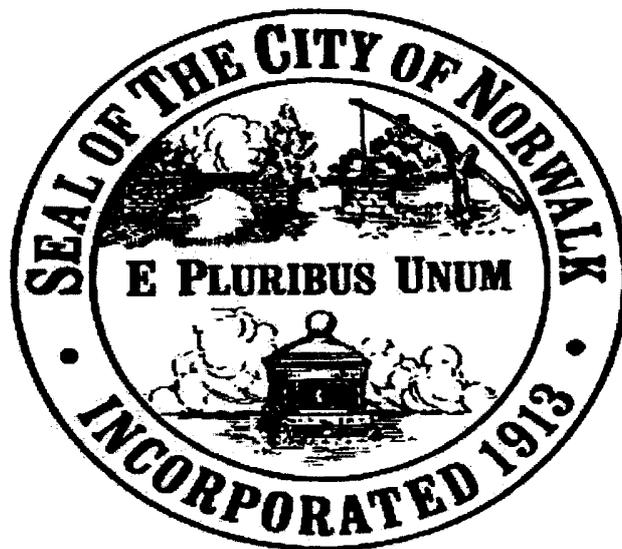


CITY OF NORWALK, CONNECTICUT

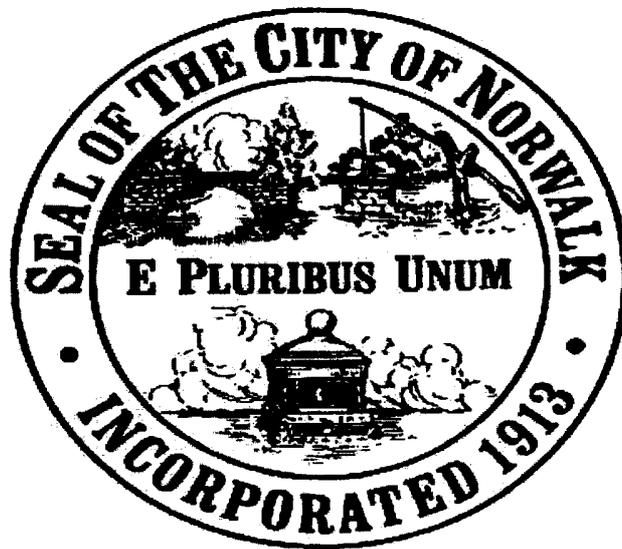


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2008

DEPARTMENT OF FINANCE
125 EAST AVENUE
NORWALK, CONNECTICUT

CITY OF NORWALK, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2008



PREPARED BY THE FINANCE DEPARTMENT

DIRECTOR OF FINANCE
COMPTROLLER
BUDGET DIRECTOR

THOMAS S. HAMILTON
FREDERIC J. GILDEN
OSWALD LEWIS

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Introductory Section



**DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR**

LETTER OF TRANSMITTAL

December 22, 2008

Richard A. Moccia , Mayor
Members of the Common Council
Members of the Board of Estimate and Taxation

Citizens of the City of Norwalk:

I am pleased to transmit the Comprehensive Annual Financial Report (CAFR) of the City of Norwalk for the fiscal year ended June 30, 2008.

State law requires that every general purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2008.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McGladrey & Pullen, LLP have issued an unqualified ("clean") opinion on the City of Norwalk's financial statements for the year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

Norwalk was first settled in 1640 and, with a population of 84,344, is the sixth largest City in Connecticut. The City is located in Fairfield County in the Southwestern part of the State along Long Island Sound. Including a number of islands, the City covers 22.5 square miles. Per capita income in the county remains among the highest in the nation. While preserving its suburban character, the City is a significant commercial, industrial and service center. Many corporations, including the Governmental Accounting

Standards Board (GASB) and the Financial Accounting Standards Board (FASB), have chosen to locate their headquarters in Norwalk. The City has also developed a tourist market centered on its outstanding harbor, islands, National Registry Mansions, Museums and a Maritime Aquarium comprised of a nautical museum, aquarium and IMAX theater.

The City provides a full range of municipal services, including education, police and fire protection, public works and sanitation, health and social services, planning and development, and recreational/cultural services. A listing of City Offices and further information about the City may be found on the City's official web site, www.norwalkct.org. The City employs nearly 2,000 full-time people to fulfill its municipal functions.

FACTORS AFFECTING FINANCIAL CONDITION

The City of Norwalk continues to be an attractive business location as reflected in new construction permits in FY 2008 and in the current fiscal year.

Norwalk is strategically located and its vibrant retail, corporate and tourism sectors continue to draw new residents, corporations and visitors. The City hosts many regional and corporate headquarters, but no one employer accounts for more than 3.0% of the total jobs and no one business comprises more than 1.7% of the City's total grand list. This extraordinary diversity among employment sectors and industries creates great resilience for the City in economic downturns.

The 2009 outlook for the City is for increasing, but manageable, residential property tax burdens due to the revaluation. These burdens will be mitigated by anticipated growth in the commercial tax base due to a number of major development projects.

MAJOR DEVELOPMENT INITIATIVES

Construction activity in Norwalk has continued at a healthy pace during the past year. The number of zoning permits issued in FY2008 kept pace with the number of permits issued over the past twenty years. Several major projects were approved and are now under construction or preparing to break ground including:

- ◆ AvalonBay Communities - 24 Belden Avenue - 312 unit multifamily development with 15,000 sq. ft. of retail along the Norwalk River is currently under construction
- ◆ Pepperidge Farm – 595 Westport Avenue - 235 unit multifamily development with 100,000 sq. ft. of corporate office for Pepperidge Farm located at the Westport town line is currently under construction
- ◆ 142-144 East Avenue – Two new waterfront buildings with 36 unit multifamily units and 5,400 square feet office ground floor office space adjacent to City Hall are nearing completion
- ◆ The Berkeley – West Ave/Lynes Pl – A new six-story, 150,000 square foot mixed use development with 60 residential units, ground floor retail and state of the art medical office space was approved in September and will begin construction in 2009
- ◆ Towers at Merritt River - Xerox Corporation relocated from Stamford in 2008 and will join Hewitt, Diageo and GE Capital at the Towers at Merritt River on Main Ave

A number of important redevelopment projects were approved in 2008 and construction is expected to be underway within the next two years:

- ◆ District 95-7 – 1.1 million sq ft mixed use development with 600,000 sq. ft. of new office space and 96,000 sq. ft. of retail and restaurant space adjacent to I-95 was approved in February 2008 and is expected to break ground in 2009
- ◆ Wall Street Place - POKO Partners – An exciting new 182,112 sq ft mixed use development with 101 residential units, 14,759 sq. ft. retail and 2,424 sq. ft. restaurant on Wall St in Norwalk Center was approved in July 2008
- ◆ Norwalk Company – 20 North Water St - 128 residential units and 26,000 sq. ft. of retail space across from the Maritime Aquarium's IMAX Theater approved in 2007 is expected to break ground in 2009
- ◆ Summerview Place - 2 Jefferson St/West Main St - 41 unit multifamily development with historic preservation component received approvals in 2007. A revised plan that would add additional units is scheduled for public hearing in December.
- ◆ Waypointe – 1.2 million sq ft mixed use development with 350 units and major new retail space on West Avenue north of I-95 is under review and is scheduled to submit a formal application in 2009
- ◆ Norden Park – 10 Norden Place - New 154,690 sq. ft. office building was approved and is scheduled to break ground in 2009
- ◆ Merritt on the River South – New 4 story, 82,700 sq. ft. office building on Glover Avenue has been approved and is awaiting ConnDOT action
- ◆ 110 Richards Avenue – A new 18,000 sq. ft. addition has been approved to convert this 100,000 sq. ft. building from manufacturing to entirely office space

Several smaller projects were recently approved or completed over the past year, including:

- ◆ Stew Leonard's – 100 Westport Ave – A new 16,000 sq. ft. addition to Stew Leonard's was approved in November and will break ground in early 2009
- ◆ New York Sports Club – 770 Connecticut Ave – 37,000 sq. ft. health club and 5,000 sq. ft. office and a parking garage was approved and is already under construction
- ◆ iPark on Main Avenue – 48,161 sq. ft. LA Fitness health club and 85,000 sq. ft. of medical office space was completed earlier this year
- ◆ 80 Fair Street – A new 4 story, 59 unit multifamily development with a 51,000 sq. ft. warehouse is nearing completion

On the planning and environmental front, the City has been aggressive in improving the environment and planning for the future of Norwalk including:

- ◆ In June, the Planning Commission, Mayor and Common Council adopted a new Plan of Conservation and Development, a comprehensive plan of the City for the next ten years; implementation of the Plan is now underway
- ◆ Brownfields Task Force is targeting former industrial sites in need of remediation and pursuing clean-up grants from the U. S. Environmental Protection Agency
- ◆ Oyster Shell Park: The conversion of this former landfill into a new waterfront park is moving forward overseen by the Park Development Committee with \$800,000 in capital investments planned for the park

- ◆ Norwalk River Watershed Master Plan: The Watershed Action Committee continues to improve the water quality of the Norwalk River with projects such as the trout habitat restoration on the Silvermine River

As tourism becomes a more significant part of Norwalk's economy, the City is promoting projects that will enhance the visitor experience, including:

- ◆ \$15 million expansion of Stepping Stones Museum for Children is currently under review and will add an additional 18,000 sq. ft. to this interactive children's museum which attracts 200,000 visitors annually
- ◆ Norwalk River Valley bikeway will utilize TEA-21 funds to link the two business centers in Norwalk and connect the adjacent tourist attractions at the Maritime Aquarium and Lockwood Mathews Mansion. Construction is nearing completion.

RELEVANT FINANCIAL POLICIES

CASH MANAGEMENT POLICIES AND PRACTICES

The City's Cash Management Program utilizes a consolidated account for deposits and two zero balance accounts for disbursements. The collected balance of the consolidated deposit account is used to liquidate the financial obligations of the zero balance accounts. Any surplus funds in the deposit account are invested daily.

Temporarily idle cash during the year is invested primarily in certificates of deposit and the State Investment Fund. These investments have terms ranging from one day to a year. Since liquidity demands will vary, a portion of our investments are in longer term United States Federal Agency Paper earning an average return in excess of four percent with an average maturity slightly less than 3 years.

In order to evaluate the City's investment performance, the City periodically compares the actual investment earnings with the average 90-day U.S. Treasury Bill rate. For the period July 1, 2007 to June 30, 2008, the average annualized yield on City investments was 4.5%; during the same period the U.S. Treasury Bill market produced an average yield of 3.6%.

RISK MANAGEMENT

The City of Norwalk has a comprehensive program for managing all areas of risk, including health and life insurance for active and retired employees, workers' compensation, heart and hypertension, property and casualty, general liability, professional liability, and other exposures including theft, performance and surety.

The activities of the risk management program are accounted for in an internal service fund. This fund operates on a full accrual basis within self-retention levels. Each year, total risk management costs are charged as an insurance premium to departments based on formulas applying elements of exposure and loss history.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Norwalk for its comprehensive annual financial report for the fiscal year ended June 30, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for presentation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to the programs standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Norwalk has received a Certificate of Achievement for the last 17 consecutive years (fiscal years 1991 through 2007). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The preparation of this report could not have been accomplished without the hard work and dedication of the Finance Department staff and the members of other departments who assisted in its compilation. Their invaluable assistance made the preparation of this report an easier task. I would also like to thank McGladrey & Pullen, LLP our independent auditors, for their guidance and many helpful comments and suggestions both during the preparation of this report and throughout the year.

And finally, special acknowledgment and appreciation goes to those who have contributed to the progressive and financially sound operations of the City; that tribute, belongs to all City Officials, City Staff, and the Community.

Respectfully Submitted,



Thomas S. Hamilton
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Norwalk
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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

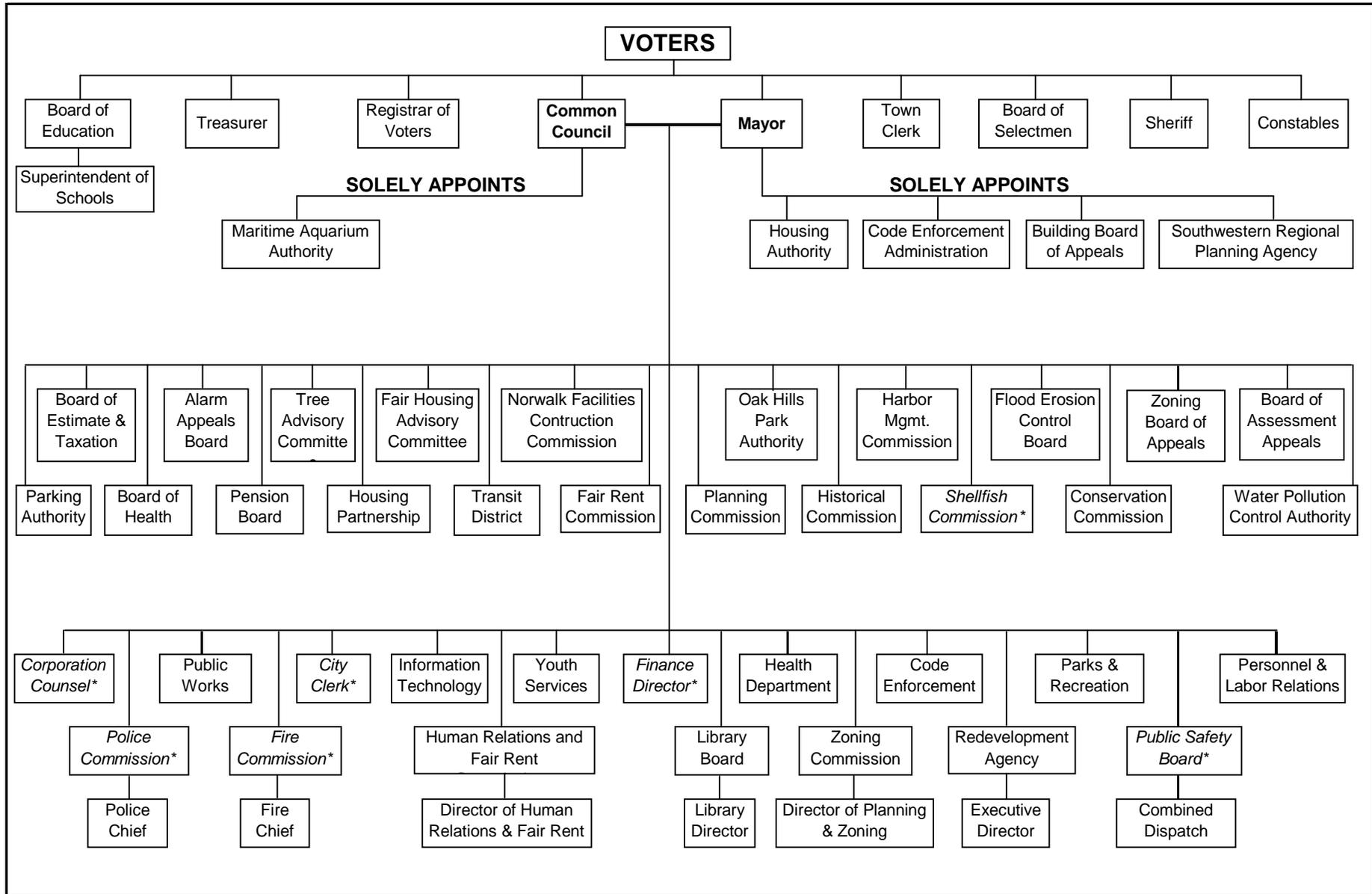


Oliver S. Cox

President

Jeffrey R. Emer

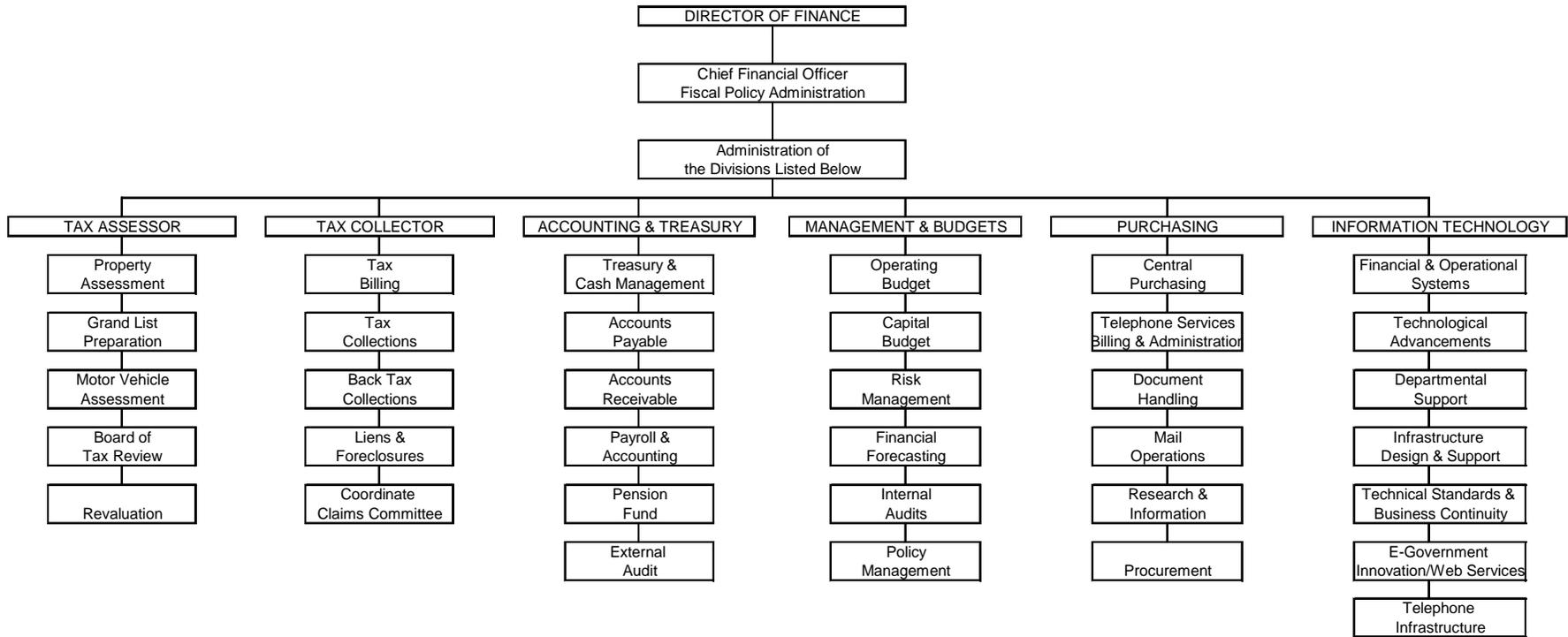
Executive Director



All Boards, Commissions and Department Heads are chosen by the Mayor and require Common Council approval unless otherwise noted

* These Department Heads, Boards and Commissions are solely appointed by the Mayor

FINANCE DEPARTMENT



CITY OF NORWALK, CONNECTICUT

PRINCIPAL CITY OFFICIALS

OFFICE	NAMES	SELECTION/TERM
Mayor	Richard A. Moccia	Elected - 2 Years
Director of Finance	Thomas S. Hamilton	Appointed - Indefinite
Superintendent of Schools	Salvatore Corda	Appointed - Indefinite
Corporation Counsel	Robert Maslan	Appointed - 2 Years

MEMBERS OF COMMON COUNCIL

Fred A. Bondi, Council President		
William D. Krummel, Majority Leader		
Nicholas D. Kydes	Douglas E. Hempstead	Richard Bonenfant
Douglas W. Sutton	Andres T. Conroy	Steven Serasis
Amanda Brown	Rev. Phyllis Bolden	Richard A. McQuaid
Kelly L. Staniti, Minority Leader	Carvin J. Hilliard	Laurel E. Lindstrom
Michael K. Geake		

MEMBERS OF THE BOARD OF ESTIMATE & TAXATION

Leo Mellow	James Feigenbaum
Michael W. Lyons	Stuart Wells
Friedrich N. Wilms	James Clark

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Financial Section

McGladrey & Pullen

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of
the Common Council
City of Norwalk, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwalk, Connecticut (the "City"), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Norwalk, Connecticut'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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwalk, Connecticut, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 11 to the basic financial statements, the City adopted GASB Statement No. 45 as of July 1, 2007.

As explained in Note 4, the financial statements include investments valued at \$128,603,000 (34% of pension net assets), whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or general partners.

In accordance with "Government Auditing Standards," we have also issued our report dated December 16, 2008 on our consideration of the City of Norwalk, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements, but is 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 City's basic financial statements. The introductory section, budgetary detail, combining and individual nonmajor fund statements, capital asset schedules, other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, combining and individual nonmajor fund statements, capital asset schedules and other 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 introductory section and statistical section 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 16, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Norwalk's (the "City") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter beginning on page i and the City's financial statements beginning on page 11.

FINANCIAL HIGHLIGHTS

- ◆ The City's net assets increased by \$12.0 million or 3.9%. The governmental net assets increased by \$7.8 million or 3.2% and the business-type net assets increased by \$4.2 million or 6.6%.
- ◆ The General Fund (the primary operating fund) reflected on a current financial resource basis, reports an increase of \$.1 million or 0.0%.

USING THIS ANNUAL REPORT

The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions and enhance the City's accountability. The report presents a comparative analysis of government-wide data.

Government-Wide Financial Statements

The government-wide financial statements (see pages 11-12) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the City and its governmental activities. This statement combines and consolidates governmental fund current financial resources (short-term spendable resources) with capital assets and long term obligations.

The Statement of Activities (see page 12) is focused on both the gross and net cost of various activities (including governmental and component unit) which are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services.

Governmental Activities reflects the City's basic services, including Education, Police and Fire Protection, Public Works, Health and Welfare, and Recreational/Cultural services. Property Taxes, Federal, State & Other Grants, Charges for Services and Investment Income finance the majority of these services.

Business-Type activities encompass the Parking Authority and Water Pollution Control Authority. They are reported here as the City charges a fee to customers to help cover all or most of the cost of operations.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

The Governmental Major Fund (see pages 13 – 14) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) (see pages 13 – 15). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

The Fund Financial Statements also allow the government to address its Fiduciary (or Trust) Funds (see pages 20 – 21) summarized by type (pension, private purpose trusts and agency). While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

Infrastructure Assets

The City has implemented GASB Statement #34 including retroactive reporting of all capitalized infrastructure owned by the City. This includes the government's largest group of assets (infrastructure – roads, bridges, traffic signals, underground pipes, etc). This statement requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The City has elected to depreciate these assets which should assist financial statement users in evaluating a local government and its performance over time.

GOVERNMENT-WIDE STATEMENT

Summary of Net Assets

Table 1
Summary of Net Assets (In Thousands)
As of June 30, 2008 and 2007

	Governmental Activities		Business-Type Activities		Total Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 94,527	\$ 110,411	\$ 15,741	\$ 11,820	\$ 110,268	\$ 122,231
Capital assets	430,335	398,376	106,009	106,870	536,344	505,246
Total assets	524,862	508,787	121,750	118,690	646,612	627,477
Current and other liabilities	37,002	59,208	1,328	1,544	38,330	60,752
Long-term debt outstanding	233,432	202,971	52,451	53,388	285,883	256,359
Total liabilities	270,434	262,179	53,779	54,932	324,213	317,111
Net assets:						
Invested in capital assets, net of debt	236,918	222,738	58,022	53,483	294,940	276,221
Restricted	-	-	781	746	781	746
Unrestricted (deficit)	17,510	23,870	9,168	9,530	26,678	33,400
Total net assets	\$ 254,428	\$ 246,608	\$ 67,971	\$ 63,759	\$ 322,399	\$ 310,367

For more detailed information see the Statement of Net Assets (page 11).

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt, which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

Current Impacts

The major impacts to Net Assets in governmental activities was the issuance of \$24.1 million of new debt and the construction on major capital projects this year: School Construction Projects, \$26.6 million. The other major impacts were \$13.5 million of principal on debt paid this year and \$6.7 million of depreciation on fixed assets. The major impacts to Net Assets in business-type activities was the issuance of \$2.9 million of new debt, \$3.7 principal paid on debt this year and \$2.8 million of depreciation on fixed assets.

Summary of Changes in Net Assets

The following schedule compares the revenues and expenses for the current fiscal year.

	Governmental Activities		Business-Type Activities		Total Government	
	2008	2007	2008	2007	2008	2007
REVENUES						
Program Revenues:						
Charge for services	\$ 23,711	\$ 23,868	\$ 17,137	\$ 15,190	\$ 40,848	\$ 39,058
Operating grants and contributions	44,278	37,645			44,278	37,645
Capital grants and contributions	7,605	9,621	359	184	7,964	9,805
General Revenues:						
General property, taxes and assessments	228,023	215,806			228,023	215,806
Interest income	6,473	6,864	800	740	7,273	7,604
Other general revenues	5,229	7,352	-	-	5,229	7,352
Total revenues	315,319	301,156	18,296	16,114	333,615	317,270
EXPENSES						
Program Activities Primary Government:						
Governmental Activities:						
General government	18,093	15,496	-	-	18,093	15,496
Education	192,383	179,848	-	-	192,383	179,848
Public safety	45,115	39,370	-	-	45,115	39,370
Health and welfare	2,210	4,174	-	-	2,210	4,174
Public Works	31,020	24,552	-	-	31,020	24,552
Recreation, arts and cultural	9,387	8,783	-	-	9,387	8,783
Debt service	9,291	7,626	-	-	9,291	7,626
	307,499	279,849	-	-	307,499	279,849
Business-Type Activities:						
Parking Authority	-	-	4,713	4,282	4,713	4,282
Water Pollution Control Authority	-	-	9,371	9,200	9,371	9,200
	-	-	14,084	13,482	14,084	13,482
Total expenses	307,499	279,849	14,084	13,482	321,583	293,331
Increase in net assets	7,820	21,307	4,212	2,632	12,032	23,939
Net Assets, beginning	246,608	225,301	63,759	61,127	310,367	286,428
Net Assets, ending	\$ 254,428	\$ 246,608	\$ 67,971	\$ 63,759	\$ 322,399	\$ 310,367

Normal Impacts

There are six basic impacts on revenues and expenses as reflected below:

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on property tax revenue as well as public spending habits for building permits, and elective user fees.

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)– certain recurring revenues may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment income – the City’s investment portfolio includes Federal Agency paper which is effected by market conditions.

Expenses:

Increase in Insurance – changes in healthcare costs and changes in the insurance marketplace can have a material effect on these expenses.

Salary Increases (cost of living, merit and market adjustment) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, some functions may experience unusual commodity specific increases.

Current Impacts

Major revenue impacts in governmental activities were an increase in property tax revenue of \$12.0 million due to an increase in the tax levy and continued aggressive measures in collecting delinquent taxes. There was also a decrease in revenue in the Town Clerk’s Office due to less Real Estate Conveyance tax which was caused by less real estate transfer activity. The major impact on expenses was an increase in expenses in education due to school construction projects and the State of Connecticut on-behalf payments. Major impacts in revenue and expenses in business-type activities included both the Water Pollution Control Authority being able to collect revenues and control expenses.

THE CITY FUNDS

General Fund

Comparing Fiscal Year 2008 to Fiscal Year 2007

As of the year-end, the General Fund (as presented on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds on page 14) reported a fund balance of \$37.4 million which is approximately the same as the beginning of the year. Major impacts were that Property Taxes rose

due to an increase in the tax levy and continued aggressive measures in collecting Property Taxes. There was decrease in investment income due to a decline in interest rates. Debt Service interest increased by \$2.7 million mainly due to the first principal payment on the Fiscal Year 2006 \$25 million General Obligation bonds sold primarily for school construction.

Comparing Original Budget to Final Budget

As of the year-end, the General Fund (as presented on the Statement of Revenues, Expenditures, Encumbrances, Transfers and Changes in Fund Balances – Budgetary Basis – Budget and Actual – General Fund on page 18) there was no significant changes in budgeted revenues and expenses.

Comparing Final Budget to Actual Results

As of the year-end, the General Fund (as presented on the Statement of Revenues, Expenditures, Encumbrances, Transfers and Changes in Fund Balances – Budgetary Basis – Budget and Actual – General Fund on page 18), actual Taxes, interest and liens increased from the final budget due to aggressive measures in collecting Property Taxes. There was a variance in Licenses, permits, fees and other which was caused by a decreased active real estate market for residential and major commercial properties. The major variance for expenditures was in Non-Education. Instead of spending this variance by June 30, it was included in the designation for City Future Appropriations.

Capital Projects Fund

Comparing Fiscal Year 2008 to Fiscal Year 2007

As of the year-end, the Capital Projects Fund (as presented on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds on page 14) reported a fund balance of \$0 which is \$8.1 million less than the beginning of the year. Major impacts were Intergovernmental Revenues for school construction from state, issuance of bonds and expenditures mainly for school construction.

Water Pollution Control Authority

Comparing Fiscal Year 2008 to Fiscal Year 2007

As of the year-end, the Water Pollution Control Authority (as presented on the Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds on page 18) reported fund net assets of \$47.8 million which is 8.9% more than the beginning of the year (\$43.8 million). Major impacts were a successful year of collecting sewer charges as well as controlling costs.

Parking Authority

Comparing Fiscal Year 2008 to Fiscal Year 2007

As of the year-end, the Parking Authority (as presented on the Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds on page 18) reported a fund net assets of \$20.2 million which is 1.6% more than the beginning of the year (\$19.9 million). Major impacts were a successful year of collecting sewer charges as well as controlling costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the City had \$536.3 million invested in a variety of capital assets, as reflected in the following schedule:

Table 3
Capital Assets at Year-End
(Net of Depreciation) (In Thousands)

	Governmental Activities	Business-Type Activities	Total
Land	\$ 21,905	\$ 4,839	\$ 26,744
Construction in Progress	42,522	-	42,522
Land Improvements	4,045	129	4,174
Machinery and Equipment	8,538	1,113	9,651
Buildings and Improvements	218,991	83,754	302,745
Infrastructure	134,334	16,173	150,507
Total	\$ 430,335	\$ 106,008	\$ 536,343

Major capital activity during the year was for school improvements. See detailed capital asset activity in Note 6.

Debt Outstanding

As of year-end, the City had \$245.9 million in debt (bonds, notes, etc.) outstanding compared to the \$236.7 million last year, a 3.9% net increase (considering new borrowing and debt retirement). The following summarizes Outstanding Debt which is presented in more detail in Note 7.

Table 4
Outstanding Debt, at Year-End
(In Thousands)
Governmental Activities

	2008	2007
Governmental:		
General obligation bonds	\$ 193,417	\$ 183,356
	<u>193,417</u>	<u>183,356</u>
Business-Type:		
Parking Authority-general obligation bonds	9,888	10,084
Water Pollution Control Authority - general obligation bonds and Clean Water Fund notes	42,563	43,303
	<u>52,451</u>	<u>53,387</u>
Total	\$ 245,868	\$ 236,743

During the year the City issued \$27 million in new General Obligation Bonds to finance school and infrastructure improvements. The City has a AAA from Fitch Investors Service and Standard and Poors. The Moody's Investors Services rating is Aaa.

ECONOMIC FACTORS

The unemployment rate for Norwalk was 5.2%, up from 3.7% a year ago. This compares favorably to the states and national rate of 6.5%.

Norwalk's income stream is stable because it relies mainly on property taxes and has a diverse tax base. However real estate conveyance tax went down in Fiscal Year 2008 and has continued to be low due to the sluggish real estate market. The City property tax collection rate has not been effected by the current recession in the economy but is constantly monitored as well as the volatile stock market and its effect on future pension contributions.

REQUEST FOR INFORMATION

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City's Finance Director on the 2nd floor of City Hall, 125 East Avenue, PO Box 5125, Norwalk, Connecticut 06856-5125.

Basic Financial Statements

CITY OF NORWALK, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2008

	Governmental Type Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 38,507,269	\$ 6,799,431	\$ 45,306,700
Restricted cash	-	781,113	781,113
Investments	46,909,576	7,656,740	54,566,316
Receivables, net of allowances for collection losses:			
Property taxes, net	4,576,393	-	4,576,393
Charges, net	-	440,266	440,266
Accounts, net	1,679,678	63,999	1,743,677
Federal and state governments	2,288,382	-	2,288,382
Inventories	33,628	-	33,628
Deferred charges	458,362	-	458,362
Net pension asset	73,641	-	73,641
Capital assets, not being depreciated	64,426,847	4,838,762	69,265,609
Capital assets, net of accumulated depreciation	365,908,431	101,169,571	467,078,002
Total assets	524,862,207	121,749,882	646,612,089
Liabilities			
Accounts payable and accruals	32,371,572	1,095,348	33,466,920
Unearned revenue	4,630,442	232,628	4,863,070
Noncurrent liabilities:			
Due within one year	26,954,670	3,963,412	30,918,082
Due in more than one year	206,477,062	48,487,632	254,964,694
Total liabilities	270,433,746	53,779,020	324,212,766
Net Assets			
Investment in capital assets, net of related debt	236,917,899	58,021,950	294,939,849
Restricted for debt service	-	781,113	781,113
Unrestricted	17,510,562	9,167,799	26,678,361
Total net assets	\$ 254,428,461	\$ 67,970,862	\$ 322,399,323

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2008

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	Business-type Activities	Total
Governmental activities:							
General government	\$ (18,093,199)	\$ 9,245,692	\$ 1,347,107	\$ -	\$ (7,500,400)	\$ -	\$ (7,500,400)
Education	(192,382,739)	1,691,087	38,423,604	5,545,331	(146,722,717)	-	(146,722,717)
Public Safety	(45,115,306)	2,543,871	573,262	-	(41,998,173)	-	(41,998,173)
Health & welfare	(2,209,567)	554,794	1,676,814	-	22,041	-	22,041
Public Works	(31,019,437)	8,900,557	2,210,091	2,060,074	(17,848,715)	-	(17,848,715)
Recreation, arts and cultural	(9,387,230)	775,185	47,156	-	(8,564,889)	-	(8,564,889)
Interest on debt	(9,291,243)	-	-	-	(9,291,243)	-	(9,291,243)
Total governmental activities	(307,498,721)	23,711,186	44,278,034	7,605,405	(231,904,096)	-	(231,904,096)
Business-type activities:							
Parking Authority	(4,713,073)	4,935,847	-	-	-	222,774	222,774
Water Pollution Control Authority	(9,370,621)	12,201,319	-	358,649	-	3,189,347	3,189,347
Total business-type activities	(14,083,694)	17,137,166	-	358,649	-	3,412,121	3,412,121
Total primary government	\$ (321,582,415)	\$ 40,848,352	\$ 44,278,034	\$ 7,964,054	(231,904,096)	3,412,121	(228,491,975)
General revenues:							
Property taxes					228,022,979	-	228,022,979
Grants and contributions not restricted to specific programs					6,472,623	-	6,472,623
Unrestricted investment earnings					5,229,412	799,849	6,029,261
Total general revenues					239,725,014	799,849	240,524,863
Extraordinary item							
State teachers on-behalf payments (Note 13)					44,531,000	-	44,531,000
State teachers on-behalf revenue (Note 13)					(44,531,000)	-	(44,531,000)
					-	-	-
Change in net assets					7,820,918	4,211,970	12,032,888
Net assets - beginning					246,607,543	63,758,892	310,366,435
Net assets - ending					\$ 254,428,461	\$ 67,970,862	\$ 322,399,323

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

CITY OF NORWALK, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2008

	Major Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
Assets				
Cash and cash equivalents	\$ 20,999,490	\$ 3,414,089	\$ 2,367,510	\$ 26,781,089
Investments	34,185,383	3,558,421	1,575,522	39,319,326
Receivables (net of allowances for collection losses):				
Property taxes	4,415,121	161,272	-	4,576,393
Accounts receivable	1,353,569	-	299,864	1,653,433
State and federal governments	390,615	878,364	1,019,403	2,288,382
Inventories	-	-	33,628	33,628
Total assets	\$ 61,344,178	\$ 8,012,146	\$ 5,295,927	\$ 74,652,251
Liabilities				
Accounts payable	\$ 16,309,638	\$ 7,679,441	\$ 3,474,655	\$ 27,463,734
Unearned revenues	3,446,359	323,213	860,870	4,630,442
Deferred revenues	4,199,844	-	-	4,199,844
Total liabilities	23,955,841	8,002,654	4,335,525	36,294,020
Fund balances				
Reserved for:				
Encumbrances	1,157,112	-	-	1,157,112
Unreserved, reported in:				
General fund	36,231,225	-	-	36,231,225
Special revenue funds	-	-	960,402	960,402
Capital projects funds	-	9,492	-	9,492
Total fund balances	37,388,337	9,492	960,402	38,358,231
Total liabilities and fund balances	\$ 61,344,178	\$ 8,012,146	\$ 5,295,927	

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 City as a whole.	430,335,278
Deferred charges	458,362
Net pension asset	73,641
Deferred revenues are not available and therefore not recognized in the funds.	4,199,844
Accrued interest	(4,426,883)
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.	5,919,147
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(220,489,159)

Net assets of governmental activities

\$ 254,428,461

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2008

	Major Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
REVENUES				
Property taxes, interest and liens	\$ 229,072,804	\$ 86,665	\$ -	\$ 229,159,469
Intergovernmental	17,093,813	9,610,781	20,504,076	47,208,670
State on-behalf payments	11,532,742	-	-	11,532,742
Licenses, permits, fees and other	12,068,672	68,895	11,261,868	23,399,435
Interest	4,520,974	708,438	-	5,229,412
Total revenues	274,289,005	10,474,779	31,765,944	316,529,728
EXPENDITURES				
Current:				
General government	7,808,214	-	1,127,872	8,936,086
Health and welfare	2,624,410	-	1,735,420	4,359,830
Education	153,675,894	-	18,954,650	172,630,544
Employee benefits	23,407,173	-	-	23,407,173
Public safety	36,593,372	-	13,968	36,607,340
Community grants	2,825,889	-	881,154	3,707,043
Public works	16,409,156	-	362,592	16,771,748
Recreation, arts and culture	7,371,934	-	287,018	7,658,952
Maritime Center Subsidy	-	-	8,503,197	8,503,197
Capital outlay	-	42,495,571	-	42,495,571
Debt service:				
Principal	13,484,433	-	-	13,484,433
Interest	9,980,064	213,033	-	10,193,097
Total expenditures	274,180,539	42,708,604	31,865,871	348,755,014
Excess (deficiency) of revenues over expenditures	108,466	(32,233,825)	(99,927)	(32,225,286)
OTHER FINANCING SOURCES				
Issuance of debt	15,780,000	24,125,000	-	39,905,000
Premium on bond issuance	785,957	-	-	785,957
Payment to escrow	(16,565,957)	-	-	(16,565,957)
Total other financing sources	-	24,125,000	-	24,125,000
Extraordinary Items				
State teachers on-behalf payments (Note 13)	(44,531,000)	-	-	(44,531,000)
State teachers on-behalf revenue (Note 13)	44,531,000	-	-	44,531,000
Total extraordinary items	-	-	-	-
Net change in fund balances	108,466	(8,108,825)	(99,927)	(8,100,286)
FUND BALANCES, beginning	37,279,871	8,118,317	1,060,329	46,458,517
FUND BALANCES, ending	\$ 37,388,337	\$ 9,492	\$ 960,402	\$ 38,358,231

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

CITY OF NORWALK, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2008**

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

Net change in fund balances – total governmental funds	\$ (8,100,286)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	31,971,149
Net effect of various miscellaneous transactions involving capital assets is to decrease net assets	(12,197)
Net pension asset	724
Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,210,089)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(9,780,009)
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 governmental funds at the time the liability is incurred.	(6,938,352)
The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	<u>1,889,978</u>
Change in net assets of governmental activities	<u>\$ 7,820,918</u>

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, TRANSFERS
AND CHANGES IN FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended June 30, 2008

	General Fund			
	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Taxes, interest and lien fees	\$ 225,191,305	\$ 225,191,305	\$ 229,072,804	\$ 3,881,499
Intergovernmental	16,192,207	17,279,860	17,093,813	(186,047)
Licenses, permits, fees and other	13,462,019	13,470,519	12,068,672	(1,401,847)
Interest	4,500,000	4,500,000	4,520,974	20,974
Total revenues	259,345,531	260,441,684	262,756,263	2,314,579
EXPENDITURES				
Current:				
General government	7,445,350	9,129,320	7,331,991	1,797,329
Education	141,556,197	142,699,918	142,651,081	48,837
Public safety	34,544,529	37,059,632	36,600,667	458,965
Health and welfare	2,199,616	2,257,634	2,121,668	135,966
Public works	16,210,011	17,238,549	16,394,374	844,175
Community grants	2,825,090	2,825,118	2,825,896	(778)
Employee benefits	23,304,891	23,343,073	23,326,084	16,989
Recreation, arts and cultural	7,288,588	7,445,493	7,373,458	72,035
Organizational memberships	80,981	81,088	81,088	-
Contingency	3,425,780	1,233,336	-	1,233,336
Debt service	23,464,498	23,464,498	23,464,498	-
Total expenditures and encumbrances	262,345,531	266,777,659	262,170,805	4,606,854
Net change in fund balance before other financing sources (uses)	(3,000,000)	(6,335,975)	585,458	(6,921,433)
OTHER FINANCING SOURCES (USES)	3,000,000	3,000,000	-	(3,000,000)
Net change in fund balance	\$ -	\$ (3,335,975)	585,458	\$ (9,921,433)
UNRESERVED AND UNDESIGNATED FUND BALANCES, beginning				
			35,645,754	
Less: Designated for Board of Education Future Appropriations			56,214	
Less: Designated for City Future Appropriations			4,311,098	
UNRESERVED AND UNDESIGNATED FUND BALANCES, ending			\$ 31,863,900	

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2007

	Business-Type Activities - Enterprise Funds			Governmental
				Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 6,192,008	\$ 607,423	\$ 6,799,431	\$ 11,726,180
Restricted cash	-	781,113	781,113	-
Charges receivable, net	440,266	-	440,266	-
Other receivables	62,360	1,639	63,999	26,245
Investments	6,979,413	677,327	7,656,740	7,590,250
Total current assets	13,674,047	2,067,502	15,741,549	19,342,675
CAPITAL ASSETS, NET	77,691,903	28,316,430	106,008,333	-
Total assets	91,365,950	30,383,932	121,749,882	19,342,675
LIABILITIES				
CURRENT LIABILITIES				
Current maturities of bonds and notes payable	3,448,872	514,540	3,963,412	-
Accounts payable and accrued liabilities	1,011,778	83,570	1,095,348	480,955
Claims payable	-	-	-	5,427,326
Unearned revenue	48,731	183,897	232,628	-
Total current liabilities	4,509,381	782,007	5,291,388	5,908,281
LONG-TERM LIABILITIES				
Bonds and notes payable	39,113,866	9,373,766	48,487,632	-
Claims payable	-	-	-	7,515,247
Total long-term liabilities	39,113,866	9,373,766	48,487,632	7,515,247
Total liabilities	43,623,247	10,155,773	53,779,020	13,423,528
NET ASSETS				
Invested in capital assets (net of related debt)	39,593,825	18,428,125	58,021,950	-
Restricted for debt service	-	781,113	781,113	-
Unrestricted	8,148,878	1,018,921	9,167,799	5,919,147
Total net assets	\$ 47,742,703	\$ 20,228,159	\$ 67,970,862	\$ 5,919,147

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET ASSETS - PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds			Governmental
				Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
OPERATING REVENUES				
City and member's contributions	\$ -	\$ -	\$ -	\$ 39,944,367
Charges for services	12,201,319	4,935,847	17,137,166	-
Total operating revenues	12,201,319	4,935,847	17,137,166	39,944,367
OPERATING EXPENSES				
Administrative and operations	6,041,298	3,113,215	9,154,513	1,001,971
Depreciation	1,986,399	831,776	2,818,175	-
Salaries, benefits and claims	311,266	319,758	631,024	37,269,633
Total operating expenses	8,338,963	4,264,749	12,603,712	38,271,604
Operating income	3,862,356	671,098	4,533,454	1,672,763
NONOPERATING INCOME (EXPENSE)				
Investment income	707,700	92,149	799,849	217,215
Interest expense	(1,031,658)	(448,324)	(1,479,982)	-
Total nonoperating income (expense)	(323,958)	(356,175)	(680,133)	217,215
Capital Contributions				
Intergovernmental	358,649	-	358,649	-
Change in net assets	3,897,047	314,923	4,211,970	1,889,978
FUND NET ASSETS, beginning	43,845,656	19,913,236	63,758,892	4,029,169
FUND NET ASSETS, ending	\$ 47,742,703	\$ 20,228,159	\$ 67,970,862	\$ 5,919,147

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 12,005,195	\$ 5,007,275	\$ 17,012,470	\$ 39,953,322
Payments to suppliers	(6,225,141)	(3,163,007)	(9,388,148)	-
Payments to employees/claims paid	(311,266)	(319,758)	(631,024)	(40,793,011)
Net cash provided by (used in) operating activities	5,468,788	1,524,510	6,993,298	(839,689)
Cash Flows From Capital and Related Financing Activities				
Principal payments on debt	(3,390,364)	(420,957)	(3,811,321)	-
Interest paid on debt	(1,031,658)	(448,324)	(1,479,982)	-
Proceeds from notes payable	2,650,000	225,000	2,875,000	-
Purchase of property and equipment	(1,508,901)	(447,482)	(1,956,383)	-
Intergovernmental revenues	358,649	-	358,649	-
Net cash (used in) capital and related financing activities	(2,922,274)	(1,091,763)	(4,014,037)	-
Cash Flows From Investing Activities				
Purchase of investments	(2,789,554)	(352,757)	(3,142,311)	(16,776)
Interest received on investments and cash	707,700	92,149	799,849	217,215
Net cash (used in) investing activities	(2,081,854)	(260,608)	(2,342,462)	200,439
Net increase (decrease) in cash and cash equivalents	464,660	172,139	636,799	(639,250)
Cash and Cash Equivalents				
Beginning	5,727,348	1,216,397	6,943,745	12,365,430
Ending	<u>\$ 6,192,008</u>	<u>\$ 1,388,536</u>	<u>\$ 7,580,544</u>	<u>\$ 11,726,180</u>
Reconciliation of Operating Income to Net Cash Provided (used in) by Operating Activities				
Operating income	\$ 3,862,356	\$ 671,098	\$ 4,533,454	\$ 1,672,763
Adjustments to reconcile operating income to net cash provided by(used in) operating activities:				
Depreciation	1,986,399	831,776	2,818,175	-
Changes in assets and liabilities:				
Increase in charges receivable	(102,033)	-	(102,033)	-
(Increase) decrease in other receivables	(40,680)	584	(40,096)	8,955
Decrease in accounts payable and accrued expenses	(183,843)	(49,792)	(233,635)	-
Decrease in claims and judgments payable	-	-	-	(2,521,407)
(Decrease) increase in unearned income	(53,411)	70,844	17,433	-
Net cash provided by (used in) operating activities	\$ 5,468,788	\$ 1,524,510	\$ 6,993,298	\$ (839,689)

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2008

	Trust Funds	Private Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 35,480,869	\$ 99,288	\$ 1,782,652
Investments:			
U.S. Government Agency	22,079,977	-	-
U.S. Government Securities	3,241,105	-	-
Corporate bonds	46,441,413	-	-
Common stock	93,135,436	-	-
Hedge/alternative investments	69,528,889	-	-
Partnerships	59,074,554	-	-
Mutual Funds	48,423,935	-	-
Total investments	341,925,309	-	-
Secured lending transactions	20,411,061	-	
Total assets	397,817,239	99,288	1,782,652
LIABILITIES			
Secured lending transactions	20,411,061	-	-
Other liabilities	1,034,284	-	1,782,652
Total liabilities	21,445,345	-	1,782,652
Net Assets Held in Trust for Pension Benefits and Other Purposes	\$ 376,371,894	\$ 99,288	\$ -

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

CITY OF NORWALK, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS

For the Year Ended June 30, 2008

	Trust Funds	Private Purpose Trust Fund
Additions		
Contributions:		
Employer	\$ 14,967,532	\$ -
Plan members	2,687,560	-
Total contributions	<u>17,655,092</u>	<u>-</u>
Investment Income:		
Interest and dividends	9,812,471	93,303
Net depreciation in fair value of investments	(18,025,217)	-
Investment expense	(441,200)	-
Net investment income (loss)	<u>(8,653,946)</u>	<u>93,303</u>
Securities lending transactions income	1,156,399	-
Securities lending transactions expense	(1,044,033)	-
Net investment income - securities lending	<u>112,366</u>	<u>-</u>
Total additions	<u>9,113,512</u>	<u>93,303</u>
Deductions		
Benefits paid	27,617,862	-
General and administrative	353,403	75,275
Total deductions	<u>27,971,265</u>	<u>75,275</u>
Net (decrease) increase	<u>(18,857,753)</u>	<u>18,028</u>
Net Assets Held in Trust for Pension Benefits and Other Purposes		
Beginning of year	395,229,647	81,260
End of year	<u>\$ 376,371,894</u>	<u>\$ 99,288</u>

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

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

Note 1. Summary of Significant Accounting Policies

The City of Norwalk, Connecticut (the "City") is segregated into nine taxing districts based on the services provided to taxpayers. The following graph summarizes the services provided to each taxing district. General services include education, police protection, street repairs and maintenance and general government.

District	General	Garbage Collection	Sewers	Fire Protection	Street Lighting
1 st	X	X	X	X	
2 nd	X	X	X	X	
3 rd	X	X	X	X	
4 th	X	X	X	X	X
5 th	X			X	X
6 th	X				
7 th	X		X		
8 th	X	X		X	
9 th	X	X		X	

The First, Second, Third and Sixth districts represent geographic subdivisions of the City. The remaining districts represent parts of the first, second, third and sixth districts that receive different combinations of services.

Reporting entity

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the Codification, Section 2100, has been considered and as a result, there are no agencies or entities that should be, but are not, included in the financial statements of the City, other than as discussed below.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The accompanying financial statements present the City and its component unit, legally separate organizations for which the City is considered to be financially accountable. The following component unit provides services or benefits exclusively, or almost exclusively, to the City or its employees and is therefore blended and reported as if it was part of the City:

Blended Component Unit - The Maritime Center Authority (the "Authority") is an agency established by state statute and City Code to oversee the development and operations of the Maritime Center (the "Center"). The ordinance provides that the powers of the Authority shall be exercised by a commission of

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2008**

nine members consisting of the Mayor, two members of the Common Council, two current or former members of the Common Council and four additional members.

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 non-fiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The agency funds are reported using the accrual basis of accounting but do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, landfill post-closure monitoring, claims and judgments, and other post-employment benefits which are recorded only when payment is due (matured).

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

Property taxes when levied for, intergovernmental revenue when eligibility requirements have been met, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items, primarily fees and permits, are measurable and available when cash is received.

The City reports the following major governmental funds:

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

The *Capital Project Fund* is used to account for resources used for the acquisition and construction of capital facilities, including those that are financed through Special Assessments. Included in the Capital Projects Fund are sewer assessments which are levied in order to finance both the construction of new and the improvement to existing sewer systems.

The City reports the following major proprietary funds:

The *Parking Authority* accounts for the operation of the City's parking facilities. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service.

The *Water Pollution Control Authority* accounts for the operation of the City's wastewater divisions. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service.

Additionally, the City reports the following fund types:

The *Internal service fund* accounts for employee health insurance provided to other departments of the City, and the Board of Education and vehicle maintenance and fuel used by the City.

The *pension trust funds* account for the activities of the City's four defined benefit pension plans, which accumulate resources for pension benefit payments to qualified employees.

The *private purpose trust fund* accounts for nine individual expendable trusts which provide awards and scholarships to students.

The *agency funds* account for monies held as a custodian for outside groups and agencies, and are used for senior activities, performance bonds, and pass-through grants.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2008**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Proprietary Funds and various other functions of the government. 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 all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services and other funds for premium costs. Operating expenses for proprietary funds, including both enterprise funds and internal service funds, include the cost of operations and maintenance, claims expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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 and expenses during the reporting period. Actual results could differ from those estimates.

Property taxes

Property taxes are assessed as of October 1 and are levied for on the following July 1. Real estate and personal property taxes are due in two installments on July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Liens are filed on delinquent real estate taxes within one year.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

Cash equivalents

Cash equivalents are certificates of deposit with original maturities of three months or less, when purchased.

Investments

Investments are stated at fair value, based on quoted market prices.

The pension funds allow for investments in certain alternative investments. Alternative investments may include private equity partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

Investments in 2a7 like pools are stated at amortized cost.

Allowance for Doubtful Accounts

Accounts receivable for the primary government are reported net of an allowance for doubtful accounts, totaling \$11,114,000 which relates to property taxes. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the creditor's ability to pay.

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 and proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (\$1,000 for the Parking Authority) and an estimated useful life in excess of two years. Purchased and constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair 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.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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

Assets	Years
Buildings	25-50
Land improvements	20
Infrastructure, public domain infrastructure and distribution and collection systems	10-65
Machinery and equipment	5-20
Licensed vehicles	8

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

Compensated absences

Vacation earned during the City's fiscal year ending June 30 may be taken through the following June of each year. In addition, certain employee groups may accumulate between 55 and 60 days of unused vested sick leave throughout their employment. Certain employee groups are also entitled to severance and longevity benefits. Since these benefits are to be funded from future financial resources, the liability has been reported as benefits are earned in the government-wide and proprietary fund financial statements. Obligations for accrued compensated absences have typically been liquidated from the general fund in the past.

Long-term obligations

In the government-wide financial statements, and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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 the applicable bond premium or discount. 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. Bond principal payments are reported as expenditures. 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.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

Risks and uncertainties

The City invests in various securities, including commercial paper, government-sponsored enterprises, mutual funds and alternative investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of net assets and activities.

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 expenditures or liabilities.

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 restriction 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 or Deficit – This category represents the net assets of the City, which are not restricted. A deficit will require future funding.

In the fund financial statements, fund balances of governmental funds are classified in three separate categories. The three 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 City has made tentative plans.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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

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 City 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/Activities:

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

Funding Policy:

The City makes annual contributions based on the actuaries' recommendation.

OPEB accounting

OPEB Trust:

Employer contributions are recognized in the period in which the contributions are due, and the City has made a formal commitment to provide the contributions. There are no employee contributions. Employees begin contributing on July 1, 2008.

Governmental Funds/Activities:

In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the City's contributions to the plan since 7/1/07, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation (OPEB) is recorded as a noncurrent liability in the government-wide financial statements.

Funding Policy:

The City makes annual contributions based on the actuaries' recommendation.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

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

Bonds payable	\$ 193,417,379
Premiums and gains/losses on refunding, net of accumulated amortization	586,123
Pension liability	1,471,787
Early retirement	1,939,000
Capital lease	552,064
Other post-employment obligation	4,105,630
Compensated absences	<u>18,417,176</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 220,489,159</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

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

Capital outlay	\$ 38,705,939
Depreciation expense	<u>(6,734,790)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 31,971,149</u>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Long-term liabilities issued or incurred:	
Issuance of general obligation bonds and notes payable	\$ (39,905,000)
Premiums and gain/loss on refunding	206,185
Principal repayments:	
General obligation debt	13,277,537
Capital lease payments	75,312
Payment to escrow	<u>16,565,957</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (9,780,009)</u></u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences	\$ (3,430,788)
Accrued interest	292,468
Pension liability	55,619
Early Retirement	156,000
Other post-employment obligation	(4,105,630)
Deferred charges	<u>93,979</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (6,938,352)</u></u>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Note 3. Budgets and Budgetary Accounting

The City's general budget policies are as follows:

- A. Prior to the commencement of a fiscal year, an operating budget (a plan of financial operation embodying an estimate of proposed expenditures and the proposed means of financing them) for that year for the General Fund be submitted to the Board of Estimate and Taxation. On the first Monday of April, the Board of Estimate and Taxation by legal resolution must adopt an Operating Budget for the ensuing fiscal year.
- B. The expenditure portion of the operating budget (appropriations) is given legal effect through resolution of the Board of Estimate and Taxation. Appropriations are made by the Board of Estimate and Taxation shall not exceed estimated revenues. The budget is adopted on a department level. Departments, agencies, or other entities may not legally exceed their appropriations.
- C. By resolution of the Board of Estimate and Taxation, the Finance Director may amend the budget by authorizing a transfer within each expenditure item (i.e., the Mayor's office within general government expenditures) of the budget for amounts up to \$5,000. The Board of Estimate and Taxation's authorization is required for transfers of amounts in excess of the Finance Director's authority.
- D. Supplemental appropriations in excess of the adopted budget, together with the means of financing them, must be authorized by the Board of Estimate and Taxation and ratified by a Resolution of two-thirds of the Common Council.
- E. Although budgeted revenues usually are not changed, the ultimate source of revenues for supplemental appropriations (adjustments) are identified when such adjustments are approved. Thus, while the final budget presented in the financial statements reflects a deficit, the budgetary amendment process includes procedures requiring that funding sources, including, if necessary, appropriations of fund balance, be identified.
- F. Expenditures of funds for long-term capital improvements are budgeted by Capital Projects each year. Appropriations for Capital Projects are continued until completion of applicable projects, even when projects extend over more than one fiscal year.

Appropriations from the General Fund lapse at year-end.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

- G. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year. If an appropriation is not encumbered, it lapses at year-end and may not be used by the department.
- H. Classifications of certain revenues and expenditures under accounting principles generally accepted in the United States of America differ from classifications utilized for budgetary purposes.

For the year ended June 30, 2008, supplemental appropriations totaled approximately \$3,334,000.

A reconciliation of expenditures and transfers out of the General Fund presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") and expenditures, encumbrances and transfers out presented on the budgetary basis is as follows:

Expenditures, encumbrances and transfers out, budgetary basis	\$ 262,170,805
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	11,030,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	502,742
Encumbrances and continued appropriations:	
June 30, 2007	1,634,104
June 30, 2008	(1,157,112)
	<hr/>
Expenditures, GAAP basis	<u>\$ 274,180,539</u>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

- I. A reconciliation of General Fund revenues and transfers is presented in accordance with GAAP and the amount presented on the budgetary basis, is as follows:

Revenues and transfers in, budgetary basis	\$ 262,756,263
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	11,030,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	<u>502,742</u>
Revenues, GAAP basis	<u>\$ 274,289,005</u>

Special revenue funds

The City does not have legally adopted annual budgets for the special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

Capital projects funds

Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

Note 4. Cash and Investments

Deposits: The City has a policy that deposits can include demand and savings accounts and certificates of deposits. The City also follows the State of Connecticut policy that requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The City does not have a custodial credit risk policy for investments. The investment policies of the City conform to the policies as set forth by the State of Connecticut. The City policy allows investments in the following: (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. The Statutes (Sections 3-24f and 3-27f) also provide

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Pension Plans set asset allocation parameters, as follows:

Equities	69%
Fixed Income	27%
Hedge Fund	3%
Cash	1%

Interest Rate Risk: The City minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City of Norwalk, except for pension funds and insurance reserves, will not invest in instruments maturing more than five years from the date of purchase, and no more than 40% of the City's total portfolio shall be invested in instruments maturing more than two years from the date of purchase. All instruments in the portfolio at the time of the policy approval date will be grandfathered in and no new instruments which exceed the two years will be purchased until the amount of instruments in the portfolio is less than 40%.

Concentrations: The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2008, approximately \$69,555,000 of the entity's bank balance of \$78,599,000 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Cash and investments of the City consist of the following at June 30, 2008:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 69,727,205
State of Connecticut Short-Term Investment fund	6,410,573
Municipal Backed Investment Fund	7,312,844
Total cash and cash equivalents	<u>83,450,622</u>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Investments	
General Fund	
U.S. Government Securities	34,102,117 *
U.S. Government Agencies	83,266 *
Total general fund	<u>34,185,383</u>
Non-Major Funds	
U.S. Government Securities	1,571,894 *
U.S. Government Agencies	3,628 *
Total non-major funds	<u>1,575,522</u>
Capital Projects Fund	
U.S. Government Securities	3,536,691 *
U.S. Government Agencies	21,730 *
Total capital projects fund	<u>3,558,421</u>
Internal Service Fund	
U.S. Government Securities	1,133,772 *
U.S. Government Agencies	8,413 *
Corporate Bonds	1,295,284 *
Equity Securities	2,001,483 *
Mutual Funds	3,151,298
Total internal service fund	<u>7,590,250</u>
WPCA:	
U.S. Government Securities	6,967,021 *
U.S. Government Agencies	12,392 *
Total WPCA	<u>6,979,413</u>
Parking Authority:	
U.S. Government Securities	676,367 *
U.S. Government Agencies	960 *
Total parking authority	<u>677,327</u>
Pension Trust Funds:	
U.S. Government Agencies	22,079,977 *
U.S. Government Securities	3,241,105 *
Corporate Bonds	46,441,413 *
Common stock	93,135,436 *
Mutual Funds	48,423,935
Alternative Investments-Partnerships	59,074,554
Hedge/alternative investments	69,528,889
Total pension trust funds	<u>341,925,309</u>
Total investments	<u>396,491,625</u>
Total cash and investments	<u>\$ 479,942,247</u>

* These investments are uninsured and unregistered, with securities held by the counterparty, but not in the City's or the pension fund's name.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Assets	
Cash and cash equivalents	\$ 45,306,700
Restricted cash	781,113
Investments	54,566,316
Total statement of net assets	<u>100,654,129</u>
Fiduciary Funds:	
Cash and cash equivalents	37,362,809
Investments	341,925,309
	<u>379,288,118</u>
Total cash and investments	<u>\$ 479,942,247</u>

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 City's debt type investments to this risk using the segmented time distribution model is as follows:

Summary of Investments and Interest Rate Risk	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	5-10 Years	Greater Than 10 Years
U.S. Government Securities	\$ 51,228,968	\$ -	\$ 48,068,545	\$ 2,640,677	\$ 519,746
U.S. Government Agencies	22,210,365	-	354,706	4,737,191	17,118,468
Pooled fixed income	13,723,417	13,723,417	-	-	-
Corporate Bonds	47,736,698	31,774,048	5,300,506	3,023,368	7,638,776
TOTAL	<u>\$ 134,899,448</u>	<u>\$ 45,497,465</u>	<u>\$ 53,723,757</u>	<u>\$ 10,401,236</u>	<u>\$ 25,276,990</u>

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City's operating fund will only purchase U.S. Governmental Agencies AA or above. The City allows its fixed income investment managers in its pension funds to purchase corporate bonds rated BBB or better and does not have any guidelines for U.S. Government Agencies. Presented below is the minimum rating as required for each debt type investment.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Average Rating	Corporate Bonds	U.S. Government Agencies	Pooled Fixed Income
AAA	\$ 748,379	\$ 22,079,976	\$ 7,312,844
AAA/M	-	-	6,410,573
AA-	236,732	118,447	-
A	9,607,853	-	-
A-	-	-	-
AA	1,510,460	-	-
BBB	1,272,385	11,943	-
Unrated	34,360,889	-	-
	<u>\$ 47,736,698</u>	<u>\$ 22,210,366</u>	<u>\$ 13,723,417</u>

Note 5. Unearned Revenue/Deferred Revenue

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

	Unearned Revenue	Deferred Revenue
General Fund:		
Taxes and accrued interest on delinquent property taxes	\$ -	\$ 3,835,102
Advanced tax collections	1,246,405	-
Tax overpayments	2,199,954	-
School construction receivable	-	325,047
Grants	-	39,695
Capital Projects:		
Grants	323,213	-
Nonmajor Funds:		
Grants	860,870	-
Total	<u>\$ 4,630,442</u>	<u>\$ 4,199,844</u>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Additions/ Transfers	Disposals/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 21,905,400	\$ -	\$ -	\$ 21,905,400
Construction in progress	61,908,080	16,124,727	(35,511,360)	42,521,447
Total capital assets, not being depreciated	83,813,480	16,124,727	(35,511,360)	64,426,847
Capital assets, being depreciated:				
Land improvements	8,016,057	1,944,197	-	9,960,254
Machinery and equipment	29,923,924	4,314,307	(688,671)	33,549,560
Buildings and improvements	235,690,120	45,296,525	-	280,986,645
Infrastructure	150,280,355	6,537,543	-	156,817,898
Total capital assets being depreciated	423,910,456	58,092,572	(688,671)	481,314,357
Less accumulated depreciation for:				
Land improvements	5,638,517	276,470	-	5,914,987
Machinery and equipment	24,672,407	1,015,218	(676,474)	25,011,151
Buildings and improvements	57,531,588	4,464,159	-	61,995,747
Infrastructure	21,505,098	978,943	-	22,484,041
Total accumulated depreciation	109,347,610	6,734,790	(676,474)	115,405,926
Total capital assets, being depreciated, net	314,562,846	51,357,782	(12,197)	365,908,431
Governmental activities capital assets, net	\$ 398,376,326	\$ 67,482,509	\$ (35,523,557)	\$ 430,335,278

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

	Beginning Balance	Additions/ Transfers	Disposal/ Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,838,762	\$ -	\$ -	\$ 4,838,762
Total capital assets, not being depreciated	4,838,762	-	-	4,838,762
Capital assets, being depreciated:				
Land improvements	509,288	-	-	509,288
Machinery and equipment	12,865,869	146,926	-	13,012,795
Buildings and improvements	112,224,757	1,809,456	-	114,034,213
Infrastructure	28,677,753	-	-	28,677,753
Total capital assets, being depreciated	154,277,667	1,956,382	-	156,234,049
Less accumulated depreciation for:				
Land improvements	355,047	24,655	-	379,702
Machinery and equipment	11,757,760	142,212	-	11,899,972
Buildings and improvements	28,059,325	2,221,231	-	30,280,556
Infrastructure	12,074,171	430,077	-	12,504,248
Total accumulated depreciation	52,246,303	2,818,175	-	55,064,478
Total capital assets, being depreciated, net	102,031,364	(861,793)	-	101,169,571
Business-type activities capital assets, net	\$ 106,870,126	\$ (861,793)	\$ -	\$ 106,008,333

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 45,603
Education	3,444,106
Public safety	1,058,318
Health and welfare	28,303
Public works	1,022,321
Recreation, arts and cultural	1,136,139
Total depreciation expense – governmental activities	<u>\$ 6,734,790</u>
Business-type activities:	
Water Pollution Control Authority	\$ 1,986,399
Parking Authority	831,776
Total depreciation expense – business-type activities	<u>\$ 2,818,175</u>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Note 7. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 181,438,748	\$ 39,905,000	\$ (29,459,432)	\$ 191,884,316	\$ 15,368,095
Maritime Center bonds	1,917,125	-	(384,062)	1,533,063	354,356
Deferred amounts:					
For issuance premiums and gain/loss	378,516	665,170	(457,563)	586,123	-
Total bonds and notes payable	183,734,389	40,570,170	(30,301,057)	194,003,502	15,722,451
Compensated absences	14,986,388	8,738,357	(5,307,569)	18,417,176	5,000,000
Capital lease	627,376	-	(75,312)	552,064	84,893
Net pension obligations	1,527,406	9,055	(64,674)	1,471,787	-
Other post-employment obligation	-	4,105,630	-	4,105,630	-
Early Retirement Accrual	2,095,000	399,000	(555,000)	1,939,000	720,000
Risk financing Activities	15,618,242	35,779,137	(38,454,806)	12,942,573	5,427,326
Total other long term debt	34,854,412	49,031,179	(44,457,361)	39,428,230	11,232,219
Governmental activity long-term liabilities	\$ 218,588,801	\$ 89,601,349	\$ (74,758,418)	\$ 233,431,732	\$ 26,954,670
Business-type activities:					
Bonds payable:					
General obligation bonds and notes payable	\$ 53,387,395	\$ 2,875,000	\$ (3,811,351)	\$ 52,451,044	\$ 3,963,412
Total bonds and notes payable	53,387,395	2,875,000	(3,811,351)	52,451,044	3,963,412
Business-type activity long-term liabilities	\$ 53,387,395	\$ 2,875,000	\$ (3,811,351)	\$ 52,451,044	\$ 3,963,412

Compensated absences

The obligation represents the employee (vested and nonvested) compensated absences expected to be paid in the future, aggregating \$18,417,000 as of June 30, 2008. This amount is recorded in the government wide statements, and paid out of the general fund.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2008**

Net pension obligation

Governmental Accounting Standards Board Statement No. 27, "Accounting for Pensions by State and Local Governments" requires the City to accrue a net pension obligation. The amount at June 30, 2008 was \$1,472,000. This amount is recorded in the government wide statements, and paid out of the general fund.

Other Post Employment Obligation

Governmental Accounting Standards Board Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" requires the City to accrue a net OPEB obligation. The amount at June 30, 2008 was \$4,105,000. This amount is recorded in the government wide statements, and paid out of the general fund.

Early Retirement

The obligation represents the early retirement incentive payout for eligible teachers and administrators whose age and years of service total 80. Once eligible they receive annual stipend of \$3,000 over a 3-10 year period. The amount accrued has been calculated at the discounted present value of the expected future benefit. The amount recorded at June 30, 2008 is approximately \$1,939,000 on the government wide statements, and is paid out of the general fund.

Bonded indebtedness

As of June 30, 2008, the outstanding general obligation bonded indebtedness of the City was as follows:

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Governmental Activities

General Obligation Debt

Purpose	Interest Rate %	Amount
Capital improvement	4.60-6.00	1,410,000
Capital improvement	4.875-5.00	957,000
Capital improvement	4.00	1,092,750
Capital improvement	4.00-4.50	4,785,115
Capital improvement	3.00-5.00	34,992,855
Capital improvement	2.00-4.00	19,148,535
Capital improvement	2.00-4.00	9,569,700
Capital improvement	3.00-5.00	7,667,781
Capital improvement	3.25-4.375	5,928,000
Capital improvement	2.60-5.00	21,842,580
Capital improvement	3.25	21,325,000
Capital improvement	4.25-5.50	23,260,000
Capital improvement	4.00-5.75	24,125,000
Capital improvement	3.00-5.00	15,780,000
		<u>\$ 191,884,316</u>

Capital Lease

Property and equipment with a carrying value at June 30, 2008 of approximately \$655,000 and accumulated depreciation of \$100,000 is being acquired under capital lease arrangements. Future minimum payments under capital lease arrangements are as follows:

Fiscal Year	Amount
2009	\$ 110,825
2010	110,825
2011	110,825
2012	110,825
2013	110,825
Thereafter	<u>77,709</u>
Total	631,834
Less amount representing interest at 5.05%	<u>(79,770)</u>
Total	<u>\$ 552,064</u>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Maritime Center Project Bonds

Purpose	Interest Rate %	Amount
Maritime Center Project - Refunding Bonds, 1986 Series	6.95-7.20%	\$ 1,533,063

Business-Type Activities

Enterprise Debt

Purpose	Interest Rate %	Amount
Water Pollution Control Authority Bonds and Clean Water Fund	2.00-6.50%	\$ 42,562,738
Parking Authority - Parking Fund	2.00-6.50%	9,888,306
		\$ 52,451,044

Long-term notes and bond obligations and compensated absences are expected to be repaid by future tax levies and grants available from the State. A summary of the Governmental Activities' long-term notes and bond principal maturities and related interest at June 30, 2008 is as follows:

Year Ended June 30,	General Obligation Debt	Maritime Center Project Debt	Total Interest Amount	Total Principal and Interest Amount
2009	\$ 15,386,095	\$ 354,356	\$ 10,629,379	\$ 26,369,830
2010	16,530,137	326,637	9,579,060	26,435,834
2011	16,128,993	304,328	8,950,808	25,384,129
2012	15,101,073	283,552	8,317,429	23,702,054
2013	14,535,851	264,190	7,772,171	22,572,212
2014-2018	57,714,651	-	17,381,246	75,095,897
2019-2023	37,396,967	-	7,902,943	45,299,910
Thereafter	19,090,549	-	1,506,905	20,597,454
	\$ 191,884,316	\$ 1,533,063	\$ 72,039,941	\$ 265,457,320

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

A summary of the City's business-type activities' long-term notes and bond principal maturities and related interest at June 30, 2008 is as follows:

Year Ended June 30,	WPCA Debt	Parking Authority Debt	Total Interest Amount	Total Principal and Interest Amount
2009	\$ 3,448,872	\$ 514,540	\$ 1,535,265	\$ 5,498,677
2010	3,582,863	581,483	1,351,730	5,516,076
2011	3,637,463	564,029	1,237,403	5,438,895
2012	3,700,641	455,902	1,123,463	5,280,006
2013	3,752,569	457,480	1,014,192	5,224,241
2014-2018	17,555,912	2,342,066	3,477,803	23,375,781
2019-2023	5,738,194	2,534,525	1,416,292	9,689,011
Thereafter	1,146,224	2,438,281	415,078	3,999,583
	<u>\$ 42,562,738</u>	<u>\$ 9,888,306</u>	<u>\$ 11,571,226</u>	<u>\$ 64,022,270</u>

2008 General Obligation Bond – In-substance Defeasance

On March 27, 2008, the City issued \$15,780,000 of general obligation bonds with interest rates ranging from 3.0% to 3.7% of which was used to advance refund portions of the outstanding principal amounts of the general obligation bond of the City dated July 1, 2004 (the "Refunding Bonds"). Of the net proceeds of \$16,710,000 (after payment of \$144,000 in underwriters fees and other costs), \$16,566,000 was placed in an irrevocable trust fund under an Escrow Agreement dated March 2008 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and net debt) of \$304,000.

The balance in the escrow was approximately \$16.5 million at June 30, 2008. The balance of the defeased bonds was approximately \$16.5 million at June 30, 2008. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

In-Substance Defeasance – Prior Years

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of June 30, 2008, the amount of defeased debt outstanding, but removed from the City's government-wide financial statements, is as follows:

2005 Refunding	\$ 21,560,000
2008 Refunding	15,975,000
	<u>\$ 37,535,000</u>

School Bond Reimbursements

The State of Connecticut reimburses the City for eligible principal and interest costs of the portion of the capital improvement bond issue used for school construction. The amount of such reimbursement for the year ended June 30, 2008 was approximately \$177,000. Additional principal and interest payments aggregating approximately \$371,000 are expected to be received through the bonds' maturity dates.

Authorized but unissued bonds

Under regulations issued by the Internal Revenue Service, effective March 2, 1992, in order for capital projects to be funded through tax-exempt debt, all projects must be appropriated and designated as being funded through debt prior to any expenditures on these projects.

The City has authorized but unissued bonds relating to capital projects at June 30, 2008 as follows:

General purpose	\$ 15,898,500
Schools	21,151,861
Sewer	11,835,000
Urban Renewal	16,299,000
Total	<u>\$ 65,184,361</u>

Legal Debt Limit

The City's indebtedness (including authorized but not unissued bonds), net of principal reimbursements expected from the state, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 513,052,096	\$ 115,630,235	\$ 397,421,861
Pension	\$ 684,069,461	\$ -	\$ 684,069,461
Schools	\$ 1,026,104,192	\$ 144,692,792	\$ 881,411,400
Sewers	\$ 855,086,827	\$ 54,397,738	\$ 800,689,089
Urban renewal	\$ 741,075,250	\$ 20,458,019	\$ 720,617,231

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,596,162,077.

Subsequent Event

On July 1, 2008, the City issued \$34,200,000 of general obligation bonds to finance certain capital projects. The bonds will mature through 2028 with interest from 4.00% to 4.375%.

Capital Projects

A summary of the uncompleted capital projects of the City at June 30, 2008 follows:

Project	Project Authorizations (a)	Expenditures		Unexpended Authorization Balances
		Fiscal 2008 (b)	Cumulative (c)	
Department of Public Works:				
Sanitary Sewers	\$ 8,952,422	\$ 1,196,863	\$ 4,098,818	\$ 4,853,604
Drainage	3,083,904	303,083	1,109,829	1,974,075
Roads and Highways	18,334,178	5,732,082	14,947,915	3,386,263
Other	27,283,800	1,413,078	26,867,181	416,619
Fire Department	1,501,000	649,145	1,096,103	404,897
Parks and Recreation	25,754,397	4,761,445	22,181,452	3,572,945
Board of Education	173,680,182	28,077,117	151,837,031	21,843,151
Redevelopment Agency	39,557,588	2,790,165	10,177,217	29,380,371
Traffic and Parking	2,782,072	298,833	1,493,592	1,288,480
	<u>\$ 300,929,543</u>	<u>\$ 45,221,811</u>	<u>\$ 233,809,138</u>	<u>\$ 67,120,405</u>

- (a) Represents cumulative Capital Budgets for projects that remain open at June 30, 2008.
- (b) Represents current year expenditures for projects that were open at June 30, 2008.
- (c) Represents aggregate expenditures for projects that were open at June 30, 2008.

Based on the latest estimates of costs to complete the projects, the City does not anticipate the necessity to increase the related authorizations. The City has approximately \$17,549,000 committed to ongoing construction projects.

Note 8. Fund Deficit

The School Lunch Fund had a fund deficit as of June 30, 2008 of \$144,627.

The deficit will be funded by the Board of Education operating budget and future revenue.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

Note 9. Commitments and Contingencies

The City is a defendant in various lawsuits including personal injury, property damage, civil rights violations and other miscellaneous claims. For certain of these cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued in the Internal Service Fund for approximately \$2,300,000. For certain other cases, where there is a reasonable possibility that a loss has been incurred, the City estimates its possible exposure could range from \$0 to \$4,200,000 and no accrual is made in the financial statements. Based upon the advice of the City Corporation Counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the City.

Note 10. Employee Retirement Plans

Employee Pension Plan

Plan Descriptions

The City is the administrator of four separate single-employer defined benefit pension plans that were established to provide pension benefits for its police, firefighters, food service, and other full-time employees other than teachers. The plans are considered to be part of the City's financial reporting entity and are included in the City's basic financial statements as pension trust funds. The plans do not issue separate, stand-alone, financial reports. For the year ended June 30, 2008 the actuarial valuation date utilized was July 1, 2007.

At the last actuarial valuation date, July 1, 2007, membership consisted of:

	Police	Fire	Employees	Food Service
Retirees, disabled members and beneficiaries currently receiving benefits	151	143	573	25
Terminated employees entitled to benefits but not yet receiving them	-	-	109	7
Active members	128	116	696	66
Drop members	35	17	-	-
	<u>314</u>	<u>276</u>	<u>1,378</u>	<u>98</u>

Police Benefit Fund

The City of Norwalk Police Benefit Fund provides retirement benefits as well as death and disability benefits. Benefits vest after 10 years of service. Members who retire after age 48 with 20 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of final average salary, for each year of service (maximum benefit of 100% of base salary plus worker's compensation). Benefits being paid to retired members are increased 1.5 percent per year beginning at age 62. For retirements after July 1, 1998, the annual increase may begin at age 55. At the member's death, the benefit is payable to the surviving spouse for the spouse's lifetime, provided the spouse does not

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2008**

remarry, or the member is not married, the accrued benefit at death is payable to any children until they reach age 16.

Police employees are required to contribute 8 percent of their base pay to the Fund. If a police officer leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its Police employees. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the Police Benefit Fund for the year ended June 30, 2008 was approximately \$8,277,000.

Fire Benefit Fund

The City of Norwalk Fire Benefit Fund provides retirement benefits as well as death and disability benefits. Benefits vest after 10 years of service. Members who retire after age 48 with 20 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of final average salary, for each year of service (maximum benefit of 75% of final average salary). Benefits being paid to retired members are increased 1.5 percent per year beginning at age 62. For retirements after July 1, 1998, the annual increase may begin at age 55. At the member's death, the benefit is payable to the surviving spouse for the spouse's lifetime, provided the spouse does not remarry, or the benefit is payable to any children until they reach the age of 18.

Firefighters are required to contribute 8 percent of their base pay to the Fund. If a firefighter leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its firefighters. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the Fire Benefit Fund for the year ended June 30, 2008 was approximately \$7,337,000.

Employees' Pension Plan

The Norwalk City Employees' Pension Plan provides retirement benefits as well as death and disability benefits. Benefits vest after 5 years of service. Members who retire after age 55 with 10 years of services or after age 62 with 5 years of service are entitled to an annual retirement benefit, payable monthly for life (with 60 months guaranteed), in an amount equal to 2 percent of final average salary, for each year of service (maximum 35 years). Benefits being paid to retired members are increased 1.5 percent per year.

Members are required to contribute 3.75 percent of their base pay to the Plan. If a member leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its members. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the Employees' Pension Plan for the year ended June 30, 2008 was approximately \$34,353,000.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2008**

Food Service Employees' Pension Plan

The City of Norwalk Food Service Employees' Pension Plan provides retirement benefits as well as death benefits. Benefits vest after 5 years of service. Members who retire after age 55 with 10 years of service or after age 65 with 5 years of service are entitled to an annual retirement benefit, payable monthly for life (with 60 months guaranteed), in an amount equal to 1.5 percent of final salary times years and months of credited service.

Food service employees are required to contribute 3.0 percent of their base pay to the Plan (maximum 30 years or age 70 with 5 years). If an employee leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its Food Service employees. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the Food Service Employees' Pension Plan for the year ended June 30, 2008 was approximately \$844,000.

Total Payroll

Total payroll for the City for the year ended June 30, 2008 was \$154,256,000 of which approximately \$50,811,000 was covered under various pension plans described above.

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher 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 in writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The City does not and is not legally responsible to contribute to the plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city basis.

In addition, the City has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Connecticut. Such on-behalf payments were approximately \$55,561,000, for the year ended June 30, 2008. Of which \$44,531,000 was reported as an extraordinary item (See Note 13).

The City's annual pension cost and net pension obligation (asset) to the Plans for the year ended June 30, 2008 were as follows:

	Employees'	Police	Fire	Food Service
Annual required contribution	\$ 1,435,823	\$ 1,605,475	\$ 391,779	\$ 67,085
Interest on net pension obligation	50,790	75,221	-	(6,016)
Adjustment to annual required contribution	(44,676)	(66,166)	-	5,292
Annual pension cost	1,441,937	1,614,530	391,779	66,361
Contributions made	1,506,611	1,605,475	391,779	67,085
Increase (decrease) in net pension obligation (asset)	(64,674)	9,055	-	(724)
Net pension obligation (asset), beginning of year	615,636	911,770	-	(72,917)
Net pension obligation (asset), end of year	\$ 550,962	\$ 920,825	\$ -	\$ (73,641)

Three Year Trend Information

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
--	---------------------------	-------------------------------	--------------------------------

Employees' Pension Plan

June 30, 2006	\$ 699,626	108.8%	\$ 671,871
June 30, 2007	1,287,660	104.4%	615,636
June 30, 2008	1,441,937	104.5%	550,962

Police Benefit Fund

June 30, 2006	\$ 1,252,248	99.0%	\$ 901,067
June 30, 2007	1,609,712	99.3%	911,770
June 30, 2008	1,614,530	99.4%	920,825

Firemans Benefit

June 30, 2006	\$ -	100%	\$ -
June 30, 2007	307,926	100%	-
June 30, 2008	391,779	100%	-

Food Service Plan

June 30, 2006	\$ 78,685	258.2%	\$ (72,061)
June 30, 2007	87,899	101.0%	(72,917)
June 30, 2008	66,361	101.1%	(73,641)

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Employees'		Police		Fire		Food Service	
	Annual Required Contribution	Percentage Contributed						
2008	\$ 1,435,823	104.0%	\$ 1,605,475	100.0%	\$ 391,779	100.0%	\$ 67,085	100.0%
2007	1,279,680	105.0%	1,599,009	100.0%	307,926	100.0%	88,755	100.0%
2006	689,596	110.4%	1,240,000	100.0%	-	0.0%	77,967	260.6%
2005	911,816	109.1%	868,054	100.0%	-	0.0%	125,222	0%
2004	1,066,429	108.1%	896,104	100.0%	-	0.0%	130,611	97.3%
2003	1,066,429	10.1%	896,104	0%	-	0.0%	130,611	100.0%

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police Benefit Fund						
07/01/02	\$ 69,133,242	\$ 64,633,704	\$ (4,499,538)	107.0%	\$ 10,244,943	-43.9%
07/01/03	74,948,330	69,630,928	(5,317,402)	107.6%	N/A	N/A
07/01/04	76,806,221	78,823,046	2,016,825	97.4%	9,293,105	21.7%
07/01/05	76,869,181	83,468,237	6,599,056	92.1%	N/A	N/A
07/01/06	79,834,138	88,299,719	8,465,581	90.4%	8,540,939	99.1%
07/01/07	87,569,890	91,603,735	4,033,845	95.6%	8,277,467	48.7%
Firemen's Benefit Fund						
07/01/02	\$ 76,757,236	\$ 63,491,569	\$ (13,265,667)	120.9%	\$ 7,486,142	-177.2%
07/01/03	82,059,876	66,595,816	(15,464,060)	123.2%	N/A	N/A
07/01/04	82,164,555	70,026,745	(12,137,810)	117.3%	7,685,894	(157.9)%
07/01/05	80,821,609	73,211,471	(7,610,138)	110.4%	N/A	N/A
07/01/06	82,627,288	77,092,528	(5,534,760)	107.2%	8,375,411	(66.1)%
07/01/07	90,083,675	80,272,989	(9,810,686)	112.2%	7,336,833	(133.7)%

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

SCHEDULE OF FUNDING PROGRESS, Continued

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Employees' Pension Plan						
07/01/02	\$ 142,149,017	\$ 122,164,317	\$ (19,984,700)	116.4%	\$ 31,025,022	64.4%
07/01/03	152,500,555	129,823,339	(22,677,216)	117.5%	N/A	N/A
07/01/04	153,970,435	134,895,112	(19,075,323)	114.1%	29,953,928	(63.7)%
07/01/05	152,687,018	141,633,432	(11,053,586)	107.8%	N/A	N/A
07/01/06	156,760,853	145,771,482	(10,989,371)	107.5%	33,335,431	(33.0)%
07/01/07	170,882,599	151,182,524	(19,700,075)	113.0%	34,353,200	(57.3)%
Food Service Employees' Pension Plan						
07/01/02	\$ 625,718	\$ 1,304,051	\$ 678,333	48.0%	\$ 637,681	106.4%
07/01/03	831,369	1,414,442	583,073	58.8%	N/A	N/A
07/01/04	967,991	1,417,698	449,707	68.3%	694,888	64.7%
07/01/05	977,739	1,546,526	568,787	63.2%	N/A	N/A
07/01/06	1,217,225	1,546,368	329,143	78.7%	620,707	53.0%
07/01/07	1,417,238	1,617,325	200,087	87.6%	843,602	23.7%

Additional information as of the latest actuarial valuations follows:

	Employees' Pension Plan	Police Benefit Fund	Firemens' Benefit Fund	Food Service Pension Plan
Valuation date	7/1/07	7/1/07	7/1/07	7/1/07
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent	Level Percent	Level Percent	Level Percent
Remaining amortization period	21 years Closed	21 years Closed	21 years Closed	21 years Closed
Asset valuation method	Investment gains/losses recognized over 5 years			
Actuarial assumptions:				
Investment rate of return	8.25%	8.25%	8.25%	8.25%
Projected salary increases	4.0%	4.0%	4.0%	4.0%
Cost of living adjustments	1.5%	1.5%	1.5%	0.0%

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

TRUST FUNDS
SCHEDULE OF PLAN NET ASSETS
June 30, 2008

	Pension Trust Funds					Total
	Pension Plan Employees	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund	OPEB Trust Fund	
ASSETS						
Cash and cash equivalents	\$ 17,148,573	\$ 9,103,126	\$ 8,879,708	\$ 143,390	\$ 206,072	\$ 35,480,869
Investments, at fair value:						
U.S. Government Agency	10,769,973	5,684,202	5,534,182	91,620		22,079,977
U.S. Government Securities	-	-	-	-	3,241,105	3,241,105
Corporate Bonds	22,652,777	11,955,735	11,640,195	192,706	-	46,441,413
Common and Preferred						
Equities	45,430,492	23,975,252	23,343,610	386,082	-	93,135,436
Mutual Funds	23,622,075	12,464,458	12,136,972	200,430	-	48,423,935
Hedge/alternative investments	33,912,013	17,900,873	17,427,020	288,983	-	69,528,889
Partnerships	28,813,017	15,209,305	14,806,700	245,532	-	59,074,554
Security lending transactions	9,955,289	5,255,022	5,115,916	84,834	-	20,411,061
Total assets	192,304,209	101,547,973	98,884,303	1,633,577	3,447,177	397,817,239
LIABILITIES						
Security lending transactions	9,955,289	5,255,022	5,115,916	84,834	-	20,411,061
Accounts payable	-	-	-	-	1,034,284	1,034,284
Total liabilities	9,955,289	5,255,022	5,115,916	84,834	1,034,284	21,445,345
Net Assets Held in Trust for						
Pension Benefits	\$ 182,348,920	\$ 96,292,951	\$ 93,768,387	\$ 1,548,743	\$ 2,412,893	\$ 376,371,894

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

SCHEDULE OF CHANGES IN PLAN NET ASSETS
Year Ended June 30, 2007

	Pension Trust Funds				OPEB Trust Fund	Total Trust Funds
	Pension Plan Employees	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund		
Addition						
Contributions						
Employer	\$ 1,435,823	\$ 391,779	\$ 1,605,475	\$ 67,085	\$ 11,467,370	\$ 14,967,532
Plan members	1,392,364	593,250	673,579	28,367	-	2,687,560
Total contributions	2,828,187	985,029	2,279,054	95,452	11,467,370	17,655,092
Investment Income						
Interest and dividends	4,256,684	2,245,617	2,182,788	35,209	1,092,173	9,812,471
Net depreciation in fair value of investments	(8,794,939)	(4,643,236)	(4,512,800)	(73,940)	(302)	(18,025,217)
Investment expense (loss)	(223,342)	(109,889)	(106,350)	(1,619)	-	(441,200)
Net investment income	(4,761,597)	(2,507,508)	(2,436,362)	(40,350)	1,091,871	(8,653,946)
Securities lending transaction income	564,022	297,726	289,845	4,806	-	1,156,399
Securities lending transaction expense	(509,217)	(268,796)	(261,681)	(4,339)	-	(1,044,033)
Net investment income- securities lending	54,805	28,930	28,164	467	-	112,366
Total additions (loss)	(1,878,605)	(1,493,549)	(129,144)	55,569	12,559,241	9,113,512
Deductions						
Benefits paid	8,704,795	4,001,704	4,988,379	82,365	9,840,619	27,617,862
General and administrative	23,328	12,312	11,991	43	305,729	353,403
Total deductions	8,728,123	4,014,016	5,000,370	82,408	10,146,348	27,971,265
Net (decrease) increase	(10,606,728)	(5,507,565)	(5,129,514)	(26,839)	2,412,893	(18,857,753)
Net Assets Held in Trust for						
Pension Benefits						
Beginning of year	192,955,648	101,800,516	98,897,901	1,575,582	-	395,229,647
End of year	\$ 182,348,920	\$ 96,292,951	\$ 93,768,387	\$ 1,548,743	\$ 2,412,893	\$ 376,371,894

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

Securities Lending Transactions

State statutes and the City of Norwalk Pension Board (the "Board"), on behalf of the Plans, has authorized the Plans to enter into agreements with The Northern Trust Company ("Northern Trust") for the lending of the Plans' securities for predetermined times and fees, for collateral that may include cash, U.S. government securities and irrevocable letters of credit.

During the year ended June 30, 2008, Northern Trust loaned securities held by Northern Trust, as a custodian, and received United States dollar cash and U.S. securities as collateral. Northern Trust did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading value was in the United States, 102 percent of the fair market value of the loaned securities; and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not in the United States, 105 percent of the fair market value of the loaned securities. The market value held and market value of securities on loan for the Plans as of June 30, 2008 were \$19,816,320, as follows:

<u>Collateral Type</u>	<u>Market Value June 30, 2008</u>	<u>Collateral Value June 30, 2008</u>	<u>Collateral Percentage</u>
Cash	\$ 19,816,320	\$ 20,411,061	103%
Non-cash	-	-	- %
	<u>\$ 19,816,320</u>	<u>\$ 20,411,061</u>	

The Board did not impose any restrictions during the year on the amount of loans that Northern Trust made on their behalf. There were no failures by any borrowers to return the loaned securities or pay distributions thereon during the year. Moreover, there were no losses during the year resulting from a default of the borrowers or Northern Trust. Northern Trust is contractually obligated to indemnify the Plans for a borrower's failure to return the securities or make the distributions as a result of Northern Trust's failure to make a reasoned determination of creditworthiness of the borrower, its failure to demand adequate and appropriate collateral on a prompt and timely basis, or its failure to perform its duties and responsibilities under the agreement and applicable law.

Cash collateral has been placed in investments that generally match the maturities of the secured loans. The Plans do not have any credit risk on the securities lending transactions as of June 30, 2008.

Note 11. Other Postemployment Benefits

Post retirement benefits

The City provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2007. The post-retirement plan does not issue stand-alone financial reports.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2008, the City recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

The contribution requirements of plan members and the City are established and may be amended by the City. The City determines the required contribution using the Projected Unit Credit Method.

Membership in the plan consisted of the following at July 1, 2007, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	1,242
Active plan members	1,944
Total	<u>3,186</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$ 15,573,000	\$ 11,467,370	73.6%	\$ 4,105,630

OPEB Obligation

Annual required contribution	\$ 15,573,000
Interest on net pension obligation	-
Annual OPEB cost	<u>15,573,000</u>
Contributions made	<u>11,467,370</u>
Increase in net OPEB liability	4,105,630
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u><u>\$ 4,105,630</u></u>

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (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

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

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 schedule of funding progress is as follows:

Actuarial Valuation Date	(000's)					
	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (C)	UAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/2005	\$ -	\$ 152,654,000	\$ 152,654,000	0%	N/A	N/A
07/01/2007	\$ -	\$ 187,893,000	\$ 187,893,000	0%	N/A	N/A

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 actual results are compared with past expectations and new estimates are made about the future.

Projections of 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 of 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.

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation Date:	July 1, 2007
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level percent
Remaining Amortization Period	30 Years Decreasing
Actuarial Assumptions:	
Investment rate of return	8.25%
Inflation rate	5.0%

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2008

Health cost trend rates

Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

Year After Valuation Date	Increase
1	9%
2	8%
3	7%
4	6%
5	5%
6	5%
7 or more	5%

Note 12. Risk Management

The City is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions for public officials and law enforcement; medical malpractice for the health department's physicians; injuries to employees; and natural disasters. The City purchases commercial property, boiler and machinery insurance for losses in excess of \$50,000 to the City's real estate, third party liability insurance up to \$12,000,000 for claims above a \$500,000 self-insured retention. The City and the Board of Education is self-insured for its medical, dental, workers' compensation and heart and hypertension. The City has opted to manage certain of its risks internally and has set aside assets for claim settlement in its Internal Service Fund. The Internal Service Fund services employee health, workers' compensation, general and automobile liability claims for risk of loss.

All departments of the City participate in the program and make payments to the Internal Service Fund based on estimates of the amount needed to provide for normal occurrence of claims.

Board of Education employees are covered under two health plans for which the Board of Education pays minimum premiums to plan administrators. Both these plans have been determined to be self-insured. Amounts are paid from the General Fund each year to the Internal Service Fund based upon historical cost information adjusted over a reasonable period of time so that Internal Service Fund revenues and expenses are approximately equal. The plan administrators process claims for payment on behalf of the Fund. All other City employees are covered under the City health plan. The General Fund is charged an amount for the City plan each fiscal year by the Internal Service Fund based upon historical cost information adjusted over a reasonable period of time so that Internal Service Fund revenues and expenses are approximately equal. The Internal Service Fund uses these funds to settle all claims.

Claims and expenses and liabilities are reported when it is probable that a liability has been incurred at the date of the financial statements and the amount of that loss can be reasonably estimated. Liabilities calculated by actuarial valuations include amounts for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

The City is a defendant in a significant number of lawsuits. At June 30, 2008, approximately \$1,200,000 represents losses for which the lowest amount in a range of probable losses has been included in accrued claims because no amount within that range is a better estimate of loss.

Changes in the balances of claim liabilities during the past two years are as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2007	\$ 15,496,010	\$ 45,983,272	\$ 45,861,040	\$ 15,618,242
2008	15,618,242	35,779,137	38,454,806	12,942,573

Note 13. Extraordinary Item

The State of Connecticut issued approximately \$2.3 billion in taxable general obligation bonds to be used for deposit into the State of Connecticut Teachers' Retirement Fund. As contributions to the fund represent on-behalf payment to the City, an amount of \$44,531,000 has been recorded as an extraordinary item in the City's financial statements.

Note 14. Subsequent Events

Subsequent to year-end, the credit and liquidity crisis in the United States and throughout the global financial system has resulted in substantial volatility in financial markets and the banking system. These and other economic events have had a significant adverse impact on investment portfolios. As a result, the City's pension plan investments have likely incurred a significant decline in fair value since June 30, 2008.

Note 15. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2008 that have effective dates that may impact future financial presentations. Management is currently assessing the impact, if any, that the adoption of these standards will have on future financial statements of the City.

- ♦ GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations," issued December 1, 2006, will be effective for the City beginning with its fiscal year June 30, 2008, but the liability should be measured at July 1, 2007 so that beginning net assets can be restated. This Statement identifies the circumstances under which a government would have to estimate its expected outlays for pollution remediation if it knows a site is polluted, if the pollution poses an imminent danger to the public or the environment, if the government has violated a pollution prevention permit or license, if the government has been named as a responsible party for cleaning up the pollution, if the government began to clean up the pollution, and if the government is named in a lawsuit. In addition, it provides disclosure information about their pollution obligations associated with clean-up efforts.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

- ◆ GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," issued June, 2007. Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. Intangible assets, and more specifically easements, are referred to in the description of capital assets in Statement No. 34, "Basic Financial Statements - and Management's Discussion and analysis - for State and Local Governments." This reference has created questions as to whether and when intangible assets should be considered capital assets for financial reporting purposes. An absence of sufficiently specific authoritative guidance that addresses these questions has resulted in inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

- ◆ GASB Statement No. 52, "Land and Other Real Estate Held as Investment by Endowments". This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

- ◆ GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2008.

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**SUPPLEMENTARY AND COMBINING
FUND STATEMENTS AND SCHEDULES**

General Fund

General Fund

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF GENERAL FUND REVENUES - BUDGETARY BASIS -
BUDGET AND ACTUAL

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
TAXES, INTEREST AND LIEN FEES				
Property Taxes	\$ 223,725,855	\$ 223,725,855	\$ 227,237,119	\$ 3,511,264
Interest and liens	1,465,450	1,465,450	1,835,685	370,235
Total taxes, interest and lien fees	225,191,305	225,191,305	229,072,804	3,881,499
INTERGOVERNMENTAL				
State grants in aid - general	6,595,380	6,721,033	6,597,267	(123,766)
State grants in aid - Board of Education	9,411,827	10,373,827	10,496,546	122,719
Other grants	185,000	185,000	-	(185,000)
Total intergovernmental	16,192,207	17,279,860	17,093,813	(186,047)
LICENSES, PERMITS, FEES AND OTHER				
Building inspections and permits	2,208,500	2,208,500	1,946,544	(261,956)
Health Department inspection fees	263,000	263,000	268,227	5,227
Police Department permits	3,850	3,850	2,427	(1,423)
Public Works licenses, permits and service charges	235,584	235,584	295,572	59,988
Planning and zoning permits	192,205	192,205	162,476	(29,729)
Town Clerk fees and permits	6,880,900	6,880,900	5,442,329	(1,438,571)
Police Department service charges	286,200	288,700	430,812	142,112
Other service charges and fees	1,924,092	1,930,092	2,178,075	247,983
Rental income	306,048	306,048	280,458	(25,590)
Recreation and Parks Commission	841,140	841,140	775,185	(65,955)
Health Department nursing fees	320,500	320,500	286,567	(33,933)
Total licenses, permits, fees and other	13,462,019	13,470,519	12,068,672	(1,401,847)
INTEREST				
Interest on investments	4,500,000	4,500,000	4,520,974	20,974
Total interest	4,500,000	4,500,000	4,520,974	20,974
Total revenues	259,345,531	260,441,684	262,756,263	2,314,579
Use of Fund Balance	3,000,000	3,000,000	-	(3,000,000)
Total	\$ 262,345,531	\$ 263,441,684	\$ 262,756,263	\$ (685,421)

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS OUT - BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
GENERAL GOVERNMENT				
Mayor	\$ 200,213	\$ 207,116	\$ 203,522	\$ 3,594
City Clerk	354,181	385,267	358,048	27,219
Town Clerk	586,606	601,452	564,651	36,801
Legislative	20,225	20,225	13,571	6,654
Legal	792,159	847,055	740,266	106,789
Data Processing	1,212,715	1,221,891	1,115,185	106,706
Personnel & Labor Relations	554,328	558,465	475,213	83,252
Human Relations & Fair Rent	210,121	233,988	205,327	28,661
Youth Services	300,951	312,873	307,271	5,602
Registrar of Voters	279,941	379,826	365,709	14,117
Finance Director	176,391	263,177	149,604	113,573
Tax Assessor	747,023	1,822,565	713,346	1,109,219
Tax Collector	712,256	742,293	704,022	38,271
Accounting and Treasury	553,998	571,347	574,306	(2,959)
Management and budgets	313,912	289,395	262,053	27,342
Purchasing	247,273	267,515	251,358	16,157
Central Services	183,057	404,870	328,539	76,331
Total general government	7,445,350	9,129,320	7,331,991	1,797,329
HEALTH AND WELFARE	2,199,616	2,257,634	2,121,668	135,966
COMMUNITY GRANTS				
NEON	365,402	365,402	365,402	-
Transit District	448,725	448,725	448,725	-
Probate Court	31,434	31,434	31,434	-
Elder House	8,000	8,000	9,400	(1,400)
Senior Center	288,031	288,031	288,031	-
Sexual Assault Crisis Center	9,134	9,134	9,134	-
CT Counseling Centers	1,500	1,500	1,500	-
Harbor Commission	13,875	13,875	13,875	-
Housing Site Development Agency	88,692	-	-	-
Redevelopment Agency	136,857	-	-	-
Mayor's Commission on Hispanic Affairs	-	137,848	137,848	-
Mid-Fairfield Guidance Center	12,500	12,500	12,500	-
Neighborhood Improvement	69,169	69,169	69,169	-

(Continued)

CITY OF NORWALK, CONNECTICUT

**SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND
TRANSFERS OUT - BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**
For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
COMMUNITY GRANTS, Continued				
Americare Free Clinic	12,500	12,500	12,500	-
Human Services Council	12,750	12,750	12,750	-
NEON Summer Camp	151,761	151,761	151,139	622
NEON Headstart	890,347	890,347	890,347	-
Domestic Violence Center	3,000	3,000	3,000	-
Family & Children's Aid	35,271	35,271	35,271	-
SW CT Mental Health Board	14,628	14,628	14,628	-
School Based Health Centers	17,000	17,000	17,000	-
Summer Youth Employment	75,000	74,037	74,037	-
Children's Connection	15,000	15,000	15,000	-
Other	124,514	213,206	213,206	-
Total community grants	2,825,090	2,825,118	2,825,896	(778)
EMPLOYEE BENEFITS				
Insurance	7,077,101	7,077,101	7,077,101	-
Social Security	2,011,648	2,049,830	2,039,792	10,038
Worker's Compensation	265,712	265,712	265,712	-
Unemployment Compensation	60,000	60,000	56,638	3,362
Special Pensions	1,800	1,800	-	1,800
Police Pension	1,605,475	1,605,475	1,605,475	-
Fire Pension	391,779	391,779	391,779	-
City Pension	1,415,889	1,415,889	1,414,100	1,789
OPEB Contribution	9,782,100	9,782,100	9,782,100	-
Worker's Compensation Insurance	693,387	693,387	693,387	-
Total employee benefits	23,304,891	23,343,073	23,326,084	16,989
PROTECTION OF PERSONS AND PROPERTY				
Police Department	17,278,463	18,227,681	18,169,727	57,954
Fire Department	13,595,698	15,037,709	14,941,488	96,221
Planning and Zoning	987,384	1,077,391	972,251	105,140
Building Inspector	614,480	636,850	631,296	5,554
Dispatch and Emergency Mgmt Plan	2,068,504	2,080,001	1,885,905	194,096
Total protection of persons and property	34,544,529	37,059,632	36,600,667	458,965
PUBLIC WORKS				
Public Works	16,210,011	17,238,549	16,394,374	844,175

(Continued)

CITY OF NORWALK, CONNECTICUT

**SCHEDULE OF GENERAL FUND EXPENDITURES, ENCUMBRANCES AND
TRANSFERS OUT - BUDGETARY BASIS - BUDGET AND ACTUAL, Continued**
For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
EDUCATION				
Public Schools	141,556,197	142,699,918	142,651,081	48,837
RECREATION, ARTS AND CULTURE				
Recreation and Parks	3,618,936	3,615,853	3,575,386	40,467
Library	3,408,993	3,540,474	3,535,359	5,115
Historical Commission	260,659	289,166	262,713	26,453
Total recreations, arts and culture	7,288,588	7,445,493	7,373,458	72,035
CONTINGENCY	3,425,780	1,233,336	-	1,233,336
DEBT SERVICE	23,464,498	23,464,498	23,464,498	-
ORGANIZATIONAL MEMBERSHIPS	80,981	81,088	81,088	-
Total	\$ 262,345,531	\$ 266,777,659	\$ 262,170,805	\$ 4,606,854

Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Maritime Center Fund - This fund is used to account for revenue which is received from the Maritime Center at Norwalk, Inc., and expenditures which are restricted for Maritime Center use.

School Lunch Fund - This fund is used to account for the revenues and expenditures of the school program. Revenues consist of sales of food, federal and state government subsidies, and donations.

C.D.B.G. Fund - This fund is used to account for the revenues and expenditures under the Federal Community Development Block Grant Program.

Board of Education Grants - This fund is used to account for grants received for educational purposes

Health Care Grants - This fund is used to account for grants received for Health Care purposes.

Other Programs Fund - This fund is used to account for educational related and grant activities.

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CITY OF NORWALK, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2008

	Special Revenue			
	Maritime Center Authority	School Lunch	Community Development Block Grant	Board of Education Grants
ASSETS				
Cash and cash equivalents	\$ 8,992	\$ -	\$ 2,637	\$ 453,511
Investments	-	-	-	456,460
Intergovernmental receivables	-	271,684	-	178,192
Other receivables	-	5,385	-	269,067
Inventories	-	33,628	-	-
Total assets	\$ 8,992	\$ 310,697	\$ 2,637	\$ 1,357,230
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 455,324	\$ -	\$ 785,582
Unearned revenue	-	-	-	570,770
Total liabilities	-	455,324	-	1,356,352
Fund Balances (Deficits)				
Unreserved, undesignated	8,992	(144,627)	2,637	878
Total fund balances (deficits)	8,992	(144,627)	2,637	878
Total liabilities and fund balances (deficits)	\$ 8,992	\$ 310,697	\$ 2,637	\$ 1,357,230

Special Revenue

Healthcare Grants	Other Programs	Totals
\$ -	\$ 1,902,370	\$ 2,367,510
-	1,119,062	1,575,522
569,527	-	1,019,403
20,000	5,412	299,864
-	-	33,628
<u>\$ 589,527</u>	<u>\$ 3,026,844</u>	<u>\$ 5,295,927</u>

\$ 298,131	\$ 1,935,618	\$ 3,474,655
290,100	-	860,870
<u>588,231</u>	<u>1,935,618</u>	<u>4,335,525</u>

1,296	1,091,226	960,402
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1,296	1,091,226	960,402
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<u>\$ 589,527</u>	<u>\$ 3,026,844</u>	<u>\$ 5,295,927</u>
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CITY OF NORWALK, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2008

	Special Revenue			
	Maritime Center Authority	School Lunch	Community Development Block Grant	Board of Education Grants
REVENUES				
Intergovernmental	\$ -	\$ 1,625,655	\$ 880,944	\$ 15,436,150
Licenses, permits, fees and other	8,450,000	1,691,086	-	-
Total revenues	8,450,000	3,316,741	880,944	15,436,150
EXPENDITURES				
Education	-	3,311,357	-	15,435,397
Maritime Center subsidy	8,450,000	-	-	-
Health and welfare	-	-	-	-
General government	-	-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Recreation	-	-	-	-
Community grants	-	-	880,944	-
Total expenditures	8,450,000	3,311,357	880,944	15,435,397
Changes in fund balance	-	5,384	-	753
FUND BALANCE (DEFICITS), beginning	8,992	(150,011)	2,637	125
FUND BALANCE (DEFICITS), ending	\$ 8,992	\$ (144,627)	\$ 2,637	\$ 878

Special Revenue		
Healthcare Grants	Other Programs	Totals
\$ 1,735,420	\$ 825,907	\$ 20,504,076
-	1,120,782	11,261,868
1,735,420	1,946,689	31,765,944
-	207,896	18,954,650
-	53,197	8,503,197
1,735,420	-	1,735,420
-	1,127,872	1,127,872
-	362,592	362,592
-	13,968	13,968
-	287,018	287,018
-	210	881,154
1,735,420	2,052,753	31,865,871
-	(106,064)	(99,927)
1,296	1,197,290	1,060,329
\$ 1,296	\$ 1,091,226	\$ 960,402

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Internal Service Funds

Internal Service Funds

Internal service funds are used to account for various services provided by the City for various funds.

Insurance Fund - this fund is used to account for medical, property and casualty and workers compensation.

Fleet Maintenance - this fund is used to account for vehicle maintenance and vehicle fuel used by the City.

CITY OF NORWALK, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS -
INTERNAL SERVICE FUNDS

June 30, 2008

	Insurance Fund	Fleet Maintenance	Totals
ASSETS			
Cash	\$ 11,631,907	\$ 94,273	\$ 11,726,180
Investments	7,506,811	83,439	7,590,250
Receivables	1,334	24,911	26,245
Total assets	19,140,052	202,623	19,342,675
LIABILITIES			
Accounts payable	285,221	195,734	480,955
Accrued medical and workers' compensation	12,942,573	-	12,942,573
Total liabilities	13,227,794	195,734	13,423,528
NET ASSETS			
Unrestricted	5,912,258	6,889	5,919,147
Total net assets	\$ 5,912,258	\$ 6,889	\$ 5,919,147

CITY OF NORWALK, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - NONMAJOR INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2008

	Insurance Fund	Fleet Maintenance	Totals
OPERATING REVENUES			
City and member's contributions	\$ 37,755,371	\$ 2,188,996	\$ 39,944,367
Total operating revenues	37,755,371	2,188,996	39,944,367
OPERATING EXPENSES			
Administrative costs	995,366	6,605	1,001,971
Program expenditures	35,085,335	2,184,298	37,269,633
Total operating expenses	36,080,701	2,190,903	38,271,604
Operating income (loss)	1,674,670	(1,907)	1,672,763
NONOPERATING INCOME			
Investment income	217,215	-	217,215
Total nonoperating income	217,215	-	217,215
Net income (loss)	1,891,885	(1,907)	1,889,978
FUND NET ASSETS, beginning	4,020,373	8,796	4,029,169
FUND NET ASSETS, ending	\$ 5,912,258	\$ 6,889	\$ 5,919,147

CITY OF NORWALK, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS - NONMAJOR INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2008

	Insurance Fund	Fleet Maintenance	Totals
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 37,771,619	\$ 2,181,703	\$ 39,953,322
Payments for benefits	(38,616,503)	(2,176,508)	(40,793,011)
Net cash (used in) provided by operating activities	(844,884)	5,195	(839,689)
Cash Flows From Investing Activities			
Sale (purchase) of investments	20,296	(37,072)	(16,776)
Interest received on investments	217,215	-	217,215
Net cash provided by (used in) investing activities	237,511	(37,072)	200,439
Net decrease in cash and cash equivalents	(607,373)	(31,877)	(639,250)
Cash and Cash Equivalents			
Beginning	12,239,280	126,150	12,365,430
Ending	\$ 11,631,907	\$ 94,273	\$ 11,726,180
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 1,674,670	\$ (1,907)	\$ 1,672,763
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	16,248	(7,293)	8,955
(Decrease) increase in accrued expenses/accounts payable	(2,535,802)	14,395	(2,521,407)
Net cash (used in) provided by operating activities	\$ (844,884)	\$ 5,195	\$ (839,689)

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Fiduciary Funds

Fiduciary Funds

Agency Funds:

Student Activity Fund - This fund is used to account for the monies generated by student activities in the Norwalk Public School System.

Housing Site Development Fund - This fund is used for donations received from private developers, which are restricted to moderate income housing levels.

City Hall Mural Restoration - This fund is used to account for private donations received to be used for mural restoration.

Sixth Taxing District - This fund is used to account for taxes collected for the benefit of the Sixth Taxing District.

Detention Facility Escrow - This fund is used to account for private donations to maintain drainage facilities.

Roosevelt Deposit - This fund is used to account for assets held for maintenance of Roosevelt School facility.

Sewer Escrow - This fund is used to account for private donations to maintain sewer lines.

CITY OF NORWALK, CONECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS

For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
STUDENT ACTIVITY FUND				
Assets				
Cash and cash equivalents	\$ 1,121,028	\$ 2,111,057	\$ 2,010,478	\$ 1,221,607
Liabilities				
Other liabilities	\$ 1,121,028	\$ 2,111,057	\$ 2,010,478	\$ 1,221,607
HOUSING SITE DEVELOPMENT				
Assets				
Cash and cash equivalents	\$ 349,812	\$ 13,824	\$ -	\$ 363,636
Liabilities				
Other liabilities	\$ 349,812	\$ 13,824	\$ -	\$ 363,636
SIXTH DISTRICT				
Assets				
Cash and cash equivalents	\$ (3,821)	\$ 1,108,619	\$ 1,111,340	\$ (6,542)
Liabilities				
Other liabilities	\$ (3,821)	\$ 1,108,619	\$ 1,111,340	\$ (6,542)
CITY HALL MURAL RESTORATION				
Assets				
Cash and cash equivalents	\$ 1,869	\$ 74	\$ -	\$ 1,943
Liabilities				
Other liabilities	\$ 1,869	\$ 74	\$ -	\$ 1,943
DETENTION FACILITY ESCROW				
Assets				
Cash and cash equivalents	\$ 5,093	\$ 201	\$ -	\$ 5,294
Liabilities				
Other liabilities	\$ 5,093	\$ 201	\$ -	\$ 5,294

CITY OF NORWALK, CONECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS, Continued
 For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
ROOSEVELT DEPOSIT				
Assets				
Cash and cash equivalents	\$ 18,403	\$ 727	\$ -	\$ 19,130
Liabilities				
Other liabilities	\$ 18,403	\$ 727	\$ -	\$ 19,130
SEWER ESCROW				
Assets				
Cash and cash equivalents	\$ 172,734	\$ 4,850	\$ -	\$ 177,584
Liabilities				
Other liabilities	\$ 172,734	\$ 4,850	\$ -	\$ 177,584
Total Assets	\$ 1,665,118	\$ 3,239,352	\$ 3,121,818	\$ 1,782,652
Total Liabilities	\$ 1,665,118	\$ 3,239,352	\$ 3,121,818	\$ 1,782,652

**Capital Assets Used in the Operation
of Governmental Funds**

CITY OF NORWALK, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS,
NET OF ACCUMULATED DEPRECIATION

June 30, 2008

Governmental funds capital assets:

Land	\$ 21,905,400
Buildings and improvements	218,990,898
Land improvements	4,045,267
Machinery and equipment	8,538,409
Infrastructure	134,333,857
Construction in progress	42,521,447
Total governmental funds capital assets	\$ 430,335,278

Investments in governmental funds capital assets:

Assets put into service prior to July 1, 2008	
Total governmental funds capital assets	\$ 430,335,278

CITY OF NORWALK, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
SCHEDULE BY FUNCTION AND ACTIVITY - NET OF DEPRECIATION**

June 30, 2008

	Land	Construction in Progress	Land Improvements	Machinery and Equipment	Infrastructure	Buildings and Improvements	Total
General Government	\$ -	\$ -	\$ -	\$ 701,788	\$ -	\$ -	\$ 701,788
Board of Education	4,167,400	32,398,756	1,626,545	548,954	-	162,031,376	200,773,031
Public Works	333,500	243,160	412,615	3,723,891	130,811,083	20,807,627	156,331,876
Health & Welfare	-	295,852	-	73,443	-	-	369,295
Recreation, Arts and Culture	17,404,500	11,175	2,001,613	403,288	3,522,774	9,342,529	32,685,879
Public Safety	-	568,736	4,494	3,087,045	-	25,328,092	28,988,367
Community Grants	-	9,003,768	-	-	-	1,481,274	10,485,042
	<u>\$ 21,905,400</u>	<u>\$ 42,521,447</u>	<u>\$ 4,045,267</u>	<u>\$ 8,538,409</u>	<u>\$ 134,333,857</u>	<u>\$ 218,990,898</u>	<u>\$ 430,335,278</u>

Other Schedules

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CITY OF NORWALK, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

GENERAL FUND

For the Year Ended June 30, 2008

Grand List Year	Taxes Receivable July 1, 2007	Current Levy	Lawful Corrections		
			Additions	Deletions	Abatement
2006	\$ -	\$ 226,053,657	\$ 523,988	\$ 77,031	\$ 612,891
2005	3,067,622	-	244,345	77,066	68,835
2004	822,731	-	79,886	55,504	(81,405)
2003	316,964	-	28,420	377,921	26,172
2002	(156,534)	-	75,146	27,621	9,660
2001	(231,960)	-	56,360	9,664	648
2000	(225,057)	-	5,133	2,718	833
1999	(189,220)	-	4,218	1,380	993
1998	5,051	-	7,253	1,889	631
1997	3,838	-	3,989	1,155	979
1996	3,675	-	2,816	766	1,007
1995	1,734	-	1,952	2,027	-
1994	569	-	1,531	1,226	-
1993	275	-	1,148	876	-
1992	-	-	1,539	598	-
	<u>\$ 3,419,688</u>	<u>\$ 226,053,657</u>	<u>\$ 1,037,724</u>	<u>\$ 637,442</u>	<u>\$ 641,244</u>

Balance to be Collected	Collections				Total	Overpayment	Taxes Receivable June 30, 2008
	Taxes	Interest	Fees				
\$ 225,887,723	\$ 222,693,849	\$ 746,372	\$ 12,715	\$ 223,452,936	\$ 237,925	\$ 3,431,799	
3,166,066	2,555,069	493,839	14,400	3,063,308	368,438	979,435	
928,518	671,257	214,166	4,776	890,199	355,897	613,158	
(58,709)	192,671	104,613	1,728	299,012	309,448	58,068	
(118,669)	86,200	56,868	816	143,884	237,506	32,637	
(185,912)	23,247	19,125	336	42,708	230,854	21,695	
(223,475)	9,243	10,326	168	19,737	242,301	9,583	
(187,375)	7,498	7,595	96	15,189	203,949	9,076	
9,784	9,899	15,506	-	25,405	5,159	5,044	
5,693	4,133	5,211	24	9,368	3,220	4,780	
4,718	2,557	5,044	24	7,625	2,417	4,578	
1,659	217	3,882	-	4,099	43	1,485	
874	322	1,241	-	1,563	790	1,342	
547	272	1,782	-	2,054	-	275	
941	941	2,785	-	3,726	-	-	
\$ 229,232,383	\$ 226,257,375	\$ 1,688,355	\$ 35,083	\$ 227,980,813	\$ 2,197,947	\$ 5,172,955	

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF CAPITAL PROJECT FUND TAX COLLECTORS

ACTIVITY - SEWER ASSESSMENT

For the Year Ended June 30, 2008

Grand List Year	Uncollected Sewer		Lawful Corrections		Assessments Collected
	Assessments July 1, 2007	Current Assessment	Additions	Deletions	
1997-1998	\$ 715	\$ -	\$ -	\$ -	\$ -
1999-2000	17,269	-	-	-	12,641
2000-2001	5,953	-	-	-	2,976
2001-2002	111,949	-	-	-	42,177
2002-2003	112,813	-	-	-	29,632
	<u>\$ 248,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,426</u>

Interest	Liens	Total Collected	Taxes Receivable June 30, 2008
\$ -	\$ -	\$ -	\$ 715
555	456	13,652	4,628
261	-	3,237	2,977
9,588	48	51,813	69,772
2,670	24	32,326	83,181
<u>\$ 13,074</u>	<u>\$ 528</u>	<u>\$ 101,028</u>	<u>\$ 161,273</u>

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF LONG-TERM BONDED DEBT

For the Year Ended June 30, 2008

Bonds	Bond Number	Issue Date	Interest Rate	Maturity Date	Original Amount
<u>GENERAL GOVERNMENT</u>					
City Capital Improvement Bonds	95	07/15/1998	4.25-6.00	1/15/2013*	\$ 9,207,175
	96	07/15/1999	4.40-6.00	1/15/2014*	17,935,000
	97	07/15/2000	4.875-5.00	1/15/2015*	11,571,000
	98	07/15/2001	4.00-5.00	1/15/2016*	13,578,000
	99	04/18/2002	4.00-5.00	10/1/2011	15,598,465
	102	07/15/2003	3.00-5.00	07/15/2023	40,029,993
	103	11/12/2003	2.00-4.00	07/15/2014	20,868,930
	104	03/24/2004	2.00-4.00	01/15/2016	10,829,850
	105	06/10/2004	3.00-5.00	08/01/2016*	19,431,861
	106	07/01/04	3.25-4.375	07/01/2018	38,673,000
	107	03/29/05	2.35-5.00	07/01/2024	22,600,110
	108	07/01/05	3.25-7.20	07/01/2025	21,650,000
	109	07/01/06	4.25-5.50	07/01/2026	23,260,000
	110	07/01/07	4.00-5.75	07/15/2027	24,125,000
	111	04/30/08	3.00-5.00	07/01/2018	15,780,000
Total City capital improvement bonds					
Maritime Center Project Bonds	-	11/15/86	6.95-7.20	2/1/2015	23,314,942

Amount Outstanding June 30, 2007		Additions	Payments/ Refunding	Amount Outstanding June 30, 2008
\$	702,925	\$ -	\$ (702,925)	\$ -
	2,820,000	-	(1,410,000)	1,410,000
	1,914,000	-	(957,000)	957,000
	2,069,250	-	(976,500)	1,092,750
	6,987,231	-	(2,202,116)	4,785,115
	37,553,795	-	(2,560,940)	34,992,855
	19,789,107	-	(640,572)	19,148,535
	9,583,650	-	(13,950)	9,569,700
	8,970,041	-	(1,302,260)	7,667,781
	24,548,000	-	(18,620,000)	5,928,000
	21,915,749	-	(73,169)	21,842,580
	21,325,000	-	-	21,325,000
	23,260,000	-	-	23,260,000
	-	24,125,000	-	24,125,000
	-	15,780,000	-	15,780,000
	181,438,748	39,905,000	(29,459,432)	191,884,316
	1,917,125	-	(384,062)	1,533,063

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF LONG-TERM BONDED DEBT, Continued
 For the Year Ended June 30, 2008

Bonds	Bond Number	Issue Date	Interest Rate	Maturity Date	Original Amount	
ENTERPRISE FUNDS						
Parking Authority	95	07/15/1998	4.30-4.75	1/15/2013*	25,575	
	99	04/18/2002	4.00-5.00	10/1/2011	240,085	
Maritime Parking Garage	101	12/15/2002	4.00-5.00	12/15/2002*	9,110,000	
	102	07/15/2003	3.00-5.00	07/15/2023	553,000	
	103	11/12/2003	2.00-4.00	07/15/2014	111,670	
	106	07/01/04	3.25-4.375	07/01/2018	327,000	
	108	07/01/05	3.25-5.00	07/01/2025	327,000	
	109	07/01/06	4.25-5.50	07/01/2026	140,000	
	110	07/01/2007	4.00-5.75	07/15/2027	225,000	
	Total Parking Authority					
Water Pollution Control Authority	95	07/15/1998	4.30-4.75	1/15/2013*	767,250	
	96	07/15/1999	4.40-6.00	1/15/2014*	1,065,000	
	97	07/15/2000	4.875-5.00	1/15/2015*	1,729,000	
	98	07/15/2001	4.00-4.75	1/15/2016*	1,022,000	
	99	04/18/02	4.00-5.00	10/01/11	1,566,450	
	102	07/15/2003	3.00-5.00	07/15/2023	417,007	
	103	11/12/2003	2.00-4.00	07/15/2014	1,824,400	
	104	03/24/2004	2.00-4.00	01/15/2016	815,150	
	105	06/10/2004	3.00-5.00	08/01/2016	563,139	
	107	03/29/05	2.35-5.00	07/01/2024	229,890*	
	108	07/01/05	3.25-5.00	07/01/05	1,350,000	
	109	07/01/06	4.25-5.50	07/01/2026	1,600,000	
	110	07/01/2007	4.00-5.75	07/15/2027	2,650,000	
		CFW 190-DCI	12/31/04	2.00	09/30/2019	1,830,187
		CWF 199-L	07/01/1996	2.00	7/1/2015	4,550,161
		CWF 301-C	12/30/1997	2.00	12/31/2016	1,934,212
		CWF 397-C	01/31/2000	2.00	1/31/2019	673,270
	CWF 190DC	09/30/2000	2.00	1/31/2019*	41,294,122	
	CWF 190-L1	12/21/2001	2.00	1/31/2019*	4,930,815	
Total Water Pollution Control Authority						
Total City capital improvement bonds						

Amount Outstanding June 30, 2007	Additions	Payments/ Refunding	Amount Outstanding June 30, 2008
2,325	-	(2,325)	-
274,569	-	(86,534)	188,035
8,390,000	-	(265,000)	8,125,000
519,476	-	(33,670)	485,806
105,893	-	(3,428)	102,465
327,000	-	(30,000)	297,000
325,000	-	-	325,000
140,000	-	-	140,000
-	225,000	-	225,000
10,084,263	225,000	(420,957)	9,888,306
69,750	-	(69,750)	-
180,000	-	(90,000)	90,000
286,000	-	(143,000)	143,000
155,750	-	(73,500)	82,250
718,200	-	(226,000)	492,200
391,728	-	(25,390)	366,338
1,730,000	-	(56,000)	1,674,000
721,350	-	(1,050)	720,300
259,959	-	(37,740)	222,219
219,252	-	(1,831)	217,421
1,350,000	-	-	1,350,000
1,600,000	-	-	1,600,000
-	2,650,000	-	2,650,000
1,556,685	-	(113,285)	1,443,400
2,040,915	-	(234,981)	1,805,934
1,005,698	-	97,099	1,102,797
418,055	-	(32,398)	385,657
26,962,684	-	(2,156,731)	24,805,953
3,637,106	-	(225,837)	3,411,269
43,303,132	2,650,000	(3,390,394)	42,562,738
\$ 236,743,268	\$ 42,780,000	\$ (33,654,845)	\$ 245,868,423

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Statistical Section

Statistical Section

This part of the City of Norwalk, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Demographic and Economic Information

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**CITY OF NORWALK
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)**

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental activities							
Invested in capital assets, net of related debt	\$ 189,499	\$ 163,057	\$ 145,421	\$ 160,877	\$ 185,092	\$ 222,738	\$ 237,937
Restricted	20,139	14,173	-	-	-		
Unrestricted	9,836	12,858	35,118	46,944	40,209	23,870	16,491
Total governmental activities net assets	<u>219,474</u>	<u>190,088</u>	<u>180,539</u>	<u>207,821</u>	<u>225,301</u>	<u>246,608</u>	<u>254,428</u>
Business-type activities							
Invested in capital assets, net of related debt	-	35,869	49,638	53,740	53,072	53,483	58,022
Restricted	-	-	663	676	705	745	781
Unrestricted	-	687	1,202	(1,716)	7,350	9,531	9,168
Total business-type activities net assets	<u>-</u>	<u>36,556</u>	<u>51,503</u>	<u>52,700</u>	<u>61,127</u>	<u>63,759</u>	<u>67,971</u>
Primary Government							
Invested in capital assets, net of related debt	189,499	198,926	195,059	214,617	238,164	276,221	295,959
Restricted	20,139	14,173	663	676	705	745	781
Unrestricted	9,836	13,545	36,320	45,228	47,559	33,401	25,659
Total primary government net assets	<u>\$ 219,474</u>	<u>\$ 226,644</u>	<u>\$ 232,042</u>	<u>\$ 260,521</u>	<u>\$ 286,428</u>	<u>\$ 310,367</u>	<u>\$ 322,399</u>

1. There were no business activities in Fiscal Year 2002. Capital assets related to business type activities were transferred from governmental to business types activities in Fiscal Year 2003.
2. Data is only available from Fiscal Year 2002 when GASB 34 took effect.

CITY OF NORWALK
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

Expenses	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental activities:							
General government	\$ 12,643	\$ 16,232	\$ 16,275	\$ 14,342	\$ 16,091	\$ 15,497	\$ 17,497
Education	116,524	149,616	149,825	164,242	176,895	179,848	192,383
Public safety	25,340	32,537	32,584	34,696	37,415	39,369	45,115
Health & welfare	5,875	7,544	7,548	3,764	2,163	3,453	2,210
Public works	23,673	30,395	30,436	28,045	28,363	24,553	31,019
Recreation, arts and cultural	5,477	7,033	7,035	7,643	8,308	8,783	9,387
Interest on debt	6,809	6,635	4,181	9,609	6,817	7,627	7,202
Total governmental activities expenses	<u>196,341</u>	<u>249,992</u>	<u>247,884</u>	<u>262,341</u>	<u>276,052</u>	<u>279,130</u>	<u>304,813</u>
Business-type activities: (2)							
Parking Authority	-	1,614	2,963	3,943	4,227	4,282	4,713
Water Pollution Control Authority	-	8,004	7,977	8,465	8,799	9,200	9,371
Total business-type activities net assets	<u>-</u>	<u>9,618</u>	<u>10,940</u>	<u>12,408</u>	<u>13,026</u>	<u>13,482</u>	<u>14,084</u>
Total primary government expenses	<u>\$ 196,341</u>	<u>\$ 259,610</u>	<u>\$ 258,824</u>	<u>\$ 274,749</u>	<u>\$ 289,078</u>	<u>\$ 292,612</u>	<u>\$ 318,897</u>
Program Revenues							
Governmental activities							
Charges for services:							
General government	1,974	9,363	7,414	7,220	7,680	7,199	5,555
Education	4,189	11,842	3,867	3,640	2,687	2,912	3,577
Public safety	1,440	5,132	2,383	2,715	3,105	3,059	2,544
Health & welfare	450	1,698	492	510	555	603	555
Public works	2,379	914	7,784	7,617	8,699	9,342	10,691
Recreation, arts and cultural	524	-	628	642	614	754	775
Operating grants and contributions	40,515	36,330	29,412	34,276	40,407	36,925	40,781
Capital grants and contributions	3,563	740	2,225	18,571	12,971	9,621	5,545
Total governmental activities program revenues	<u>55,034</u>	<u>66,019</u>	<u>54,205</u>	<u>75,191</u>	<u>76,718</u>	<u>70,415</u>	<u>70,023</u>

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Business-type activities: (2)							
Charges for services:							
Parking Authority	-	1,242	2,491	3,010	3,572	4,312	4,936
Water Pollution Control Authority	-	9,375	9,597	10,034	10,268	10,878	12,201
Capital grants and contributions	-	-	499	348	7,230	184	359
Total business-type activities program revenues	-	10,617	12,587	13,392	21,070	15,374	17,496
Total primary government program revenues	\$ 55,034	\$ 76,636	\$ 66,792	\$ 88,583	\$ 97,788	\$ 85,789	\$ 87,519
Net (expense)/revenue							
Governmental activities	(141,307)	(183,973)	(193,679)	(187,150)	(199,334)	(208,715)	(234,790)
Business-type activities	-	999	1,647	984	8,044	1,892	3,412
Total primary government net expense	\$ (141,307)	\$ (182,974)	\$ (192,032)	\$ (186,166)	\$ (191,290)	\$ (206,823)	\$ (231,378)
General revenues and other changes in net expenses							
Governmental activities:							
Property taxes	166,406	175,563	187,008	199,970	207,199	215,806	227,930
Grants and contributions not restricted to specific programs	7,041	5,540	8,884	10,174	8,079	7,352	9,452
Unrestricted investment earnings	4,284	5,085	1,560	4,288	4,631	6,864	5,229
Transfers and other	-	(35,437)	(13,323)	-	-	-	-
Total governmental activities	177,731	150,751	184,129	214,432	219,909	230,022	242,611
Business-type activities: (2)							
Unrestricted investment earnings	-	120	33	213	383	740	800
Transfers and other	-	35,437	13,267	-	-	-	-
Total business-type activities	-	35,557	13,300	213	383	740	800
Total primary government	\$ 177,731	\$ 186,308	\$ 197,429	\$ 214,645	\$ 220,292	\$ 230,762	\$ 243,411
Changes in net assets							
Governmental activities	36,424	(33,222)	(9,550)	27,282	20,575	21,307	7,821
Business-type activities (2)	-	36,556	14,947	1,197	8,427	2,632	4,212
Extraordinary item:							
State teachers' on-behalf payments	-	-	-	-	-	-	(44,531,000)
State teachers' on-behalf revenue	-	-	-	-	-	-	44,531,000
Total primary government	\$ 36,424	\$ 3,334	\$ 5,397	\$ 28,479	\$ 29,002	\$ 23,939	\$ 12,033

1. There were no business activities in Fiscal Year 2002. Capital assets related to business type activities

CITY OF NORWALK
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax
2002	\$ 166
2003	176
2004	187
2005	200
2006	207
2007	216
2008	228

1. Data is only available from Fiscal Year 2002 when GASB 34 took effect.

CITY OF NORWALK
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	\$ 3,050	\$ 3,394	\$ 2,586	\$ -	\$ -	\$ 186	\$ 555	\$ 289	\$ 1,634	\$ 1,157
Unreserved, designated	4,000	1,000	3,750	6,817	3,073	3,031	5,113	3,861	4,492	4,367
Unreserved, undesignated	9,414	11,928	15,348	8,663	13,054	17,054	25,750	28,498	31,154	31,864
Total general fund	<u>\$ 16,464</u>	<u>\$ 16,322</u>	<u>\$ 21,684</u>	<u>\$ 15,480</u>	<u>\$ 16,127</u>	<u>\$ 20,271</u>	<u>\$ 31,418</u>	<u>\$ 32,648</u>	<u>\$ 37,280</u>	<u>\$ 37,388</u>
All other governmental funds										
Reserved	44	55	50	-	-	46	46	-		
Unreserved, reported in:										
Capital projects funds	(23,191)	(27,096)	14,169	20,140	14,174	22,817	28,365	20,226	8,118	10
Special revenue funds	1,956	2,595	3,212	3,564	3,820	3,216	2,598	1,173	1,061	960
Total all other governmental funds	<u>\$ (21,191)</u>	<u>\$ (24,446)</u>	<u>\$ 17,431</u>	<u>\$ 23,704</u>	<u>\$ 17,994</u>	<u>\$ 26,079</u>	<u>\$ 31,009</u>	<u>\$ 21,399</u>	<u>\$ 9,179</u>	<u>\$ 970</u>

CITY OF NORWALK
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Revenues	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Property taxes, interest and liens	\$ 155,045	\$ 161,677	\$ 170,872	\$ 168,236	\$ 185,354	\$ 185,044	\$ 200,533	\$ 206,567	\$ 215,669	\$ 229,160
Intergovernmental	45,384	47,141	46,152	49,943	46,915	52,737	69,057	47,752	44,497	47,209
State on-behalf payments	- (2)	- (2)	- (2)	- (2)	- (2)	3,957	3,951	10,413	10,094	11,533
Licenses, permits, fees and other	9,981	10,741	12,332	11,769	9,904	12,522	14,803	28,619	25,966	23,399
Interest	3,301	4,549	5,196	2,538	2,270	838	4,287	4,632	6,859	5,229
Total revenues	213,711	224,108	234,552	232,486	244,443	255,098	292,631	297,983	303,085	316,530
Expenditures										
General government	5,696	6,090	5,960	6,385	6,299	8,483	8,449	6,963	7,396	8,936
Health and welfare	1,852	1,770	1,772	1,770	1,773	4,646	4,898	5,612	4,589	4,360
Education	102,900	109,459	124,238	129,355	135,911	140,669	148,862	162,733	163,956	172,631
Employee benefits	13,773	11,731	10,493	11,794	14,116	16,905	17,559	19,081	22,272	23,407
Public Safety	25,056	27,605	28,048	29,095	28,301	30,019	30,907	36,476	33,937	36,607
Community grants	14,962	16,253	6,469	5,370	4,466	3,843	4,386	3,216	3,597	3,707
Public works	20,231	21,360	21,176	20,153	15,075	14,086	14,584	15,368	15,601	16,772
Recreation arts & culture	6,025	6,795	6,462	13,946	13,848	6,475	6,372	6,812	7,362	7,659
Maritime center subsidy	-	-	-	-	-	7,398	7,606	8,325	8,905	8,503
Sundry	-	-	-	475	-	65	-	-	-	-
Capital outlay	18,848	30,304	19,496	18,070	32,095	38,796	57,192	45,555	46,262	42,496
Debt service	14,412	15,137	17,796	15,875	18,321	-	-	-	-	-
Principal	-	-	-	-	-	8,467	7,308	9,039	11,769	13,484
Interest	-	-	-	-	-	3,385	7,088	8,507	8,959	10,193
Total expenditures	223,755	246,504	241,910	252,288	270,205	283,237	315,211	327,687	334,605	348,755
Excess of revenues over (under) expenditures	(10,044)	(22,396)	(7,358)	(19,802)	(25,762)	(28,139)	(22,580)	(29,704)	(31,520)	(32,225)
Other financing sources (uses)										
Transfers in	-	-	-	38	6,544	-	-	-	-	-
Transfers out	-	-	-	(38)	(6,544)	-	-	-	-	-
Proceeds from issuance of bonds (notes)	10,000	19,000	54,594	36,936	20,700	91,161	61,257	21,325	23,260	39,905
Premium from issuance of bonds	-	-	-	-	-	2,067	78	-	5	786
Payments to escrow agent	-	-	-	(17,065)	-	(52,860)	(22,678)	-	-	(16,566)
Capital lease proceeds	-	-	-	-	-	-	-	-	666	-
Total from financing sources (uses)	10,000	19,000	54,594	19,871	20,700	40,368	38,657	21,325	23,931	24,125
Net change in fund balances	\$ (44)	\$ (3,396)	\$ 47,236	\$ 69	\$ (5,062)	\$ 12,229	\$ 16,077	\$ (8,379)	\$ (7,589)	\$ (8,100)
Debt service as a percentage of noncapital expenditures	(3)	(3)	(3)	7.8% (4)	7.4% (4)	4.7% (4)	5.5% (4)	6.1% (4)	7.2%	7.6% (4)

1. Debt service not broken out between principal and interest Fiscal Year 2003 and before
2. State on-behalf payments for revenue not broken out prior to fiscal year 2004.
3. Debt service as a percentage of noncapital expenditures is only available after GASB 34 was implemented
4. Debt service as a percentage of noncapital expenditures takes into account capitalized assets from all functions.

CITY OF NORWALK
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

<u>Year</u>	<u>Tax</u>
1999	\$ 153
2000	160
2001	168
2002	170
2003	183
2004	185
2005	201
2006	207
2007	216
2008	229

City of Norwalk
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended June 30	Real Property		Personal Property			Less Exemptions ⁽³⁾	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Land	Motor Vehicles	Other					
1999	\$ 1,203,715	\$ 567,436	\$ 995,619	\$ 374,794	\$ 400,922	\$ 70,268	\$ 3,472,218	42.2%	\$ 8,431,673	42.01%
2000	1,888,461	887,946	21,217	404,030	401,986	73,648	3,529,992	42.5%	9,012,940	39.98%
2001	2,429,610	987,330	32,817	434,416	402,314	73,791	4,212,696	39.0%	9,035,556	47.44%
2002	4,092,740	1,399,316	45,917	466,691	432,201	1,475,733	4,961,132	33.4%	12,290,047	52.37%
2003	4,125,244	1,502,934	50,108	481,815	417,185	782,848	5,794,438	31.1%	11,717,836	56.13%
2004	4,161,708	1,495,689	45,721	503,046	421,287	101,154	6,526,297	28.3%	15,576,344	42.55%
2005	4,845,240	1,684,477	60,418	481,751	410,122	101,312	7,380,696	26.5%	15,183,215	49.28%
2006	5,634,018	1,711,745	88,562	521,445	408,120	94,898	8,268,992	24.6%	15,734,794	53.16%
2007	6,455,428	2,038,024	94,071	539,399	516,510	175,127	9,468,305	22.6%	18,873,045	51.10%
2008	7,225,029	2,289,632	87,044	542,373	552,823	169,374	10,527,527	21.2%	20,171,696	53.03%

1. Source: City of Norwalk Assessor's Office.

2. The Grand list for the fiscal year would be October 1 prior to the start of the year. For example if the fiscal year begins July 1, 2005 the grand list is dated October 1, 2005.

3. Includes corrections.

4. State statute requires each municipality to revalue real property every five years and to conduct a mass appraisal once every ten years. Norwalk completed a revaluation in 2003 by an independent appraisal group. The revaluation was phased in over a four year period for fiscal years ending 2005 through 2008.

**City of Norwalk
DIRECT GOVERNMENTS ⁽²⁾
Last Ten Fiscal Years**

Fiscal Year Ended June 30	(4)	District 1	District 2	District 3	District 4	District 5	District 6	Motor Vehicle	General Government Services	General Obligation Debt Service	Total
1999		46.4	46.4	46.4	46.6	42.2	41.4	37.9	39.5	2.7	42.2
2000		47.0	47.0	47.0	47.2	42.5	41.6	38.4	39.9	2.6	42.5
2001		42.8	42.8	42.8	42.9	39.0	37.2	20.0	36.1	2.9	39.0
2002		36.5	36.5	36.5	36.7	33.4	32.0	20.0	31.3	2.1	33.4
2003		31.9	31.9	31.9	32.0	31.1	29.6	20.0	29.0	2.1	31.1
2004		29.0	29.0	29.0	29.1	28.3	27.1	25.0	27.1	1.2	28.3
2005		27.1	27.1	27.1	27.2	26.5	25.4	27.2	25.3	1.2	26.5
2006		25.1	25.1	25.1	25.2	24.6	23.5	25.2	23.3	1.3	24.6
2007		23.2	23.2	23.2	23.2	22.6	21.5	23.2	21.2	1.4	22.6
2008		21.7	21.7	21.7	21.7	21.2	20.2	23.3	19.9	1.3	21.2

1. Source: City of Norwalk Assessor's Office

2. The Grand list for the fiscal year would be October 1 prior to the start of the year. For example if the fiscal year begins July 1, 2005 the grand list is dated October 1, 2005.

3. Includes corrections.

4. State statute requires each municipality to revalue real property every five years and to conduct a mass appraisal once every ten years. Norwalk completed a revaluation in 2003 by an independent appraisal group. The revaluation was phased in over a four year period for fiscal years ending 2005 through 2008.

5. The City has multiple districts that are provided services. The First District is downtown Norwalk, the second is South Norwalk, the third is East Norwalk, The fourth includes street lighting and garbage pickup, and the fifth includes no garbage but street lightning. The Sixth District (Rowayton) does not include fire services, garbage, or street lighting. A portion of the milage goes back to their district office to provide certain services.

City of Norwalk
Principal Property Taxpayers
June 30 2008
(amounts expressed in thousands)

Taxpayer	2008			1999		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Merritt 7 Venture LLC	\$ 180,242	1	1.7%	\$ 53,555	2	1.5%
Connecticut Light and Power	108,003	2	1.0%	79,420	1	2.3%
Twenty Five Glover Partners LLC	52,035	3	0.5%			
Thirty Five Glover Partners LLC	49,392	4	0.5%			
SP III River Park LLC	49,016	5	0.5%			
45 Glover Partners LLC	46,643	6	0.4%			
Diageo North America Inc	41,727	7	0.4%			
Merritt River Residential LLC	35,123	8	0.3%			
Norwalk Center LLC	35,066	9	0.3%			
Norwalk Power LLC	34,866	10	0.3%			
U.S Surgical Corporation				33,372	3	1.0%
State of California Public Employee Retirement System				28,005	4	0.8%
Prudential Insurance Company				26,713	5	0.8%
Oxford Health				25,623	6	0.7%
Metropolitan Life Insurance Company				16,916	7	0.5%
Beiersdorf				16,303	9	0.5%
Yankee Gas Services Company				15,052	9	0.4%
Docal Associates (Caldor)				13,825	10	0.4%
Totals	<u>\$ 632,113</u>		<u>5.9%</u>	<u>\$ 308,784</u>		<u>8.9%</u>
Norwalk Power LLC						
Total Taxable Grand List	\$ 10,527,527			\$ 3,472,219		

1. Source: City of Norwalk Assessor's Office

City of Norwalk
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended	Total Tax Levy for	Collected within the		Collections in Subsequent Years	Total Collections to Date		
		Fiscal Year of the Levy			Percentage of		
June 30	Fiscal Year	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
1999	\$ 155,530	\$ 151,871	97.6%	\$ 3,654	\$ 155,525	100.0%	
2000	160,966	157,463	97.8%	3,498	160,961	100.0%	
2001	167,648	164,416	98.1%	3,223	167,639	100.0%	
2002	170,449	167,785	98.4%	3,281	171,066	100.4%	
2003	176,659	173,425	98.2%	2,794	176,219	99.8%	
2004	186,499	183,694	98.5%	2,719	186,413	100.0%	
2005	198,475	195,878	98.7%	2,534	198,412	100.0%	
2006	208,336	205,247	98.5%	2,111	207,358	99.5%	
2007	216,242	213,174	98.6%	2,457	215,631	99.7%	
2008	225,891	222,694	98.6%	-	222,694	98.6%	

1. Source: City of Norwalk Tax Collector's Office.
2. The amount collected each fiscal year represents collections for twelve months. Taxes for the fiscal year are laid on the grand list of October 1, and are due and payable in two installments one-half July 1 and one-half January 1. Failure to pay an installment within one month of the installment due date makes the installment delinquent. If the installment is not paid by August 1, the tax becomes delinquent and a penalty of 1-1/2% per month (18% per annum) is charged from the due date. Real estate is liened for delinquent taxes within one year after the due date.

City of Norwalk
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Total Primary Government	Percentage of Personal Income	Per Capita
1999	\$ 76,159	3.07%	\$ 975
2000	86,388	3.48%	1,041
2001	129,092	4.75%	1,549
2002	139,359	4.97%	1,657
2003	153,174	5.26%	1,820
2004	185,092	6.18%	2,193
2005	216,723	7.02%	2,567
2006	227,207	7.18%	2,694
2007	236,743	7.30%	2,807
2008	245,868	7.48%	2,946

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements
- (2) Ratios are calculated using personal income and population data found in the Demographic and Economic section of statistical information.
- (3) Total personal income is estimated based on the 2000 U.S. Bureau of Census and adjusting by 3% for each year.

City of Norwalk
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
1999	\$ 76,159	0.90%	\$ 976
2000	86,388	0.96%	1,106
2001	129,092	1.43%	1,556
2002	139,359	1.13%	1,673
2003	92,968	0.79%	1,105
2004	126,790	0.81%	1,506
2005	159,579	1.05%	1,890
2006	171,865	1.09%	2,035
2007	183,356	0.97%	2,174
2008	193,417	1.02%	2,318

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Ratios are calculated using estimated actual value of taxable property shown within this section of statistical information.
- (3) Ratios are calculated using population data found in the Demographic and Economic section of statistical information.

CITY OF NORWALK
Direct and Overlapping Governmental Activities Debt
For Fiscal Year 2008
(amounts expressed in thousands)

Second Taxing District of the City of Norwalk (Water and Electric)	\$ 24,126
Subtotal, overlapping debt	<u>24,126</u>
City of Norwalk direct debt	<u>193,417</u>
Total direct and overlapping debt	<u><u>\$ 217,543</u></u>

Note: The Second taxing district of Norwalk provides water and electricity for its residents and has received from the State of Connecticut which they must pay back.

CITY OF NORWALK
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Debt										
Debt Limit	\$ 354,597	\$ 367,940	\$ 389,294	\$ 388,518	\$ 404,243	\$ 424,404	\$ 452,735	\$ 470,780	\$ 489,068	\$ 513,052
Total net debt applicable to limit	65,970	67,060	74,030	69,532	85,942	76,079	89,521	83,647	99,270	115,630
Legal Debt Margin	<u>\$ 288,627</u>	<u>\$ 300,880</u>	<u>\$ 315,264</u>	<u>\$ 318,986</u>	<u>\$ 318,301</u>	<u>\$ 348,325</u>	<u>\$ 363,214</u>	<u>\$ 387,133</u>	<u>\$ 389,798</u>	<u>\$ 397,422</u>
Total net debt applicable to the limit as percentage of debt limit	18.60%	18.23%	19.02%	17.90%	21.26%	17.93%	19.77%	17.77%	20.30%	22.54%
Schools										
Debt Limit	\$ 709,194	\$ 735,879	\$ 778,589	\$ 777,036	\$ 808,486	\$ 848,807	\$ 905,470	\$ 941,562	\$ 978,135	\$ 1,026,104
Total net debt applicable to limit	25,021	23,610	35,966	38,499	92,204	138,759	164,222	161,038	152,149	144,016
Legal Debt Margin	<u>\$ 684,173</u>	<u>\$ 712,269</u>	<u>\$ 742,623</u>	<u>\$ 738,537</u>	<u>\$ 716,282</u>	<u>\$ 710,048</u>	<u>\$ 741,248</u>	<u>\$ 780,524</u>	<u>\$ 825,986</u>	<u>\$ 882,088</u>
Total net debt applicable to the limit as percentage of debt limit	3.53%	3.21%	4.62%	4.95%	11.40%	16.35%	18.14%	17.10%	15.56%	14.04%
Sewers										
Debt Limit	\$ 590,995	\$ 613,233	\$ 648,824	\$ 647,530	\$ 673,738	\$ 707,339	\$ 754,558	\$ 784,634	\$ 815,112	\$ 855,086
Total net debt applicable to limit	45,581	52,012	63,288	53,729	51,031	47,906	48,127	45,018	46,153	54,398
Legal Debt Margin	<u>\$ 545,414</u>	<u>\$ 561,221</u>	<u>\$ 585,536</u>	<u>\$ 593,801</u>	<u>\$ 622,707</u>	<u>\$ 659,433</u>	<u>\$ 706,431</u>	<u>\$ 739,616</u>	<u>\$ 768,959</u>	<u>\$ 800,688</u>
Total net debt applicable to the limit as percentage of debt limit	7.71%	8.48%	9.75%	8.30%	7.57%	6.77%	6.38%	5.74%	5.66%	6.36%
Urban Renewal										
Debt Limit	\$ 512,196	\$ 531,468	\$ 562,314	\$ 561,192	\$ 583,906	\$ 613,027	\$ 653,950	\$ 680,017	\$ 706,431	\$ 741,075
Total net debt applicable to limit	4,770	15,080	14,957	3,892	8,739	9,161	9,296	8,946	9,680	20,458
Legal Debt Margin	<u>\$ 507,426</u>	<u>\$ 516,388</u>	<u>\$ 547,357</u>	<u>\$ 557,300</u>	<u>\$ 575,167</u>	<u>\$ 603,866</u>	<u>\$ 644,654</u>	<u>\$ 671,071</u>	<u>\$ 696,751</u>	<u>\$ 720,617</u>
Total net debt applicable to the limit as percentage of debt limit	0.93%	2.84%	2.66%	0.69%	1.50%	1.49%	1.42%	1.32%	1.37%	2.76%
Pension Funding (1)										
Debt Limit	Not applicable	\$ 490,586	\$ 519,059	\$ 518,024	\$ 538,990	\$ 565,872	\$ 603,647	\$ 627,708	\$ 652,090	\$ 684,069
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>-</u>	<u>\$ 490,586</u>	<u>\$ 519,059</u>	<u>\$ 518,024</u>	<u>\$ 538,990</u>	<u>\$ 565,872</u>	<u>\$ 603,647</u>	<u>\$ 627,708</u>	<u>\$ 652,090</u>	<u>\$ 684,069</u>
Total net debt applicable to the limit as percentage of debt limit	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total										
Debt Limit	\$ 1,103,191	\$ 1,144,701	\$ 1,211,138	\$ 1,208,722	\$ 1,257,644	\$ 1,320,367	\$ 1,408,509	\$ 1,464,651	\$ 1,521,543	\$ 1,596,162
Total net debt applicable to limit	141,342	157,762	188,241	165,652	237,916	271,905	311,166	298,649	307,252	334,502
Legal Debt Margin	<u>\$ 961,849</u>	<u>\$ 986,939</u>	<u>\$ 1,022,897</u>	<u>\$ 1,043,070</u>	<u>\$ 1,019,728</u>	<u>\$ 1,048,462</u>	<u>\$ 1,097,343</u>	<u>\$ 1,166,002</u>	<u>\$ 1,214,291</u>	<u>\$ 1,261,660</u>
Total net debt applicable to the limit as percentage of debt limit	12.81%	13.78%	15.54%	13.70%	18.92%	20.59%	22.09%	20.39%	20.19%	20.96%

(1) There was no legal debt limit for Pension Funding prior to Fiscal Year 2000.

CITY OF NORWALK
Legal Debt Margin Information
For Fiscal For Fiscal Year 2008
(amounts expressed in thousands)

Total Fiscal Year 2008 tax collections (taxes, interest and fees)	\$ 227,981
Tax Relief for the elderly	<u>42</u>
Base for establishing debt limit	<u><u>\$ 228,023</u></u>

	<u>General</u>			<u>Urban</u>	<u>Pension</u>	
	<u>Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Renewal</u>	<u>Funding</u>	<u>Total</u>
Debt Limitation						
2 1/4 times base	\$ 513,052					
4 1/2 times base		\$ 1,026,104				
3 3/4 times base			\$ 855,086			
3 1/4 times base				\$ 741,075		
3 times base					\$ 684,069	
7 times base						\$ 1,596,162
Total net debt applicable to limit	<u>115,630</u>	<u>144,016</u>	<u>54,398</u>	<u>20,458</u>	<u>-</u>	<u>334,502</u>
Legal Debt Margin	<u><u>\$ 397,422</u></u>	<u><u>\$ 882,088</u></u>	<u><u>\$ 800,688</u></u>	<u><u>\$ 720,617</u></u>	<u><u>\$ 684,069</u></u>	<u><u>\$ 1,261,660</u></u>

**City of Norwalk
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income (amount expressed in thousands)	Per Capita Personal Income	Median Family Income	Median Age	School Enrollment	Unemployment Rate
1999	78,064	\$ 2,406,557	\$ 30,828	94,300	(1)	10,779	3.1%
2000	78,083	2,481,556	31,781	102,400	37.8	10,865	1.8%
2001	82,951	2,715,318	32,734	109,800	37.6	10,999	2.7%
2002	83,316	2,806,666	33,687	115,500	37.0	11,163	3.3%
2003	84,127	2,914,159	34,640	110,500	(1)	11,193	4.1%
2004	84,170	2,995,863	35,593	111,600	(1)	11,119	4.2%
2005	84,412	3,084,921	36,546	(1)	38.5	11,080	4.1%
2006	84,437	3,166,303	37,499	(1)	39.0	10,923	3.8%
2007	84,344	3,243,195	38,452	(1)	(1)	10,782	3.5%
2008	84,344	3,175,250	38,047	(1)	(1)	10,782	3.5%

Data Sources

(1) Data not available for this particular year

(2) Total personal income and per capita personal income is estimated based on the 2000 U.S. Bureau of Census and adjusting by 3% for each year.

(3) School Enrollment is per the City of Norwalk Board of Education.

**City of Norwalk
Principal Employers
Current Year and Nine Years Ago**

Employer	Nature of Business	2008			1999		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of Norwalk	Municipal Government	2,014	1	3.2%	1,959	1	3.1%
Norwalk Health Services Corporation	Hospital/Health Services	1,900	2	3.0%	1,600	2	2.5%
Stew Leonard's	Retail Dairy Store/Grocery	800	3	1.3%	750	8	1.2%
MBI	Direct Mail Marketing	800	3	1.3%	700	9	1.1%
Diageo	Premium Beverage Manufacturer	700	5	1.1%			
Hewitt Associates	Management Consultants	600	6	1.0%			
U.S. Surgical Corporation	Automatic Suture Instruments	500	7	0.8%	1,000	4	1.6%
Northrup Grumman Norden Systems	Electronic & Radar Systems	500	7	0.8%	650	10	1.0%
Beiersdorf, Inc.	Personal Care Products	450	9	0.7%			
Reed Exhibition Company	Trade Show/Publisher	450	9	0.7%			
Perkin Elmer Corporation	Corp. Headquarters and Optical Electronics				1,300	3	2.1%
Caldor, Inc.	Corporate Headquarters and Retail Stores				1,000	4	1.6%
Pepperidge Farm Inc.	Corporate Headquarters and Bakery				850	6	1.3%
Oxford Health Plans	Health Plan Organization				800	7	1.3%
Total		<u>8,714</u>		<u>10.7%</u>	<u>10,609</u>		<u>13.7%</u>

(1) Source: City of Norwalk Redevelopment Authority

CITY OF NORWALK
Budget Full-time Employees
Last Ten Fiscal Years

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	41	44	44	44	44	44	45	48	49	49
Finance	36	37	35	35	35	33	34	34	35	35
Health & welfare	20	20	20	20	20	20	21	21	21	21
Police	205	207	206	206	206	196	196	196	199	199
Fire	146	146	147	148	149	144	143	143	143	143
Other protection	19	19	19	19	19	35	42	43	45	45
Public works & traffic	145	148	119	119	113	109	114	107	107	107
Education	1,282	1,295	1,299	1,318	1,327	1,304	1,304	1,320	1,353	1,384
Recreation, arts & cultural	55	55	55	57	57	57	54	54	54	54
Total	1,949	1,971	1,944	1,966	1,970	1,942	1,953	1,966	2,006	2,037

Data Sources: City Budget Office and Education Budget Office.

CITY OF NORWALK
Operating Indicators by Function
Last Ten Fiscal Years (1)

Function	2004	2005	(2) 2006	2007	2008
General government					
Land records recorded	31,810	26,452	28,500	22,931	22,931
Vital records recorded	2,879	3,166	3,000	3,641	3,641
Dog licenses issued	1,718	2,048	2,165	2,201	2,201
Absentee ballots issued	(3)	2,515	664	1,667	1,667
Health & welfare					
Food establishment inspections conducted	1,826	1,800	1,715	1,826	1,738
Septic systems and lots inspected	70	75	91	72	55
Beauty salons inspected	100	95	88	139	106
Police					
Calls for service	61,510	61,639	64,318	67,087	68,778
Criminal arrests	3,923	4,312	3,965	3,333	3,492
Traffic citations issued	4,264	4,212	6,065	6,593	6,786
Medical emergencies responded to	6,620	7,115	6,794	7,403	7,586
Marine assistance calls	252	267	246	202	200
Fire					
Fire calls	2,885	3,024	2,910	2,957	2,957
Medical calls	3,135	3,014	2,948	2,857	2,857
Fire alarms answered	(2)	(2)	(2)	(2)	(2)
Combined Dispatch					
Emergency calls received	(2)	(2)	82,000	(2)	(2)
Non-emergency calls received	(2)	(2)	281,000	(2)	(2)
Public works					
Lane miles of roadways swept	625	1,250	625	625	625
Tons of solid waste collected and disposed	82,349	88,240	94,125	85,312	77,163
Tons of recyclable materials collected and disposed	7,082	7,600	9,000	7,404	7,607
Recreation, arts & cultural					
Athletic contests played at City venues	20,000	25,000	25,000	26,000	26,000
Athletic activities practiced at City venues	5,000	5,000	5,000	5,500	5,500
Visitors to library	388,000	392,000	420,000	428,000	480,000

(1) Data is not available prior to fiscal year 2004

(2) Not available

CITY OF NORWALK
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Police cars	72	92	107	124	114	122	122	119	120	105
Marine vessels	3	3	3	3	3	3	3	3	3	3
Fire										
Fire stations	5	5	5	5	5	5	5	5	5	5
Public works										
Miles of streets	625	625	625	625	625	625	625	625	625	625
Miles of sidewalks	125	125	125	125	125	125	125	125	125	125
Miles of sanitary sewers	165	165	165	165	165	165	165	180	180	180
Municipal parking spaces	3,356	3,356	3,785	3,846	4,487	4,487	4,487	3,973	3,973	3,973
Vehicles	(1)	(1)	(1)	(1)	(1)	132	147	171	210	295
Pump Stations	26	26	26	26	26	26	26	24	24	24
Recreation, arts & cultural										
Acres of public park lands	1,300	1,000	1,000	1,000	1,000	1,000	1,000	1,050	1,050	1,050
Public beaches	2	2	2	2	2	2	2	2	2	2
Boat launching areas	2	2	2	2	2	2	2	2	2	2
Municipal marinas	1	1	1	1	1	1	2	2	2	2
Athletic diamonds	41	41	41	41	41	41	41	41	41	41
Municipal golf courses (18 holes)	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Library branches	4	4	4	4	4	4	4	4	4	4
Library volumes	275,000+	275,000+	275,000+	275,000+	275,000+	305,000+	305,000+	275,000+	259,788	248,718
Public museums	3	3	3	3	3	3	3	3	3	3

(1) Not available