentage amount.

The Town's General Fund balance of \$16,775 reported on Exhibit III differs from the General Fund's budgetary fund balance of \$16,645. This is principally because budgetary fund balance does not include \$130 of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, the Town had \$175,631 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 \$5,510, or 3.0%, over last year.

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

	Governmental Activities	
	2010	2009
Land	\$ 11,277	\$ 10,904
Buildings	143,359	147,671
Land improvement	2,431	2,579
Machinery and equipment	5,022	4,528
Infrastructure	11,187	12,257
Construction in progress	2,355	3,202
Totals	<u>\$ 175,631</u>	<u>\$ 181,141</u>

The Town's fiscal-year 2010-11 capital budget calls for it to spend another \$2,017 for capital projects, principally for building repair, capital equipment and replacement. Capital projects exceeding \$100,000 that were placed on hold due to economic conditions in FY 2009 are being restarted in some cases. Specifically, the renovation of the Police Station and the Weed Beach project have been cleared to restart. 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, 2010, the Town had \$86,414 in bonds and notes outstanding versus \$89,722 last year.

Debt was reduced due to principal payments and a refunding. Current year debt principal paid amounted to \$6,838.

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 \$696,444 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 2011 budget tax rates, and fees that will be charged for services. One of those factors is the economy. Unemployment in the Town now stands at 5.9% versus 5.2% a year ago. This compares with the State's unemployment rate of 8.9% and the national rate of 9.6%.

The decrease in inflation in the Darien area mirrored the national Consumer Price Index (CPI). The Town's CPI decrease was .1% for fiscal year 2010 which was the same as the average U.S. Town rate decrease.

These indicators were taken into account when adopting the General Fund budget for 2010-11. Amounts available for appropriation in the General Fund budget are \$109,692, an increase of 2.3% over the final 2010 budget of \$107,252. Property taxes (benefiting from the 2010 rate increases and growth in the grand list) are expected to lead this increase. The Town will use these increases in revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Increased personnel costs and increased education expenses are the largest areas of expenditure increase. Fund balance will provide \$1,100 to support the budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to remain stable by June 30, 2011.

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.

This page intentionally left blank.

Basic Financial Statements

STATEMENT OF NET ASSETS

June 30, 2010

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 17,918,685
Investments	5,501,146
Receivables, net	8,524,507
Inventories	22,148
Prepaid expenses	24,305
Deferred charges	110,545
Net OPEB asset	787,359
Capital assets not being depreciated	13,632,301
Capital assets being depreciated, net of accumulated depreciation	161,998,475
Total assets	208,519,471
Liabilities	
Accounts and other payables	2,464,462
Accrued interest payable	984,120
Unearned revenue	174,609
Noncurrent liabilities:	
Due within one year	6,985,648
Due in more than one year	80,774,729
Total liabilities	91,383,568
Net Assets	
Invested in capital assets, net of related debt	86,655,778
Unrestricted	30,480,125
Total Net Assets	\$ 117,135,903

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

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ (3,714,546)	\$ 1,361,336	\$ -	\$ -	\$ (2,353,210)
Community environment	(910,369)	57,122	-	-	(853,247)
Public safety	(11,338,604)	837,188	27,473	344,551	(10,129,392)
Health and social services	(1,395,457)	206,720	202,758	9,824	(976,155)
Library	(3,061,349)	-	-	-	(3,061,349)
Parks and recreation	(1,521,933)	387,845	-	66,551	(1,067,537)
Public works	(6,904,198)	2,108,552	-	603,911	(4,191,735)
Board of Education	(85,558,228)	2,131,138	10,964,239	191,046	(72,271,805)
Sewer operations	(3,656,350)	2,484,660	-	-	(1,171,690)
Solid waste	(1,222,389)	999,268	-	-	(223,121)
Interest on long-term debt	(4,192,974)	-	-	-	(4,192,974)
Total primary government	\$ (123,476,397)	\$ 10,573,829	\$ 11,194,470	\$ 1,215,883	(100,492,215)
General revenues:					
Property taxes					99,221,035
Grants and contributions not restricted to specific programs					214,134
Unrestricted investment earnings					218,373
Miscellaneous					577,582
Total general revenues					100,231,124
Change in net assets					(261,091)
Net assets - beginning					117,396,994
Net assets - ending					\$ 117,135,903

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

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2010

	General	Sewer Operating	Sewer Assessment	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 13,940,555	\$ 1,693,695	\$ 107,127	\$ -	\$ 2,177,308	\$ 17,918,685
Investments	3,001,146	2,500,000	-	-	-	5,501,146
Receivables, net	3,558,882	397,969	4,039,711	378,672	149,273	8,524,507
Due from other funds	5,534,046	3,990	-	4,268,789	370,289	10,177,114
Inventories	-	-	-	-	22,148	22,148
Prepaid expenses	14,335	-	-	9,970	-	24,305
Total assets	\$ 26,048,964	\$ 4,595,654	\$ 4,146,838	\$ 4,657,431	\$ 2,719,018	\$ 42,167,905
Liabilities						
Accounts and other payables	\$ 2,142,716	\$ 34,855	\$ 42,844	\$ 137,021	\$ 96,626	\$ 2,454,062
Due to other funds	4,256,433	29,839	-	5,347,793	569,151	10,203,216
Deferred unearned revenue	2,874,883	396,599	4,039,711	-	162,660	7,473,853
Total liabilities	9,274,032	461,293	4,082,555	5,484,814	828,437	20,131,131
Fund balances						
Reserved for encumbrances	129,936	61,238	-	1,733,126	31,630	1,955,930
Reserved for inventory	-	-	-	-	22,148	22,148
Unreserved, reported in:						
General Fund	16,644,996	-	-	-	-	16,644,996
Special Revenue Funds	-	4,073,123	64,283	-	1,836,803	5,974,209
Capital Project Funds	-	-	-	(2,560,509)	-	(2,560,509)
Total fund balances	16,774,932	4,134,361	64,283	(827,383)	1,890,581	22,036,774
Total liabilities and fund balances	\$ 26,048,964	\$ 4,595,654	\$ 4,146,838	\$ 4,657,431	\$ 2,719,018	

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

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the Town as a whole.	175,630,776
Other long-term assets are available to pay for current-period expenditures and, therefore, are deferred.	7,299,244
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(86,512,461)
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	15,702
Net OPEB asset	787,359
Deferred charges	110,545
Bond premiums	(1,247,916)
Accrued interest payable.	(984,120)

Net assets of governmental activities

\$ 117,135,903

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

(Continued)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) -
GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2010

	General	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 98,967,727	\$ -	\$ -	\$ -	\$ -	\$ 98,967,727
Intergovernmental	10,282,461	-	-	940,531	1,628,720	12,851,712
Charges for services	4,267,391	2,484,660	619,715	-	3,594,590	10,966,356
Income on investments	179,423	21,675	9,751	913	6,611	218,373
Miscellaneous	505,222	-	-	32,144	40,216	577,582
Total revenues	114,202,224	2,506,335	629,466	973,588	5,270,137	123,581,750
EXPENDITURES						
Current:						
General government	2,709,804	-	-	-	1,214,069	3,923,873
Community environment	658,127	-	-	-	-	658,127
Public safety	7,220,282	-	-	-	2,111,974	9,332,256
Health and social services	1,047,524	-	-	-	39,980	1,087,504
Library	3,061,349	-	-	-	-	3,061,349
Parks and recreation	1,081,123	-	-	-	18,885	1,100,008
Public works	2,657,348	-	-	-	427,118	3,084,466
Board of Education	76,971,943	-	-	-	3,578,929	80,550,872
Sewer operations	-	3,655,850	-	-	500	3,656,350
General overhead	5,125,628	-	-	-	-	5,125,628
Solid waste	1,222,389	-	-	-	-	1,222,389
Capital outlay	-	-	-	2,572,324	-	2,572,324
Debt service	10,094,258	-	-	79,980	-	10,174,238
Total expenditures	111,849,775	3,655,850	-	2,652,304	7,391,455	125,549,384
Revenues over (under) expenditures	2,352,449	(1,149,515)	629,466	(1,678,716)	(2,121,318)	(1,967,634)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,216,222	-	-	2,980,377	208,265	4,404,864
Transfers (out)	(3,021,992)	(53,807)	(1,110,597)	-	(218,468)	(4,404,864)
Bond proceeds	-	-	-	4,000,000	-	4,000,000
Issuance of refunding bonds	11,305,000	-	-	-	-	11,305,000
Payment to escrow agent	(12,307,964)	-	-	-	-	(12,307,964)
Bond premium	1,151,070	-	-	-	-	1,151,070
Total other financing sources (uses)	(1,657,664)	(53,807)	(1,110,597)	6,980,377	(10,203)	4,148,106
Change in fund balances (deficits)	694,785	(1,203,322)	(481,131)	5,301,661	(2,131,521)	2,180,472
FUND BALANCES, beginning	16,080,147	5,337,683	545,414	(6,129,044)	4,022,102	19,856,302
FUND BALANCES (DEFICITS), ending	\$ 16,774,932	\$ 4,134,361	\$ 64,283	\$ (827,383)	\$ 1,890,581	\$ 22,036,774

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS, CONTINUED**
For the Year Ended June 30, 2010

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

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

Net change in fund balances - total governmental funds (Exhibit IV) \$ 2,180,472

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

Capital outlay	2,380,265
Loss on disposals	(2,160,299)
Depreciation expense	(5,729,915)

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

School building grant receipts	(227,226)
Property tax receivable - accrual basis change	134,118
Property tax interest and lien revenue - accrual basis change	119,190
Sewer use - accrual basis change	8,905
Sewer assessment receivable - accrual basis change	(401,431)

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

Issuance of bonds payable	(15,305,000)
Bond and note principal payments	18,613,154
Amortization of deferred charge on refunding	(150,493)
Amortization of issuance costs	(110,345)
Amortization of premiums	(1,090,027)

The change in net assets of certain activities of internal service fund is reported with
governmental activities 15,702

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

Compensated absences	(106,226)
Net OPEB obligation	1,692,196
Accrued interest	(124,131)

Change in Net Assets of Governmental Activities (Exhibit II)	\$ (261,091)
--	--------------

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

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2010

	Governmental Activities
	Internal Service Funds
ASSETS	
Receivables:	
Due from other funds	\$ 48,949
Total assets	<u>48,949</u>
LIABILITIES	
Current liabilities:	
Due to other funds	22,847
Claims incurred but not reported	10,400
Total liabilities	<u>33,247</u>
NET ASSETS	
Unrestricted	15,702
Total net assets	<u>\$ 15,702</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 169,843
Total operating revenues	<u>169,843</u>
OPERATING EXPENSES	
Salaries, benefits and claims	154,141
Total operating expenses	<u>154,141</u>
Operating income	15,702
NET ASSETS, beginning	<u>-</u>
NET ASSETS, ending	<u><u>\$ 15,702</u></u>

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

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Governmental Activities <u>Internal Service Funds</u>
Cash Flows From Operating Activities	
Cash received from charges for services	\$ 169,843
Cash paid to vendors and beneficiaries	<u>(143,741)</u>
Net cash provided by operating activities	<u>26,102</u>
Cash Flows From Noncapital Financing Activities and Transfers	
Due to/from other funds	<u>(26,102)</u>
Net increase in cash and cash equivalents	-
Cash and Cash Equivalents	
Beginning	<u>-</u>
Ending	<u><u>\$ -</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 15,702
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in claims incurred but not reported	10,400
Net cash provided by operating activities	<u><u>\$ 26,102</u></u>

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

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2010

	Trust Funds	Agency Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,354,539	\$ 367,622
Investments:		
Unit trusts	407,868	-
Equity securities	37,001,196	-
Mutual funds	27,077,970	-
Receivables:		
Interest and dividends	87,244	-
Total assets	<u><u>\$ 65,928,817</u></u>	<u><u>\$ 367,622</u></u>
LIABILITIES		
Accounts and other payables	<u>\$ 181,723</u>	<u>\$ 367,622</u>
NET ASSETS		
Held in trust for pension benefits and other postemployment benefits	<u><u>\$ 65,747,094</u></u>	

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

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS

For the Year Ended June 30, 2010

	Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 5,065,793
Plan members	1,230,507
Total contributions	<u>6,296,300</u>
Investment Income	
Net appreciation in fair value of investments	6,600,646
Interest and dividends	1,606,812
Net investment income	<u>8,207,458</u>
Total additions	<u>14,503,758</u>
DEDUCTIONS	
Benefits	3,677,812
Administration	469,434
	<u>4,147,246</u>
Change in net assets	10,356,512
NET ASSETS	
Beginning of year	<u>55,390,582</u>
End of year	<u><u>\$ 65,747,094</u></u>

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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

Governmental Funds

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

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

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

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

Fiduciary Funds

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

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

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

Additionally, the Town reports the following fund types:

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements (except for agency funds which have no measurement focus). Revenues are recorded when earned and expenses are recorded

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

Additionally, the Town reports the following fund types:

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

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

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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

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

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

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

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.

Receivables and Payables

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

The Town's property tax is levied each July 1, on the assessed value listed on the prior October 1, Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach the property does not exist until July 1. Therefore, taxes are due and payable in equal installments on July 1, and January 1, following the date of the Grand List. Interest of 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 \$108,000 has been

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

established as an allowance for uncollectible taxes. At June 30, 2010, this represents 5.25% of all property taxes receivable.

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.

Capital Assets

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

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

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

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

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

Compensated Absences

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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

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

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

Long-Term Obligations

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

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

Pension Accounting

Pension Trust Funds:

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

Governmental Funds:

The net pension obligation (asset), the cumulative difference between annual pension cost and the Town's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. Expenditures are recognized when they are paid or are expected to be paid with current available resources.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Funding Policy:

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

Net other post-employment benefit obligations (NOPEB)

In fiscal year 2009, the Town implemented GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*." The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2008. The Town makes annual contributions based upon committee decisions using the actuarial valuation to the OPEB trust fund.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute either expenditures or liabilities.

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.

Fund Equity and Net Assets

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

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents the net assets of the Town, which are not restricted for any project or other purpose. A deficit will require future funding.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

In the fund financial statements, fund balances of governmental funds are classified in two separate categories. The two categories, and their general meanings, are as follows:

Reserved fund balance – indicates that portion of fund equity which has been legally segregated for specific purposes or is not available for appropriation.

Unreserved designated fund balance – indicates that portion of fund equity for which the Town has made tentative plans.

Unreserved undesignated fund balance or deficits – indicates that portion of fund equity which is available for appropriation and expenditure in future periods. A deficit will require future funding.

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

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

- On the first Tuesday in March, the Boards of Selectmen and Education submit their respective budgets to the Board of Finance.
- On the second Tuesday in March, the Board of Finance conducts a public hearing at which taxpayer comments are heard.
- On the third Tuesday in April, the Board of Finance establishes its recommended Budget and the means to finance it including a tax rate for publication and submission to the Representative Town Meeting (RTM).
- On the second Monday in May, the Budget as approved by the Board of Finance is submitted to a Representative Town Meeting at which the budget is legally enacted through passage of a resolution by the RTM. The RTM has authority to either approve the recommended budget or reduce it; it is not permitted to vote an increase. The operating budget includes proposed expenditures and the means of financing them.
- The legal level of control (the lowest level at which expenditures cannot exceed the appropriation) is at the department level for the General Fund and at the fund level for Special Revenue Funds. The department head approves budget transfers of \$1 to \$300 within the department. The Board of Selectmen approves interdepartment budget transfers of \$301 to \$999 and the Board of Finance approves inter and intradepartment budget transfers of \$1,000 and above.
- Any subsequent appropriations that alter the total operating budget must be approved by the RTM.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

- Except for the accounting for encumbrances, budgets are adopted on a modified accrual basis of accounting.
- The Board of Education, which is not a separate legal entity but a separate department of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and RTM approval.
- Budgeted amounts shown are as originally adopted, or as amended by the Board of Finance and Representative Town Meeting during the course of the year. Additional appropriations totaling \$761,446 were approved during the year.
- Generally, all unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward.

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

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

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

Note 3. Cash, Cash Equivalents and Investments

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

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$20,688,667 of the Town's bank balance of \$20,640,115 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 16,792,459
Collateralized, held by banks	<u>3,847,656</u>
Total amount subject to custodial credit risk	<u><u>\$ 20,640,115</u></u>

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within three months of maturity. At June 30, 2010 the Town's cash equivalents amounted to \$951,488. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

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

Investments

Investments as of June 30, 2010 in all funds are as follows:

	<u>Fair Value</u>
Unit trusts - pension trust funds	\$ 407,868
Common stock - pension trust funds	37,001,196
Pooled open-end mutual fund account:	
Pension trust funds	27,077,970
Governmental funds - certificates of deposit	<u>5,501,146</u>
Total	<u><u>\$ 69,988,180</u></u>

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 the State Statutes.

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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

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

	Asset and Mortgage Backed	Corporate Bonds	Government Bonds	Foreign Bonds	Pooled Fixed Income
Fixed Mutual Funds	\$29,077,970	\$ 7,926	\$ -	\$27,070,044	\$ -

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town maintains a listing of financial institutions approved to provide custody based on their creditworthiness in accordance with the Town's investment policy. The investment policy details the information which must be provided by financial institutions on an annual basis to become or remain qualified for investment transactions. At June 30, 2010, the Town had \$36,341,891 worth of uninsured and unregistered common stock that was held by the Bank of America or by its trust department or agent that was not in the Pension Trust's name.

Note 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:

	General	Sewer Operating	Sewer Assessment	Capital Projects	Nonmajor and Other Funds	Total
Receivables:						
Interest on delinquent taxes	\$ 622,416	\$ -	\$ -	\$ -	\$ -	\$ 622,416
Taxes	1,567,660	-	-	-	-	1,567,660
Accounts	360,017	348,993	-	-	149,273	858,283
Special assessments	-	-	4,039,711	-	-	4,039,711
Intergovernmental	1,114,219	-	-	378,672	-	1,492,891
Interest receivable	-	47,605	-	-	-	47,605
Investment income	3,036	1,371	-	-	-	4,407
Gross receivables	3,667,348	397,969	4,039,711	378,672	149,273	8,632,973
Less allowance for property tax uncollectibles	(108,466)	-	-	-	-	(108,466)
Net Total Receivables	\$ 3,558,882	\$ 397,969	\$ 4,039,711	\$ 378,672	\$ 149,273	\$ 8,524,507

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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

	Unavailable	Unearned
Delinquent property taxes receivable	\$ 1,157,421	\$ -
Interest and delinquent property tax	591,295	-
Special assessments not yet due	4,039,711	-
Grant drawdowns prior to meeting all eligibility requirements	-	69,795
School building grants	1,114,219	-
Sewer use receivables	348,993	-
Interest on sewer use receivable	47,605	-
Fees collected in advance	-	104,814
Total deferred/unearned revenue for governmental funds	<u>\$ 7,299,244</u>	<u>\$ 174,609</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Total
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 10,904,283	\$ 372,494	\$ -	\$ -	\$ 11,276,777
Construction in progress	3,202,257	1,314,209	(1,000)	(2,159,942)	2,355,524
Total capital assets not being depreciated	14,106,540	1,686,703	(1,000)	(2,159,942)	13,632,301
Capital assets being depreciated:					
Buildings	189,563,223	14,260	-	31,268	189,608,751
Land improvements	3,922,294	-	-	-	3,922,294
Machinery and equipment	10,655,569	449,473	(292,789)	733,171	11,545,424
Infrastructure	37,436,136	229,829	(2,759,715)	1,395,503	36,301,753
Total capital assets being depreciated	241,577,222	693,562	(3,052,504)	2,159,942	241,378,222
Less accumulated depreciation for:					
Buildings	41,892,835	4,357,232	-	-	46,250,067
Land improvements	1,343,259	148,208	-	-	1,491,467
Machinery and equipment	6,127,312	678,202	(282,523)	-	6,522,991
Infrastructure	25,179,631	546,273	(610,682)	-	25,115,222
Total accumulated depreciation	74,543,037	5,729,915	(893,205)	-	79,379,747
Total capital assets being depreciated, net	167,034,185	(5,036,353)	(2,159,299)	2,159,942	161,998,475
Governmental Activities Capital Assets, Net	\$ 181,140,725	\$ (3,349,650)	\$ (2,160,299)	\$ -	\$ 175,630,776

Depreciation expense was charged to functions/programs as follows:

General government	\$ 158,868
Community environment	29,198
Public safety	317,062
Health and social services	159
Parks and recreation	99,976
Public works	727,272
Education	4,397,380
Total depreciation expense - governmental activities	<u>\$ 5,729,915</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Construction Commitments

The Town has active construction projects as of June 30, 2010. A summary of capital projects is as follows:

	PROJECT EXPENDITURES							
		Additions	Total Project		Prior Year	Current Year		
	Project	Deletions	Authorization	2009-2010	Cumulative	Cumulative	Encumbrances	Balance
Public Works Garage	\$ 1,200,000	\$ -	\$ 1,200,000	\$ -	\$ 1,200,000	\$ 1,200,000	\$ -	\$ -
Clean Water Fund	1,500,000	-	1,500,000	-	1,093,433	1,093,433	-	406,567
Sewer Line Expansion	9,515,000	-	9,515,000	145,639	5,087,823	5,233,462	1,733,126	2,548,412
High School Building	75,799,440	-	75,799,440	75,053	74,919,921	74,994,974	-	804,466
Capital Non-Recurring Expenditures	120,322,003	7,127,768	127,449,771	2,450,916	13,697,741	16,148,657	260,420	111,040,694
Parking Capital	494,565	137,377	631,942	125,334	75,508	200,842	514,025	(82,925)
35 Leroy	4,125,000	-	4,125,000	-	3,885,290	3,885,290	-	239,710
Weed Beach	3,600,000	-	3,600,000	38,523	345,526	384,049	24,145	3,191,806
Police Station Addition	17,680,000	-	17,680,000	4,929	815,630	820,559	9,700	16,849,741
Tokeneke School Building	23,170,000	-	23,170,000	-	22,717,899	22,717,899	-	452,101

Note 6. Interfund Receivables, Payables and Transfers

Individual fund interfund receivable and payable balances at June 30, 2010 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 5,534,046	\$ 4,256,433
Sewer Operating	3,990	29,839
Capital Projects	4,268,789	5,347,793
Non-Major Governmental Funds	370,289	569,151
Internal Service Fund	48,949	22,847
Total	\$ 10,226,063	\$ 10,226,063

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Interfund transfers during the year ended June 30, 2010 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 1,216,222	\$ 3,021,992
Sewer Operating Fund	-	53,807
Sewer Assessment Fund	-	1,110,597
Capital Projects	2,980,377	-
Non-Major Governmental Funds	208,265	218,468
Total	\$ 4,404,864	\$ 4,404,864

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

Note 7. Leases

Operating Leases

The Town leases some office equipment under operating leases. Total expense for such leases were \$330,934 for the year ended June 30, 2010. These leases are cancelable at any time before the expiration date of the year 2015. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2011	\$ 359,444
2012	355,578
2013	335,514
2014	61,852
2015	16,141
Total	\$ 1,128,529

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Note 8. Long-Term Debt

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$89,170,000	\$15,305,000	\$18,570,000	\$85,905,000	\$ 6,220,000
Clean water notes	552,365	-	43,154	509,211	44,025
Less deferred amounts on Refunding bonds	(1,795,436)	(532,964)	(683,457)	(1,644,943)	(361,616)
Premium	157,889	1,151,070	61,043	1,247,916	-
Total bonds and notes payable	88,084,818	15,923,106	17,990,740	86,017,184	5,902,409
Compensated absences	1,636,967	1,592,400	1,486,174	1,743,193	1,083,239
Net OPEB obligation	904,837	-	904,837	-	-
Total Governmental Activities Long-Term Liabilities	<u>\$90,626,622</u>	<u>\$17,515,506</u>	<u>\$20,381,751</u>	<u>\$87,760,377</u>	<u>\$ 6,985,648</u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Bonds and notes outstanding by issue at June 30, 2010 were:

Description	Year of Maturity	Interest Rate (%)	Balance Outstanding June 30, 2010
General Obligation Bonds:			
Darien High School	2022	3.50-5.00	\$ 180,000
DHS/Tokeneke 2005	2024	3.50-5.00	700,000
Refunding 2005	2024	3.00-4.75	28,367,000
DHS & Tokeneke	2028	3.25-5.00	13,037,500
Library	2028	3.25-5.00	612,500
Refunding 2009	2018	2.00-5.00	24,970,000
DHS 2010	2028	2.39	3,750,000
Police Station 2010	2020	2.39	250,000
Refunding 2010	2020	2.55	9,270,000
Total general obligation bonds			<u>81,137,000</u>
Special Assessment Debt with Town Commitment:			
Peach Hill	2022	3.5-5.00	35,000
Harbor/Ring's End	2022	3.5-5.00	35,000
Refunding 2005	2024	3.00-4.75	1,068,000
Multiple Sewers	2025	3.75-5.75	300,000
Refunding 2009	2018	2.00-5.00	1,295,000
Refunding 2010	2020	2.55	2,035,000
Total special assessment debt with town commitment			<u>4,768,000</u>
State Loans:			
Clean Water	2022	2.00	<u>509,211</u>
Total state loans			<u>509,211</u>
Total outstanding			<u>\$ 86,414,211</u>

During fiscal year 2010, 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 \$1,110,597, respectively, toward these payments. The Sewer Operating Fund is responsible for debt service of the sewer rehabilitation bonds, and the Sewer Assessment Fund is responsible for the majority of debt service for the sewer construction bonds. Payment of the principal and interest on Special Assessment Sewer Bonds is guaranteed by the full faith and credit of the Town.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

The following is a summary of long-term debt principal and interest maturities. The State of Connecticut will provide future payments to subsidize the debt cost. Principal debt subsidies of \$1,114,219 and interest subsidies of \$147,350 will be received over the life of the outstanding debt.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 6,264,025	\$ 3,125,880
2012	7,144,913	2,939,895
2013	7,250,820	2,680,387
2014	7,561,745	2,412,346
2015	7,502,688	2,157,932
2016-2020	32,433,274	6,643,557
2021-2025	15,331,746	1,793,751
2026-2028	2,925,000	234,000
Total	<u>\$ 86,414,211</u>	<u>\$ 21,987,748</u>

Authorized Unissued Bonds

At June 30, 2010, the Town had \$2,970,000 of authorized, unissued bonds for sewer line extension projects, \$13,165,000 for the Darien High School Building Project, \$5,045,000 for the Tokeneke Elementary School Project, \$265,000 for the purchase of the 35 Leroy Building, \$17,430,000 for the Police Station Project and \$2,000,000 for the Weed Beach Project. The Darien High School and Tokeneke Elementary School Projects are partially offset by State of Connecticut grants. This amount is approximately 20.7% of total eligible costs.

Debt Limit

The Town's total indebtedness does not exceed the limit of \$696.444 million allowed by State Statute.

Refundings

On February 23, 2010, the Town issued \$11,305,000 in general obligation bonds with an average interest rate of 2.54% to refund outstanding bonds with an average rate of 3.94%. The bonds refunded were as follows: \$875,000 of outstanding 2004 general obligation bonds, \$7,000,000 of outstanding 2005 general obligation bonds, \$3,900,000 of outstanding 2008 general obligation bonds. The net proceeds of \$12,307,964 (after payment of expenses of \$148,000) were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by the United States of America, to provide all future debt service payments on the refunded bonds. The refunded bonds are considered defeased and the liability for those bonds have been removed from the Statement of Net Assets. The transaction generated a cash flow savings of \$1,231,141 and a present value savings of \$731,941.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

In prior year and the current year, the Town defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2010, \$10,900,000 of the defeased debt is outstanding.

Compensated Absences

The liability for compensated absences increased by \$106,226 this year. These liabilities are paid by the General Fund, Sewer Operating Fund, Parking Operations Fund and Solid Waste Fund.

Note 9. Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or natural disasters. The Town purchases commercial insurance for all risks of loss, except dental claims as discussed below. During the year ended June 30, 2010, deductibles paid by the Town were insignificant. Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

Risk Pooling

The Town is a member of the MIRMA Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The premium paid in 2009/10 was \$659,678. The premium is subject to payroll audit at the close of the coverage period. MIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

Self-Insurance Plans

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

A third party administers the Town's self-insurance program. There is no stop loss coverage. The Town's General Fund liquidates the claims through annual appropriations. The claims liability of \$10,400 reported at June 30, 2010 is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim which includes past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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,
2008-2009	\$ -	\$ 2,101,395	\$ 2,101,395	\$ -
2009-2010	-	2,506,740	2,496,340	10,400

Note 10. Fund Balance

Reservations

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

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

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

A summary of reserved fund balances at June 30, 2010 is presented below:

General Fund:	
Reserved for encumbrances	\$ 129,936
Sewer Operating:	
Reserved for encumbrances	61,238
Capital Projects Fund:	
Reserved for encumbrances	1,733,126
Nonmajor Governmental Funds:	
Reserved for inventory	22,148
Reserved for encumbrances	31,630
Total	<u><u>\$ 1,978,078</u></u>

Deficits

The Capital Projects fund has a fund balance deficit of \$827,383. The deficit will be eliminated when the projects are permanently funded.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

Note 11. Other Post-Employment Benefits

Plan Description

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

At July 1, 2009, Police plan membership consisted of the following:

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program
Active plan members:		
Retired participants	16	50
Spouses	50	852
Total participants	66	902

Funding Policy

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

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

Annual OPEB Cost and Net OPEB Obligations

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

	Police Post-Retirement Medical Program	Non-Police Post-Retirement Medical Program
Annual required contribution (ARC)	\$ 604,678	\$ 586,352
Interest on net OPEB obligation	37,688	30,175
Adjustment to annual required contribution	(47,939)	(34,066)
Annual OPEB cost	594,427	582,461
Contributions made	1,787,862	1,081,222
Increase in net OPEB obligation	(1,193,435)	(498,761)
Net OPEB obligation, beginning of year	502,509	402,328
Net OPEB obligation (asset), end of year	<u>\$ (690,926)</u>	<u>\$ (96,433)</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2010 and 2009 are presented below.

Police

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/10	\$ 594,427	\$ 1,787,862	300.77%	\$ (690,926)
6/30/09	644,527	142,018	22.03%	502,059

Non-Police

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/10	\$ 582,461	\$ 1,081,222	185.63%	\$ (96,433)
6/30/09	595,699	193,371	32.50%	402,328

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Funding Status and Funding Progress

SCHEDULE OF FUNDING PROGRESS - OPEB							
Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	
Police							
07/01/08	\$ -	\$ 4,530,545	\$ 4,530,545	0.0%	\$3,896,000	116.3%	
Non-Police							
07/01/07	\$ -	\$ 4,475,369	\$ 4,475,349	0.0%	N/A	N/A	

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

Additional information as of the latest actuarial valuations follows:

	Police	Non-Police
Valuation date	6/30/09	6/30/09
Actuarial cost method	Entry Age Normal	Projected Unit Credit
Amortization method	Level Percent	Level Percent
Remaining amortization period	30 years Closed	30 years Closed
Asset valuation method	Market Value	Market Value
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
<u>Health Care Trend</u>	<u>Increase</u>	<u>Increase</u>
2010-2011	10.0%	10.0%
2011-2012	9.0%	9.0%
2012-2013	8.0%	8.0%
2013-2014	7.0%	7.0%
2014-2015	6.0%	6.0%
2015-2016 and later	5.0%	5.0%

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

Note 12. Employee Retirement Systems and Pension Plans

Plan Description

The Funded Retirement Plan of the Town of Darien

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

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

At July 1, 2009 (date of the last valuation), membership in the Town Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	147
Terminated members entitled to benefits but not yet receiving them	6
Current active members	<u>381</u>
Total	<u><u>534</u></u>

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

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

Town of Darien Police Pension Fund

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

At July 1, 2009, membership in the Police Plan consisted of:

Retirees, disabled members and beneficiaries currently receiving benefits	52
Current active members	<u>51</u>
Total	<u><u>103</u></u>

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2010**

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.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

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

Valuation of Investments

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

Contributions

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

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Schedule of Funding Progress

Town						
Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2009	\$ 33,150,591	\$ 38,943,751	\$ 5,793,160	85.12%	\$ 17,138,717	33.8%

Police						
Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2009	\$ 25,437,366	\$ 31,211,236	\$ 5,773,870	81.50%	\$ 3,960,737	145.8%

* The ARC is calculated using the aggregate actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan beginning with the valuation date 7/1/2007.

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

Schedule of Employer Contributions

Actuarial Assumptions

The data presented in the schedule of funding progress and schedule of employer contributions (Note 13) were determined as part of the actuarial valuation at the date indicated.

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	July 1, 2009
Actuarial cost method	Aggregate (Entry Age method used for Schedule of Funding Progress)
Asset valuation method	5 Years smoothed market

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Actuarial assumptions:

Rate of return	7.5%
Projected salary increases	4.5%

COLA	None
------	------

Annual Pension Cost and Net Pension Asset

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

	Town Plan	Police Plan
Annual required contribution (ARC)	\$ 1,330,023	\$ 866,685
Adjustment to annual required contribution	-	-
Annual pension cost	1,330,023	866,685
Contributions made	1,330,023	866,685
Decrease in net pension asset	-	-
Net pension obligation, beginning of year	-	-
Net pension obligation, end of year	\$ -	\$ -

Trend Information

Town			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 1,330,023	100.0%	\$ -
2009	1,231,739	100.0%	-
2008	1,197,070	95.4%	-

Police			
Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 866,685	100.0%	\$ -
2009	800,558	100.0%	-
2008	807,655	100.0%	-

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Separate Plan Financial Information

Schedule of Plan Net Assets - Trust Funds For the Year Ended June 30, 2010					
	Police	Town	Police Retiree Medical Reserve	Non-Police Retiree Benefit	Total Trust Funds
Assets:					
Cash and cash equivalents	\$ 75,626	\$ 382,050	\$ 360	\$ 896,503	\$ 1,354,539
Investments, at fair value:					
Unit trusts	177,813	230,055	-	-	407,868
Equity securities	15,630,903	20,710,988	659,305	-	37,001,196
Mutual funds	11,214,622	14,869,998	993,350	-	27,077,970
Receivables:					
Investment income	37,589	49,655	-	-	87,244
Total assets	27,136,553	36,242,746	1,653,015	896,503	65,928,817
Liabilities:					
Accounts payable	77,611	104,112	-	-	181,723
Total liabilities	77,611	104,112	-	-	181,723
Net Assets:					
Net assets held in trust	\$27,058,942	\$36,138,634	\$ 1,653,015	\$ 896,503	\$65,747,094

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

Schedule of Changes in Plan Net Assets - Trust Funds For the Year Ended June 30, 2010					
	Police	Town	Police Retiree Medical Benefit	Non-Police Retiree Benefit	Total Trust Funds
Additions:					
Contributions:					
Employer	\$ 866,685	\$ 1,330,023	\$ 1,787,863	\$ 1,081,222	\$ 5,065,793
Plan members	260,666	969,841	-	-	1,230,507
Total contributions	1,127,351	2,299,864	1,787,863	1,081,222	6,296,300
Investment income:					
Net appreciation in fair value investments	2,823,069	3,621,124	153,904	2,549	6,600,646
Interest and dividends	701,235	902,360	3,217	-	1,606,812
Total investment income	3,524,304	4,523,484	157,121	2,549	8,207,458
Total additions	4,651,655	6,823,348	1,944,984	1,083,771	14,503,758
Deductions:					
Benefits	1,544,759	1,787,574	184,479	161,000	3,677,812
Administration	147,384	188,292	107,490	26,268	469,434
Total deductions	1,692,143	1,975,866	291,969	187,268	4,147,246
Net increase	2,959,512	4,847,482	1,653,015	896,503	10,356,512
Net Assets, beginning of year	24,099,430	31,291,152	-	-	55,390,582
Net Assets, end of year	\$27,058,942	\$36,138,634	\$ 1,653,015	\$ 896,503	\$ 65,747,094

Teachers' Retirement Plan

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

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

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$37,003,000.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2010, the Town has recorded in the General Fund intergovernmental revenue schools and Board of Education expenditures in the amount of \$5,724,000 as payments made by the State of Connecticut on behalf of the Town.

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

Note 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 which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

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

Note 14. Pronouncements Issued, Not Yet Effective

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

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

- GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2011. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The implementation of this statement will result in changes to the classification of fund balances in the Town's governmental funds.

TOWN OF DARIEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The provisions of Statement 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.

Note 15. Subsequent Event

On September 9, 2010, the Town issued \$4,175,000 of Bond Anticipation Notes that mature on March 17, 2011 and bear interest of 1%.

**Required Supplementary
Information**

REQUIRED SUPPLEMENTARY INFORMATION

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

(NON-GAAP BUDGETARY BASIS)

June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Property taxes:				
Property taxes current	\$ 97,149,207	\$ 97,149,207	\$ 97,839,328	\$ 690,121
Property taxes prior	290,000	290,000	647,616	357,616
Suspense tax collections	1,000	1,000	1,464	464
Telecommunication property tax	121,083	121,083	71,485	(49,598)
Interest and liens	230,000	230,000	407,834	177,834
Total property taxes	97,791,290	97,791,290	98,967,727	1,176,437
Licenses and permits:				
Town Clerk	700,000	700,000	1,345,181	645,181
Buildings, plumbing and other	1,133,400	1,133,400	981,021	(152,379)
Refuse disposal permits	250,000	250,000	282,171	32,171
Food establishment	60,000	60,000	59,450	(550)
Private disposal and water supply	35,000	35,000	35,725	725
Fire Marshal's revenue	4,000	4,000	7,867	3,867
Other	37,050	37,050	29,940	(7,110)
Total licenses and permits	2,219,450	2,219,450	2,741,355	521,905
Intergovernmental:				
Capital improvement grant	110,176	110,176	109,270	(906)
Housing Authority	-	-	70,138	70,138
Taxes on State-owned land	58,671	58,671	59,100	429
Pequot distribution	10,864	10,864	7,810	(3,054)
Disabled persons	100	100	125	25
Circuit breaker	56,000	56,000	59,758	3,758
Elderly tax relief	5,000	5,000	2,000	(3,000)
Veterans' exemption	1,800	1,800	1,052	(748)
Court fines	15,000	15,000	17,885	2,885
Boating safety enforcement	18,700	18,700	9,589	(9,111)
Infrastructure - Town aid	122,230	122,230	166,082	43,852
State school reimbursement	291,904	291,904	291,910	6
Education cost-sharing grant	1,616,006	1,616,006	1,310,112	(305,894)
Transportation	647	647	369	(278)
Other	10,000	10,000	2,050	(7,950)
Total intergovernmental	2,317,098	2,317,098	2,107,250	(209,848)

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
 (NON-GAAP BUDGETARY BASIS), Continued
 June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Charges for services:				
Sale of codes, regulations, etc.	3,000	3,000	1,304	(1,696)
Planning and zoning application	18,450	18,450	19,926	1,476
ZBA application fees	20,240	20,240	15,120	(5,120)
EPD application fees	15,500	15,500	17,028	1,528
Other planning fees	4,700	4,700	5,048	348
Services for Sewer Commission Authority	50,000	50,000	50,000	-
Solid Waste Fees	628,580	628,580	662,187	33,607
Services for Parking Fund	82,297	82,297	74,297	(8,000)
Parking Fees	143,000	143,000	134,279	(8,721)
Youth Commission fees	203,875	203,875	198,770	(5,105)
Parking and recreation	120,975	120,975	160,960	39,985
Beach parking permits	198,630	198,630	226,885	28,255
Other	12,000	12,000	14,852	2,852
Total charges for services	1,501,247	1,501,247	1,580,656	79,409
Fines and forfeits	36,000	36,000	22,047	(13,953)
Investment Income	375,000	375,000	179,423	(195,577)
Miscellaneous:				
Metro mobile rent	100,000	100,000	122,595	22,595
Coin operated Xerox machine	11,000	11,000	17,350	6,350
Commission on Aging - van	34,580	36,024	36,024	-
Sale of Recyclables/Metal/Compost	55,000	55,000	81,158	26,158
Other rents	20,500	20,500	32,424	11,924
Insurance recoveries	20,000	20,000	86,942	66,942
Other	30,000	30,000	56,588	26,588
Total miscellaneous	271,080	272,524	433,081	160,557
Total revenues	104,511,165	104,512,609	106,031,539	1,518,930

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND
 (NON-GAAP BUDGETARY BASIS), Continued
 June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Other financing sources:				
Transfers in:				-
Sewer Assessment Fund	1,110,597	1,110,597	1,110,597	-
Sewer Operating Funds	53,807	53,807	53,807	-
Other Funds	66,853	66,853	51,818	(15,035)
Total transfers in	1,231,257	1,231,257	1,216,222	(15,035)
Appropriation of fund balance	1,100,000	1,860,000	-	(1,860,000)
Total other financing sources	2,331,257	3,091,257	1,216,222	(1,875,035)
Total revenues and other financing sources	\$ 106,842,422	\$ 107,603,866	107,247,761	\$ (356,105)

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State
 Teachers' Retirement System for Town teachers are not budgeted. 5,724,000

Under liquidation of prior year encumbrances is recorded as miscellaneous
 revenue for budgetary reporting. This amount is excluded for financial
 reporting purposes. (4,527)

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. 2,451,212

Bond premium on refunding 1,151,070

Issuance of refunding bonds is not budgeted. 11,305,000

**Total Revenues and Other financing Sources as Reported on the Statement
 of Revenues, Expenditures and Changes in Fund Balances (Deficits) -
 Governmental Funds - Exhibit IV.**

\$ 127,874,516

REQUIRED SUPPLEMENTARY INFORMATION

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

(NON-GAAP BUDGETARY BASIS)

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government:				
Selectmen's office	\$ 170,542	\$ 203,390	\$ 201,776	\$ 1,614
Administrative Officer	335,259	344,941	339,692	5,249
Human Resources	119,345	125,132	121,558	3,574
RTM	2,160	2,870	2,284	586
Financial management	403,770	432,758	432,431	327
Board of Finance	33,743	34,800	34,800	-
Tax Assessor	279,699	283,550	278,441	5,109
Tax Collector	242,233	242,865	240,749	2,116
Legal services	392,268	464,057	464,026	31
Town Clerk	258,876	260,748	256,517	4,231
Registrar of Voters	107,126	107,541	99,802	7,739
Information services	260,296	258,366	240,573	17,793
Probate court	9,200	9,200	7,414	1,786
Total general government	2,614,517	2,770,218	2,720,063	50,155
Community environment:				
Development Planning	580,575	589,165	573,559	15,606
Planning and Zoning	30,213	31,433	31,405	28
Zoning Appeals	5,288	5,288	3,806	1,482
Environmental Protection	5,260	4,295	2,100	2,195
Regional Planning	7,213	7,213	7,003	210
Beautification	33,000	33,000	33,000	-
Celebrations and observances	21,000	20,949	17,025	3,924
Harbor Master	1,315	1,366	366	1,000
Revitalize Downtown Darien	850	850	750	100
Total community environment	684,714	693,559	669,014	24,545
Public safety:				
Building Department	326,134	329,724	328,578	1,146
Police Department:				
Administration	484,533	495,289	494,317	972
Criminal Investigation	450,408	455,471	455,427	44
Patrol	3,668,131	3,806,946	3,805,164	1,782
Records	288,630	221,091	220,764	327
Youth	180,261	185,736	184,791	945
Marine Patrol	8,000	8,000	7,945	55
Professional Standards	138,723	151,072	150,041	1,031
Traffic and School Crossing	64,830	59,770	58,702	1,068
Fleet Services	162,715	156,346	151,196	5,150
Station maintenance and communication	188,443	187,903	185,936	1,967
Miscellaneous	600	1,000	868	132
Total Police Department	5,635,274	5,728,624	5,715,151	13,473

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

(NON-GAAP BUDGETARY BASIS), Continued

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Fire service and emergency medical service:				
Darien Fire Department	144,009	144,009	134,254	9,755
Noroton Fire Department	156,810	156,810	150,266	6,544
Noroton Heights Fire Department	133,760	133,760	133,378	382
Board of Fire Commissioners	96,390	97,913	89,366	8,547
Fire Marshal	291,269	295,050	291,662	3,388
Hydrants and main rental	339,000	354,626	354,626	-
Disaster preparedness	20,640	20,640	17,853	2,787
Emergency medical service	78,222	78,222	53,172	25,050
Total fire service and emergency medical service	1,260,100	1,281,030	1,224,577	56,453
Total public safety	7,221,508	7,339,378	7,268,306	71,072
Public works:				
Administration	330,327	341,482	340,128	1,354
Roadway and walkway maintenance	1,776,393	1,875,420	1,848,225	27,195
Waste Management	1,248,614	1,253,014	1,228,924	24,090
Public building management	429,842	428,469	401,147	27,322
Parking facility	81,237	78,237	68,282	9,955
Total public works	3,866,413	3,976,622	3,886,706	89,916
Health and social services:				
Social services	168,337	171,056	166,419	4,637
Social service - outside assistance	21,000	21,000	13,778	7,222
Senior Center	232,825	247,199	244,460	2,739
Senior transportation	34,580	36,026	36,025	1
youth programs	292,701	295,087	282,593	12,494
Youth services grants	70,575	70,575	69,450	1,125
Other outreach services	4,100	4,100	4,100	-
Health Department	279,002	292,750	233,944	58,806
Total health and social services	1,103,120	1,137,793	1,050,769	87,024
Parks and recreation:				
Administration	348,351	359,657	356,888	2,769
Beach and court facilities	178,550	172,596	156,686	15,910
Maintenance and repair	349,286	358,619	352,674	5,945
Organized recreation activities	31,264	31,264	27,056	4,208
Grounds, fields, building	233,188	233,188	220,527	12,661
Total parks and recreation	1,140,639	1,155,324	1,113,831	41,493
Overhead and miscellaneous:				
Employee benefits	4,086,054	4,106,998	4,021,397	85,601
Risk management	687,785	687,785	633,970	53,815
Contingency	516,615	186,054	-	186,054
Refuse disposal	452,022	470,261	470,261	-
Total overhead and miscellaneous	5,742,476	5,451,098	5,125,628	325,470

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

(NON-GAAP BUDGETARY BASIS), Continued

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Library	3,061,349	3,061,349	3,061,349	-
Board of Education - operations	68,700,458	69,050,458	68,792,731	257,727
Debt service:				
Schools	9,161,175	9,144,990	9,144,989	1
Town	269,674	163,180	163,179	1
Sewer	637,907	637,907	637,904	3
Total debt service	10,068,756	9,946,077	9,946,072	5
Total expenditures	104,203,950	104,581,876	103,634,469	947,407
Other financing sources:				
Transfers in:				
Animal Control	63,987	63,987	63,987	-
Retiree medical	115,000	115,000	115,000	-
Capital nonrecurring expenditures	2,459,485	2,843,005	2,843,005	-
Total other financing uses	2,638,472	3,021,992	3,021,992	-
Total	\$ 106,842,422	\$ 107,603,868	106,656,461	\$ 947,407

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted. 5,724,000

Encumbrances for purchases and commitments ordered but not yet received are reported in the year the order is placed for budgetary purposes, but in the year received for final reporting purposes. (108,092)

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. 2,451,212

Payment to escrow agent is not budgeted. 12,307,964

Refunding bond issuance costs are not budgeted. 148,186

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

\$ 127,179,731

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
SEWER OPERATING FUND (NON-GAAP BUDGETARY BASIS)

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Licenses and permits	\$ 14,000	\$ 14,000	\$ 9,600	\$ 4,400
Charges for services	3,250,177	2,820,232	2,423,463	396,769
Fines and forfeits	50,000	50,000	47,606	2,394
Investment income	80,000	200,000	21,675	178,325
Total revenues	3,394,177	3,084,232	2,502,344	581,888
Expenditures:				
Sewer operations:				
Administration	313,836	292,308	291,227	1,081
Collection and pumping	932,043	821,641	660,959	160,682
Treatment service	2,400,000	2,540,526	2,540,526	-
Overhead and miscellaneous	248,298	239,702	238,884	818
Total expenditures	3,894,177	3,894,177	3,731,596	162,581
Deficiency of revenues over expenditures	(500,000)	(809,945)	(1,229,252)	419,307
Other Financing Sources (Uses):				
Operating transfers out				-
Appropriation of Fund Balance	500,000	500,000	-	500,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ (309,945)	(1,229,252)	\$ 919,307
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.			\$ 25,930	
GAAP fund balance change, end of year			\$ (1,203,322)	

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN
June 30, 2010

SCHEDULE OF FUNDING PROGRESS - OPEB

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police						
07/01/08	\$ -	\$ 4,530,545	\$ 4,530,545	0.0%	\$3,896,000	116.3%
07/01/07	\$ -	\$ 4,276,948	\$ 4,276,848	0.0%	\$3,598,772	118.8%
Non-Police						
07/01/07	\$ -	\$ 4,475,369	\$ 4,475,349	0.0%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB

Year Ended June 30,	Police		Non-Police	
	Actual Required Contribution	Percentage Contributed	Actual Required Contribution	Percentage Contributed
2010	\$ 604,678	295.6%	\$ 586,352	184.39%
2009	609,468	23.3%	595,699	32.46%

REQUIRED SUPPLEMENTARY INFORMATION
TOWN AND POLICE PENSION PLANS
SCHEDULE OF FUNDING PROGRESS
June 30, 2010

<i>Schedule of Funding Progress - Town</i>						
Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2009	\$ 33,150,591	\$ 38,943,751	\$ 5,793,160	85.12%	\$ 17,138,717	33.8%
2008	31,440,757	35,427,363	3,986,606	88.75%	16,210,000	24.6%
*2007	29,087,137	32,962,616	3,875,479	88.24%	15,196,000	25.5%

<i>Schedule of Funding Progress - Police</i>						
Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Under (Over) Funded AAL (OAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	Under (Over) Funded AAL as a % of Covered Payroll ((b-a)/c)
2009	\$ 25,437,366	\$ 31,211,236	\$ 5,773,870	81.50%	\$ 3,960,737	145.8%
2008	24,830,877	28,911,419	4,080,542	85.89%	3,896,000	104.7%
*2007	23,459,042	27,775,450	4,316,408	84.50%	3,579,000	120.0%

* The ARC is calculated using the aggregate actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan beginning with the valuation date 7/1/2007.

REQUIRED SUPPLEMENTARY INFORMATION
TOWN AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2010

Schedule of Employer Contributions - Town

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2010	\$ 1,330,023	\$ 1,330,023	100.0%
2009	1,231,739	1,231,739	100.0%
2008	1,197,070	1,141,561	95.4%
2007	1,037,442	1,133,022	109.2%
2006	1,127,980	1,127,980	100.0%
2005	953,347	898,319	94.2%

Schedule of Employer Contributions - Police

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2010	\$ 866,685	\$ 866,685	100.0%
2009	800,558	800,558	100.0%
2008	807,655	807,655	100.0%
2007	675,337	675,337	100.0%
2006	585,335	585,335	100.0%
2005	490,221	490,221	100.0%

APPENDIX B - OPINION OF BOND COUNSEL

March __, 2011

Town of Darien
2 Renshaw Road
Darien, CT 06820

**Re: \$12,000,000 General Obligation Bonds
Dated March 17, 2011**

Ladies and Gentlemen:

We have acted as bond counsel to the Town of Darien, Connecticut (the "Town") and have examined a record of proceedings relative to the sale and issuance of the Town's \$12,000,000 General Obligation Bonds dated March 17, 2011 (the "Bonds").

In connection therewith, we have examined the law and such other materials as we have deemed necessary in order to render this opinion and have relied upon originals or copies, certified or otherwise identified to our satisfaction, of such public and private records, certificates and correspondence of public officials, including certificates of officials of the Town and such other documents as were provided to us. In making such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of documents submitted as certified or photostatic copies, the validity of all applicable statutes, ordinances, rules and regulations, the capacity of all persons executing documents, and the proper indexing and accuracy of all public records and documents. As to questions of fact material to our opinion, we have relied upon representations of the Town contained in the certified proceedings of the Town, including the Tax Regulatory and Compliance Agreement (the "Agreement") and other certifications received from the Town, all dated as of March 17, 2011 in connection with the issuance and delivery of the Bonds, without undertaking to verify the same by independent investigation.

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

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

We are of the following opinion:

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

2. Under existing law, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code and such interest will not be treated as a preference item for purpose of calculating the federal alternative minimum tax for individuals or corporations; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest is taken into account in determining the adjusted current earnings for purposes of computing the federal alternative minimum tax. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

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

3. Under existing statutes, interest on the Bonds is excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

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

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

Very truly yours,

PULLMAN & COMLEY, LLC

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT FOR BONDS BY THE TOWN OF DARIEN, CONNECTICUT

In Connection With The Issuance and Sale of \$12,000,000 General Obligation Bonds

This Continuing Disclosure Agreement (“Agreement”) is executed and delivered as of March 17, 2011, by the Town of Darien, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$12,000,000 General Obligation Bonds, dated March 17, 2011.

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

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

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

“Final Official Statement” means the official statement of the Issuer dated March 3, 2011 prepared in connection with the issuance of the Bonds.

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

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

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

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

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

Section 2. Annual Reports.

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer (commencing with the information and data for the fiscal year ending June 30, 2011):

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

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

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer’s taxable valuation thereon;

- (C) the percentage and amount of the annual property tax levy collected and uncollected;
- (D) a schedule of the long-term debt through maturity on outstanding long-term bonded indebtedness;
- (E) a calculation of the total net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);
- (F) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;
- (G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;
- (H) a statement of statutory debt limitations and debt margins; and
- (I) the funding status of the Issuer's pension benefit obligations.

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

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

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

Section 4. Event Notices.

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

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers, or their failure to perform;
- (v) adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the security;
- (vi) tender offers;
- (vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;
- (viii) Bond defeasances; and
- (ix) rating changes.

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

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

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

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

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

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

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

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

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

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

[Signature page to follow]

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

TOWN OF DARIEN, CONNECTICUT

By: _____
David Campbell
First Selectman

By: _____
Joan D. Hendrickson
Treasurer

By: _____
Kathleen C. Buch
Finance Director

APPENDIX D – NOTICE OF SALE

**Notice Of Sale
Town Of Darien, Connecticut
\$12,000,000 General Obligation Bonds
dated March 17, 2011
(the “Bonds”)**

ELECTRONIC BIDS VIA **PARITY**® will be received by the TOWN OF DARIEN, CONNECTICUT, (the “Town”) at the office of the Finance Director, Darien Town Hall, 2 Renshaw Road, Darien, Connecticut 06820, until 11:00 A.M. (E.T.) on Thursday,

March 3, 2011

for the purchase, when issued, at not less than par and accrued interest from the date of the Bonds to the date of delivery, of the whole of

\$12,000,000 General Obligation Bonds
dated March 17, 2011

The Bonds are payable annually on March 15, in the principal amounts and years as set forth below:

<u>Amount</u>	<u>Due</u>
\$900,000	2014
\$1,150,000	2015
\$1,350,000	2016
\$1,000,000	2017-2018
\$1,100,000	2019-2024

Interest on the Bonds will be payable on September 15, 2011 and semiannually thereafter on the 15th day of March and September in each year until maturity. The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be delivered to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in the principal amount of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium (if any) and interest on the Bonds will be payable by the Town to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will authenticate and deliver replacement Bonds in the form of fully registered Bond certificates directly to the beneficial owners of the Bonds or their nominees. (The record dates for the Bonds will be the last day of February and August, or the preceding business day if such day is not a business day.) The Bonds will be certified by the Registrar, Transfer Agent and Paying Agent which shall be U.S. National Bank Association.

The Bonds maturing on or before March 15, 2016 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2017 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after March 15, 2016, either in whole or in part at any time, in such order of maturity and amount as the Town may determine, and by lot within a maturity, at the respective prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth as follows, plus interest accrued and unpaid to the redemption date:

Period During Which Redeemed

March 15, 2016

Redemption Price

100%

Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and shall specify in a multiple of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%) the rate or rates of interest per annum which the Bonds are to bear, but shall NOT specify (a) more than one interest rate for any Bonds having a like maturity, (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than three (3) percentage points or (c) the price for any serial maturity which is less than 98.5. Interest shall be computed on the basis of twelve 30 day months and a 360 day year. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery, if any. No bid for less than par and accrued interest will be considered.

Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid will result in the lowest true interest cost ("TIC") to the Town. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to March 17, 2011, the dated date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. In the event that two or more bidders offer bids at the same lowest TIC, the Town will determine by lot which of such bidders will be awarded the Bonds. The purchase price must be paid in federal funds.

Electronic bids for the purchase of the Bonds may be submitted through the facilities of **PARITY**® until 11:00 A.M. (E.T.) on Thursday, March 3, 2011. Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. Further information about **PARITY**®, including any fee charged, may be obtained from **PARITY**®, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 404-8102 - email notice: PARITY@i-Deal.com). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

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

Disclaimer. Each **PARITY**® prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor **PARITY**® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor **PARITY**® shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY**®. The Town is using **PARITY**® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of **PARITY**® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY**® are the sole responsibility of the bidders; and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY**® at (212) 404-8102. If any provision of this Notice of Sale shall conflict with information provided by **PARITY**®, this Notice of Sale shall control.

The Bonds will be general obligations of the Town payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes. Under existing statutes the State of Connecticut is obligated to pay to the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax such dwelling houses.

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

The opinion of Bond Counsel will provide: (i) that the Bonds will be valid general obligations of the Town when duly certified; (ii) that, assuming the accuracy of and continued compliance by the Town with its representations and covenants contained in a certain Tax Regulatory and Compliance Agreement (the "Agreement") relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code") and other certifications received from the Town, as to which bond counsel has made no independent verification, under existing law interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to the Code and although interest on the Bonds is not treated as a preference item for purposes of calculating the federal alternative minimum tax, in the case of certain corporations (as defined for federal tax purposes) subject to the federal alternative minimum tax, such interest is taken into account in determining the adjusted current earnings for purposes of computing the federal alternative minimum tax and, (iii) that interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. In rendering the legal opinion, Pullman & Comley, LLC will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Agreement entered into by the Town for the benefit of the owners of the Bonds and further, will assume continuing compliance by the Town with the covenants and procedures set forth in the Agreement. Copies of the opinion will be printed upon each of the Bonds, and a signed opinion will be filed with the Paying Agent.

The Town has prepared a Preliminary Official Statement dated February 18, 2011 for the Bonds, which is deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. Bidders must acknowledge in their respective bids that they have received and reviewed such Preliminary Official Statement. The Town will make available to the winning purchaser 50 copies of the Official Statement, dated March 3, 2011, as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the Town's financial advisor, Independent Bond and Investment Consultants, LLC, by the fifth business day after the day bids on the Bonds are received. If the Town's financial advisor is provided with the necessary information from the winning purchaser by noon of the date following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriting, the name of the insurer, if any, on the Bonds and any corrections. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

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

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

It shall be the responsibility of the purchaser to furnish to Pullman & Comley, LLC, Hartford, Connecticut, in writing before delivery of the Bonds the reoffering prices at which a substantial portion of the bonds of each maturity initially were sold. The completed certificate should be delivered to Marie V. Phelan, Esq. Pullman & Comley, LLC, 90 State House Square, Hartford, Connecticut 06103, (860) 424-4337.

The Bonds will be delivered to U.S. Bank National Association as agent for DTC in New York, New York on or about March 17, 2011 against payment in immediately available federal funds. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning purchaser to obtain CUSIP numbers for the Bonds prior to delivery and the Town will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the winning purchaser to obtain such numbers and to supply them to the Town in a timely manner.

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

For more information regarding this issue and the Town, reference is made to the Official Statement dated February 18, 2011. Copies of the Official Statement may be obtained from Kathleen C. Buch, Director of Finance, Town of Darien, Darien Town Hall, 2 Renshaw Road, Darien, Connecticut 06820 (203) 656-7334 or from Mr. Mark Chapman, Independent Bond and Investment Consultants LLC, (203) 245-8715.

David Campbell
First Selectman

Joan D. Hendrickson
Treasurer

Elizabeth Smith Mao
Designee of the Board of Finance

Kathleen C. Buch
Finance Director

February 18, 2011