

CITY OF NORWALK,  
CONNECTICUT



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
**FISCAL YEAR ENDED JUNE 30, 2011**  
DEPARTMENT OF FINANCE  
125 EAST AVENUE  
NORWALK, CONNECTICUT



# **CITY OF NORWALK, CONNECTICUT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2011



PREPARED BY THE FINANCE DEPARTMENT

DIRECTOR OF FINANCE  
COMPTROLLER

THOMAS S. HAMILTON  
FREDERIC J. GILDEN



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## **Introductory Section**





**DEPARTMENT OF FINANCE  
OFFICE OF THE DIRECTOR**

**LETTER OF TRANSMITTAL**

December 28, 2011

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, 2011.

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, 2011.

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, 2011. 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 85,653, 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](http://www.norwalkct.org). The City employs nearly 2,000 full-time people to fulfill its municipal functions.

## **FACTORS AFFECTING FINANCIAL CONDITION**

Norwalk is strategically located with a significant vibrant retail, corporate and tourism center in Southern Connecticut. 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 2.5% of the City's total grand list. This extraordinary diversity among employment sectors and industries creates great resilience for the City in economic downturns.

Norwalk has not been immune to the impact of the recession of 2008. The City experienced a contraction of real estate conveyance tax, interest income, town clerk recording and other economically sensitive revenues. However, since property tax revenues comprise about 90% of Norwalk's total revenue and property revaluation takes place only once every 5 years in Connecticut, Norwalk has better insulated from the most detrimental impacts of the recession.

## **MAJOR DEVELOPMENT INITIATIVES**

As the national economy begins to show preliminary signs of recovery, a variety of projects are underway in the City of Norwalk, providing diversity of opportunities in various real estate sectors, with a significant concentration in multi-family housing.

Norwalk has several large projects currently underway or recently completed. Site work has begun on a new 33,000 square foot innovation center for Pepperidge Farm Corporation located at 595 Westport Ave. The new innovation center is an addition to Pepperidge Farm's 100,000 square foot corporate headquarters, bringing valuable new research and development facilities to the City and retaining a valuable employer. Leasing at the adjacent 597 Westport, a newly constructed 235 unit luxury housing development completed in 2010, is well underway. Avalon Norwalk also completed its mixed-use development with 311 units of multifamily housing and 15,000 square feet of new retail space. Located along the Norwalk River, this new construction has brought pedestrian traffic to Norwalk Center, adding new residents and round-the clock activity to downtown streets. Summerview Square, a 45 unit multifamily development located at Jefferson and West Main Streets has completed two of its four phases and is ready to break ground on the largest phase of 32 units. This development has transformed this neighborhood of older historic homes with new vitality and is expected to be complete next summer.

Construction on Norwalk Hospital's new 628 space parking garage is nearly complete and the Zoning Commission is currently reviewing its application for a 92,600 square foot addition to add new state-of-the-art outpatient facilities to the Hospital campus. Construction is also underway at Maplewood at Strawberry Hill, a project to convert the former Fitch School on Strawberry Hill Avenue into an 84 unit congregate housing facility.

In addition to the above, the ongoing development of i-Park, the former Perkin Elmer site on Main Avenue owned by National RE/Sources, continued in 2011. L.A. Fitness received approval for a 12,000 square foot addition to its 48,000 square foot health club in July and plans to break ground early next year. The main building at iPark has been rehabilitated with Class A medical office space, repositioning this former office and warehouse complex into a new mixed-use complex with state-of-the-art medical offices. In each instance, the City has expedited permitting while ensuring that the infrastructure improvements needed to accommodate new development and mitigate any adverse impacts are provided. Another health club facility, a new Crunch health club recently opened at 770 Connecticut Ave, across from Costco, establishing a new use for this former manufacturing facility. A proposed 180-child day care center is currently proposed for the same property and if approved is expected to open in next year.

As the economy readjusts, the use and occupancy of major parcels must also change to reflect new economic realities. The City works with property owners to accommodate the repositioning of commercial property to permit new uses. The Zoning Commission recently approved a modification to an approved plan at 10 Norden Place. The original plan for a 4 story office building was revised to a 2 story data recovery center with associated office space to respond to the increased need for corporations to have safe places to store critical data. The Commission also approved a zoning amendment to permit multifamily development as a new use in the Restricted Industrial Zone to permit the construction of a new 240 unit development on the vacant rear parcel at 8 Norden Place. In 2011, this newly approved multifamily development and the new 168,000 square foot data center and office building are poised to move forward; converting underutilized industrial land into new uses to ensure the future viability of this important parcel.

2012 promises to be an exciting year in Norwalk as several large-scale mixed-use developments will be moving forward. The District 95/7 project received approval to proceed with a new 232 unit mixed use development on West Avenue just south of Reed Street. Site work continued over the past year to connect North Water Street and the Maritime Aquarium with West Avenue under the Danbury Line Railroad. This progress represents an important first step in implementing the approved plans for District 95/7, a 1.1 million square foot mixed use development with office, residential, retail and restaurant space along the west side of the Norwalk Harbor just south of Interstate 95. Waypointe, a large mixed-use development by Seligson Properties in partnership with Belpointe Capital, received approvals for two phases of its 10 acre development in 2011. The first phase will result in a new 474,800 square foot development located on the block between Orchard and Merwin Streets along with a 145,000 square foot development just to the north at 15 Merwin Street. Together these two developments will add more than 650 residential units and 50,000 square feet of retail to the area located midway between SoNo and Norwalk Center. Construction is set to begin on both projects early in 2012.

Wall Street Place by POKO-IWSR Partners will redesign the Isaacs Street municipal parking lot into a new mixed-use development with 101 residential units and the City's first automated parking garage. This development was delayed due to an appeal by an adjacent property owner; however the Commission's action was upheld by the court, enabling the project to move forward in 2012. Further south on West Avenue, The Berkeley, a new six-story, 150,000 s.f. mixed use development, approved for 60 new residential units, ground floor retail and state of the art medical office space, is also advancing. These two projects will bring another 160 new housing units to Norwalk Center.

In South Norwalk several new developments were approved in 2011. The SoNo Ice House will transform the former Nash Manufacturing plant into a new professional quality indoor ice rink. The former Corday tie factory adjacent to the SoNo Railroad Station will be converted into office on the first floor with 17 multifamily units above. In November, a new application was submitted to replace the former Norwalk Company property in historic SoNo with a new 5 story mixed-use development with 107 residential units with views of Norwalk Harbor and ground floor retail. This new building will also include a new parking garage providing much needed public parking on Washington St; all of which will bring a new vibrancy to South Main Street.

Merritt 7 Corporate Park continues to provide corporate tenants with Class A office space and is home to some of the nation's largest corporations including FactSet Research Systems, Emcor Group, Arch Chemicals and the Financial Accounting Foundation. The adjacent Towers at Merritt with three Class A office buildings totaling 650,000 square feet, has become home to a number of corporate tenants. Xerox Corporation relocated its corporate headquarters from Stamford to 45 Glover Avenue, where it shares space with Hewitt Associates. Building 801 is fully occupied by the world headquarters of Diageo PLC and Building 901 is home to General Electric Commercial Finance, occupying 87,000 square feet on the top two floors. In 2012, a new office building is planned to replace an existing parking lot located south of Glover Avenue adjacent to the Merritt Parkway, adding another 82,700 square feet of prime office space to the property.

The Planning Commission continues to spearhead implementation of the City's newly-adopted Plan of Conservation and Development for Norwalk, which was adopted by the Common Council and signed by the Mayor in 2008. The Plan envisions new transit-oriented green development with active street level uses and upper floor housing located near existing MetroNorth transportation facilities. The Commission has been instrumental in granting approval for applications to move each of Norwalk's large mixed use developments forward. The City has retained Fitzgerald Halliday to prepare a new Pedestrian and Bikeway Transportation Plan for Norwalk intended to implement the Plan's objective to reduce traffic, to create a more walkable community and to provide a connected system of bikeways and walkways throughout the City. After two public meetings, the Plan is nearly complete. The next step will be to pursue capital projects to implement the Plan's recommendations to connect existing paths, sidewalks and bicycle facilities into a seamless network.

Continued, steady growth is expected in 2012. The number of zoning permits issued has risen slightly over the past two years and development is expected to continue to increase slightly over last year's pace.

### **RELEVANT FINANCIAL POLICY**

The City has a long-term financial plan in its capital program. A five year program for infrastructure capital improvements is updated annually. The plan identifies anticipated funding sources. The City confines long-term borrowing primarily to capital improvements and capital projects financed through the issuance of bonds that will be financed for a period not to exceed the useful life of the project. In addition the City projects its operating budget for 3 years as well as anticipates its debt service and pension costs for multiple years.

The City re-negotiated contracts of several bargaining units to have zero salary increases for the 2010-2011 Fiscal Year. Other measures included a zero budget increase for the Board of Education for the 2010-2011 budget, a budget formulation message to departments for the 2010-2011 budget and 2011-2012 budget stating that no additional programs will be considered unless there are projected revenues to cover them. The effect of this policy will be to lower future years operating costs in the short and long-term.

### **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, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for presentation of state and local government financial reports.

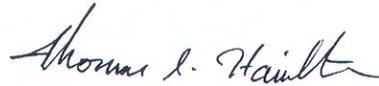
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to the programs standards. The CAFR must satisfy both generally accepted accounting principles and applicable 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 20 consecutive years (fiscal years 1991 through 2010). 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,

A handwritten signature in black ink, reading "Thomas S. Hamilton". The signature is written in a cursive style with a prominent initial 'T'.

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, 2010

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.



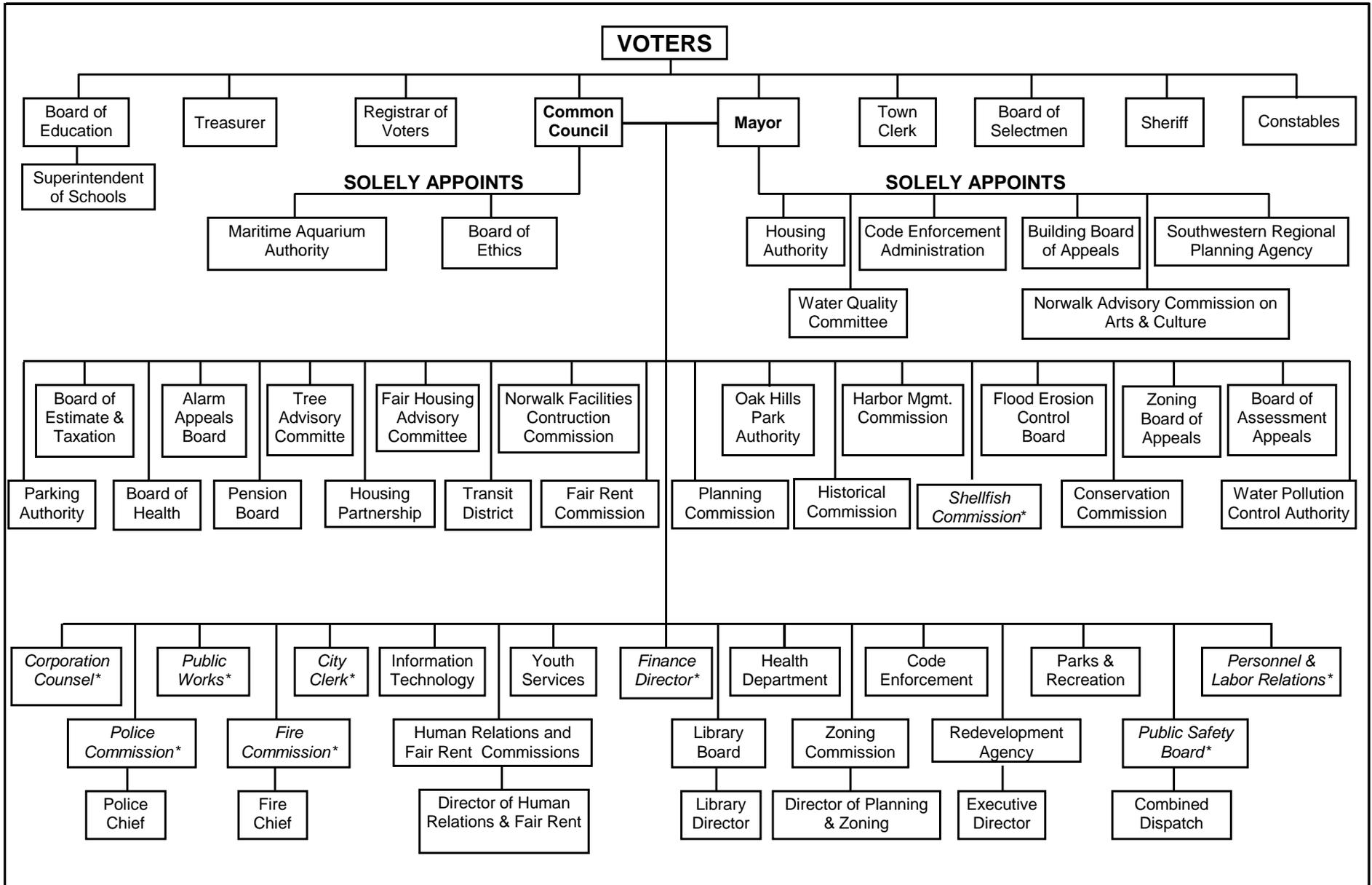
*Linda C. Davidson*

President

*Jeffrey R. Egan*

Executive Director

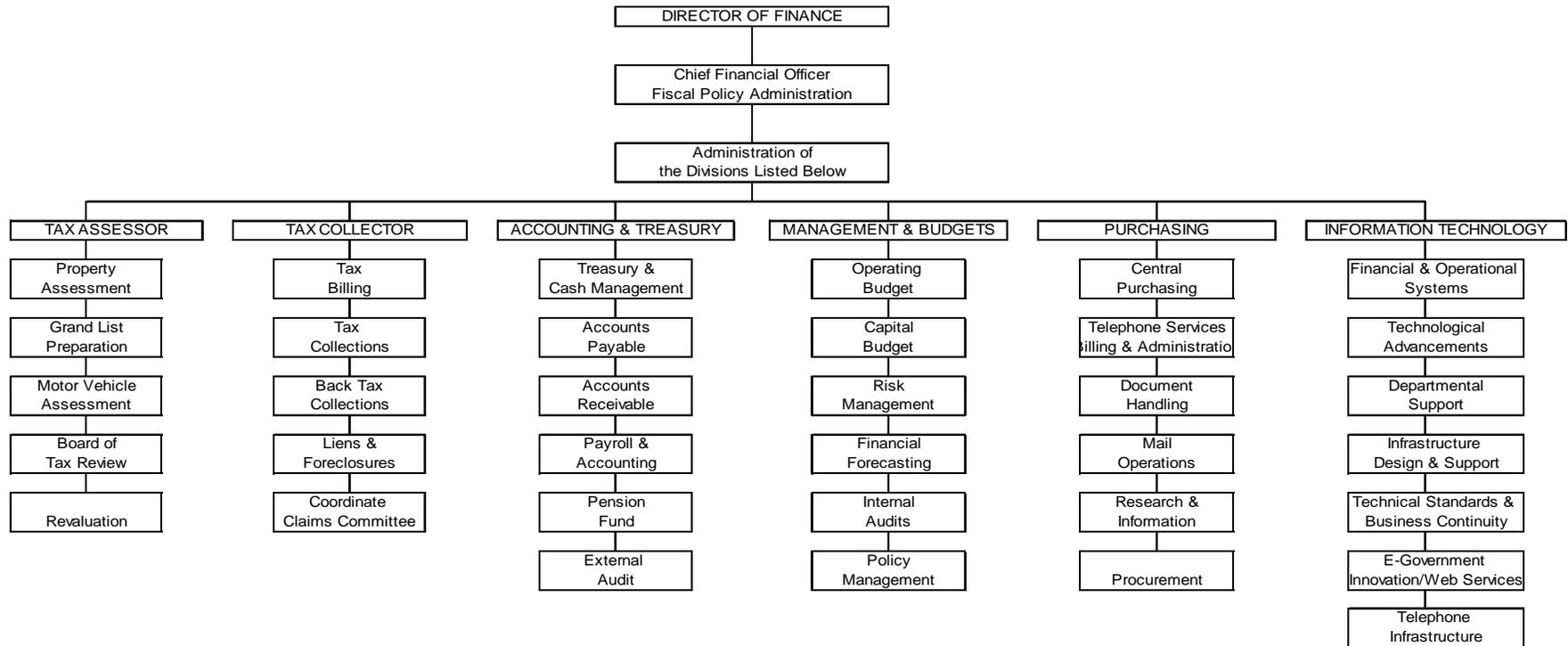
# CITY OF NORWALK GOVERNMENT ORGANIZATION



*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**

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<b>OFFICE</b>	<b>NAMES</b>	<b>SELECTION/TERM</b>
Mayor	Richard A. Moccia	Elected - 2 Years
Director of Finance	Thomas S. Hamilton	Appointed - Indefinite
Superintendent of Schools	Susan F. Marks	Appointed - Indefinite
Corporation Counsel	Robert Maslan	Appointed - 2 Years

**MEMBERS OF COMMON COUNCIL**

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	Douglas E. Hempstead, President	
	Richard Bonenfant, Majority Leader	
	Laurel E. Lindstrom, Minority Leader	
Fred A. Bondi	Andrew T. Conroy	Calvin J. Hilliard
David Jaeger	Nora King	Nicholas D. Kydes
Richard A. McQuaid	Clyde J. Mount	Joanne Romano
Travis Simms	Kelly L. Straniti	John Tobin

**MEMBERS OF THE BOARD OF ESTIMATE & TAXATION**

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Leo Mellow	James Feigenbaum
Michael W. Lyons	Michael Kolman
Friedrich N. Wilms	James C. Clark

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**Financial Section**





## 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, 2011, 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 respective 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 12 to the basic financial statements, the City adopted Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," which changed its method of accounting of governmental funds fund balance classification and restated various funds' beginning fund balances.

In accordance with "Government Auditing Standards," we have also issued our report dated December 28, 2011 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's discussion and analysis and the schedules of funding progress for pensions and other post-employment benefits, schedule of employer contributions and the budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods

of measurement and presentation of the 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 28, 2011

## 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 year's 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 \$16.6 million or 4.8 %. The governmental net assets increased by \$9.2 million or 3.4% and the business-type net assets increased by \$7.4 million or 9.8%.
- The General Fund (the primary operating fund), reflected on a current financial resource basis, reports an increase of \$1.4 million or 4.8%.

### 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 page 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 19 - 20) 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)

	Governmental		Business-Type		Total	
	Activities		Activities		Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 126,208	\$ 109,626	\$ 10,322	\$ 12,742	\$ 136,530	\$ 122,368
Capital assets	460,945	455,394	131,868	118,252	592,813	573,646
<b>Total assets</b>	<b>587,153</b>	<b>565,020</b>	<b>142,190</b>	<b>130,994</b>	<b>729,343</b>	<b>696,014</b>
Current and other liabilities	53,746	44,948	3,212	2,457	56,958	47,405
Noncurrent liabilities	256,564	252,430	56,310	53,242	312,874	305,672
<b>Total liabilities</b>	<b>310,310</b>	<b>297,378</b>	<b>59,522</b>	<b>55,699</b>	<b>369,832</b>	<b>353,077</b>
Net assets:						
Invested in capital assets, net of debt	263,358	265,737	77,295	67,625	340,653	333,362
Restricted	626	-	-	-	626	-
Unrestricted (deficit)	12,859	1,905	5,373	7,670	18,232	9,575
<b>Total net assets</b>	<b>\$ 276,843</b>	<b>\$ 267,642</b>	<b>\$ 82,668</b>	<b>\$ 75,295</b>	<b>\$ 359,511</b>	<b>\$ 342,937</b>

For more detailed information see the Statement of Net Assets (page 12).

### **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 \$18.8 million of new debt and the construction on major capital projects this year: The other major impacts were \$15.7 million of principal on debt paid this year and \$9.2 million of depreciation on fixed assets. The major impacts to Net Assets in business-type activities was the issuance of \$1.3 million of new debt, \$5.0 million principal paid on debt this year and \$3.2 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.

**CITY OF NORWALK, CONNECTICUT**  
**Changes in Net Assets (\$000's)**

	<b>Table 2</b>					
	<b>Changes in Net Assets (In Thousands)</b>					
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Government</b>	
	2011	2010	2011	2010	2011	2010
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charge for services	\$ 18,678	\$ 19,641	\$ 18,521	\$ 18,391	\$ 37,199	\$ 38,032
Operating grants and contributions	49,006	47,742	-	-	49,006	47,742
Capital grants and contributions	5,156	5,887	4,629	3,656	9,785	9,543
<b>General Revenues:</b>						
General property, taxes and assessments	256,470	246,276	-	-	256,470	246,276
Interest income	1,950	1,750	289	252	2,239	2,002
Other general revenues	6,439	5,076	-	-	6,439	5,076
<b>Total revenues</b>	<b>337,699</b>	<b>326,372</b>	<b>23,439</b>	<b>22,299</b>	<b>361,138</b>	<b>348,671</b>
<b>EXPENSES</b>						
<b>Program Activities Primary Government:</b>						
<b>Governmental Activities:</b>						
General government	13,725	15,259	-	-	13,725	15,259
Education	214,237	209,628	-	-	214,237	209,628
Public safety	46,491	43,722	-	-	46,491	43,722
Health and welfare	4,896	5,711	-	-	4,896	5,711
Public Works	29,909	25,524	-	-	29,909	25,524
Recreation, arts and cultural	9,112	9,313	-	-	9,112	9,313
Debt service	10,128	7,692	-	-	10,128	7,692
	<b>328,498</b>	<b>316,849</b>	<b>-</b>	<b>-</b>	<b>328,498</b>	<b>316,849</b>
<b>Business-Type Activities:</b>						
Parking Authority	-	-	5,551	5,827	5,551	5,827
Water Pollution Control Authority	-	-	10,515	11,400	10,515	11,400
	<b>-</b>	<b>-</b>	<b>16,066</b>	<b>17,227</b>	<b>16,066</b>	<b>17,227</b>
<b>Total expenses</b>	<b>328,498</b>	<b>316,849</b>	<b>16,066</b>	<b>17,227</b>	<b>344,564</b>	<b>334,076</b>
<b>Increase in net assets</b>	<b>9,201</b>	<b>9,523</b>	<b>7,373</b>	<b>5,072</b>	<b>16,574</b>	<b>14,595</b>
<b>Net Assets, beginning</b>	<b>267,642</b>	<b>258,119</b>	<b>75,295</b>	<b>70,223</b>	<b>342,937</b>	<b>328,342</b>
<b>Net Assets, ending</b>	<b>\$ 276,843</b>	<b>\$ 267,642</b>	<b>\$ 82,668</b>	<b>\$ 75,295</b>	<b>\$ 359,511</b>	<b>\$ 342,937</b>

## 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

The Major revenue impact in governmental activities was an increase in property tax revenue of \$8.4 million due to an increase in the tax levy and continued aggressive measures in collecting delinquent taxes. The major impact on expenses was an increase in expenditures in debt service of \$3.0 million as in accordance with our capital and debt service long range plans. Major impacts in revenue and expenses in business-type activities included both the Water Pollution Control Authority and Parking Authority being able to collect revenues and control expenses.

## THE CITY FUNDS

### General Fund

#### *Comparing Fiscal Year 2011 to Fiscal Year 2010*

As of the year-end, the General Fund (as presented on the Schedule of General Fund Expenditures, Encumbrances and Transfers Out - Budget Basis - Budget and Actual on pages 64 to 67) has \$1.6 million more in actual revenues than expenditures. 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 an increase in investment income due to an increase in interest rates. Debt Service interest increased mainly due to the first principal payment on the Fiscal Year 2009 \$18 million General Obligation bonds sold for various capital projects.

#### *Comparing Original Budget to Final Budget*

As of the year-end, the General Fund (as presented on the Schedule of General Fund Expenditures, Encumbrances and Transfers Out - Budget Basis - Budget and Actual on pages 64 to 67) had only one significant change in budgeted revenues which was Intergovernmental Revenues, due to receiving more monies from Federal FEMA and the State of Connecticut than was originally planned.

### *Comparing Final Budget to Actual Results*

As of the year-end, the General Fund (as presented on the Schedule of General Fund Expenditures, Encumbrances and Transfers Out - Budget Basis - Budget and Actual on pages 64 to 67), had no significant revenue or expenditure variances.

### **Capital Projects Fund**

#### *Comparing Fiscal Year 2011 to Fiscal Year 2010*

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 \$26.3 which is \$5.9 million more than the beginning of the year. Major impacts were Intergovernmental Revenues for redevelopment projects from the state and issuance of bonds, and expenditures mainly for redevelopment and public works projects.

### **Water Pollution Control Authority**

#### *Comparing Fiscal Year 2011 to Fiscal Year 2010*

As of the year-end, the Water Pollution Control Authority (as presented on the Statement of Revenues, Expenses, and Changes in Net Assets (Deficits) - Proprietary Funds on page 17) reported fund net assets of \$63.3 million which is 13.7% more than the beginning of the year (\$55.6 million). Major impacts were a successful year of collecting sewer charges as well as controlling costs.

### **Parking Authority**

#### *Comparing Fiscal Year 2011 to Fiscal Year 2010*

As of the year-end, the Parking Authority (as presented on the Statement of Revenues, Expenses, and Changes in Net Assets (Deficits)- Proprietary Funds on page 18) reported a fund net assets of \$19.4 million which is 1.3% less than the beginning of the year (\$19.7 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 \$592.8 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)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Land	\$ 23,630	\$ 4,839	\$ 28,469
Construction in Progress	308	-	308
Land Improvements	7,296	66	7,362
Machinery and Equipment	11,291	563	11,854
Buildings and Improvements	252,678	111,116	363,794
Infrastructure	165,742	15,284	181,026
<b>Total</b>	<b>\$ 460,945</b>	<b>\$ 131,868</b>	<b>\$ 592,813</b>

**Table 4**  
**Change in Capital Assets**  
**(In Thousands)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Beginning balance	\$ 455,394	\$ 118,252	\$ 573,646
Additions/transfers	35,684	16,791	52,475
Disposals/transfers	(20,955)	-	(20,955)
Depreciation	(9,178)	(3,175)	(12,353)
<b>Total</b>	<b>\$ 460,945</b>	<b>\$ 131,868</b>	<b>\$ 592,813</b>

Major capital activity during the year were for a various Capital Improvements. Capital Assets are presented in more detail in Note 5.

## Debt Outstanding

As of year-end, the City had \$263.0 million in debt (bonds, notes, etc.) outstanding compared to the \$257.4 million last year, a 2.2% net increase (considering new borrowing and debt retirement). The following summarizes Outstanding Debt which is presented in more detail in Note 6.

**Table 5**  
**Outstanding Debt, at Year-End**  
**(In Thousands)**  
**Governmental Activities**

	<u>2011</u>	<u>2010</u>
<b>Governmental:</b>		
General obligation bonds	\$ 206,706	\$ 203,901
	<u>206,706</u>	<u>203,901</u>
<b>Business-Type:</b>		
Parking Authority-general obligation bonds	11,245	10,577
Water Pollution Control Authority - general obligation bonds and Clean Water Fund notes	45,064	42,664
	<u>56,309</u>	<u>53,241</u>
<b>Total</b>	<u>\$ 263,015</u>	<u>\$ 257,142</u>

During the year the City issued \$19.4 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 7.9%, up from 7.3% a year ago. This compares favorably to the state rate of 9.1% and national rate of 8.7%.

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 2009 and 2010 and has continued to be low due to the sluggish real estate market. The City property tax collection rate is lower caused by the current recession in the economy but is constantly monitored as well as the 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, 2011

	Governmental Type Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 57,019,485	\$ 5,454,660	\$ 62,474,145
Investments	55,583,230	4,463,974	60,047,204
Receivables, net of allowances for collection losses:			
Property taxes, net	5,002,981	-	5,002,981
Charges, net	-	345,451	345,451
Accounts, net	4,684,972	58,737	4,743,709
Federal and state governments	2,130,526	-	2,130,526
Inventories and prepaids	638,763	-	638,763
Deferred charges	1,072,483	-	1,072,483
Net pension asset	74,817	-	74,817
Capital assets, not being depreciated	23,938,156	4,838,762	28,776,918
Capital assets, net of accumulated depreciation	437,007,229	127,028,893	564,036,122
<b>Total assets</b>	<b>587,152,642</b>	<b>142,190,477</b>	<b>729,343,119</b>
<b>Liabilities</b>			
Accounts payable and accruals	32,425,997	2,766,295	35,192,292
Unearned revenue	21,320,356	446,136	21,766,492
Noncurrent liabilities:			
Due within one year	22,008,225	15,543,983	37,552,208
Due in more than one year	234,555,316	40,765,769	275,321,085
<b>Total liabilities</b>	<b>310,309,894</b>	<b>59,522,183</b>	<b>369,832,077</b>
<b>Net Assets</b>			
Investment in capital assets, net of related debt	263,358,561	77,295,021	340,653,582
Restricted	625,548	-	625,548
Unrestricted	12,858,639	5,373,273	18,231,912
<b>Total net assets</b>	<b>\$ 276,842,748</b>	<b>\$ 82,668,294</b>	<b>\$ 359,511,042</b>

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, 2011

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	\$ (13,725,229)	\$ 4,867,815	\$ 2,197,330	\$ -	\$ (6,660,084)	\$ -	\$ (6,660,084)
Education	(214,236,997)	1,298,182	42,519,970	574,921	(169,843,924)	-	(169,843,924)
Public Safety	(46,491,109)	272,177	254,084	-	(45,964,848)	-	(45,964,848)
Health and welfare	(4,895,609)	549,195	4,034,319	-	(312,095)	-	(312,095)
Public Works	(29,908,749)	10,720,361	-	4,581,045	(14,607,343)	-	(14,607,343)
Recreation, arts and cultural	(9,111,858)	969,967	-	-	(8,141,891)	-	(8,141,891)
Interest on debt	(10,127,826)	-	-	-	(10,127,826)	-	(10,127,826)
<b>Total governmental activities</b>	<b>(328,497,377)</b>	<b>18,677,697</b>	<b>49,005,703</b>	<b>5,155,966</b>	<b>(255,658,011)</b>	<b>-</b>	<b>(255,658,011)</b>
Business-type activities:							
Parking Authority	(5,550,982)	5,267,914	-	-	-	(283,068)	(283,068)
Water Pollution Control Authority	(10,515,486)	13,253,692	-	4,629,351	-	7,367,557	7,367,557
<b>Total business-type activities</b>	<b>(16,066,468)</b>	<b>18,521,606</b>	<b>-</b>	<b>4,629,351</b>	<b>-</b>	<b>7,084,489</b>	<b>7,084,489</b>
Total primary government	\$ (344,563,845)	\$ 37,199,303	\$ 49,005,703	\$ 9,785,317	(255,658,011)	7,084,489	(248,573,522)
General revenues:							
Property taxes					256,469,816	-	256,469,816
Grants and contributions not restricted to specific programs					6,438,442	-	6,438,442
Unrestricted investment earnings					1,950,245	288,553	2,238,798
Total general revenues					264,858,503	288,553	265,147,056
Change in net assets					9,200,492	7,373,042	16,573,534
Net assets - beginning					267,642,256	75,295,252	342,937,508
Net assets - ending					\$ 276,842,748	\$ 82,668,294	\$ 359,511,042

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

CITY OF NORWALK, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2011

	Major Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
<b>Assets</b>				
Cash and cash equivalents	\$ 36,254,791	\$ 16,953,868	\$ 1,679,845	\$ 54,888,504
Investments	30,024,936	14,775,974	1,619,014	46,419,924
Receivables (net of allowances for collection losses):				
Property taxes	4,934,483	68,498	-	5,002,981
Accounts receivable	4,519,926	-	148,651	4,668,577
State and federal governments	72,217	827,365	1,230,944	2,130,526
Inventories	-	-	51,225	51,225
<b>Total assets</b>	<b>\$ 75,806,353</b>	<b>\$ 32,625,705</b>	<b>\$ 4,729,679</b>	<b>\$ 113,161,737</b>
<b>Liabilities</b>				
Accounts payable	\$ 20,683,784	\$ 5,396,041	\$ 1,287,754	\$ 27,367,579
Unearned revenues	18,923,736	80,144	2,316,476	21,320,356
Deferred revenues	5,624,346	818,498	-	6,442,844
<b>Total liabilities</b>	<b>45,231,866</b>	<b>6,294,683</b>	<b>3,604,230</b>	<b>55,130,779</b>
<b>Fund balances</b>				
Nonspendable	-	-	51,225	51,225
Restricted	-	14,160,975	625,548	14,786,523
Committed	-	12,170,047	448,676	12,618,723
Assigned	1,946,156	-	-	1,946,156
Unassigned	28,628,331	-	-	28,628,331
Total fund balances	30,574,487	26,331,022	1,125,449	58,030,958
<b>Total liabilities and fund balances</b>	<b>\$ 75,806,353</b>	<b>\$ 32,625,705</b>	<b>\$ 4,729,679</b>	

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.	460,945,385
Deferred charges	1,072,483
Net pension asset	74,817
Deferred revenues are not available and therefore not recognized in the funds.	6,442,844
Accrued interest	(4,621,813)
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.	(910,488)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(244,191,438)

Net assets of governmental activities

\$ 276,842,748

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, 2011

	Major Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
<b>REVENUES</b>				
Property taxes, interest and liens	\$ 255,380,363	\$ 39,381	\$ -	\$ 255,419,744
Intergovernmental	15,956,939	4,337,468	25,416,367	45,710,774
State on-behalf payments	14,126,829	-	-	14,126,829
Licenses, permits, fees and other	8,833,627	-	9,844,070	18,677,697
Interest	1,077,789	202,651	-	1,280,440
<b>Total revenues</b>	<b>295,375,547</b>	<b>4,579,500</b>	<b>35,260,437</b>	<b>335,215,484</b>
<b>EXPENDITURES</b>				
Current:				
General government	7,861,765	-	272,632	8,134,397
Health and welfare	1,886,496	-	2,648,309	4,534,805
Education	164,604,885	-	21,796,705	186,401,590
Employee benefits	29,412,097	-	-	29,412,097
Public safety	39,549,799	-	4,644	39,554,443
Community grants	3,016,523	-	1,231,679	4,248,202
Public works	15,552,312	-	10,879	15,563,191
Recreation, arts and culture	6,962,012	-	66,725	7,028,737
Maritime Center operations	-	-	8,545,888	8,545,888
Capital outlay	-	17,314,958	-	17,314,958
Debt service:				
Principal	15,733,897	-	-	15,733,897
Interest	9,393,007	176,086	-	9,569,093
<b>Total expenditures</b>	<b>293,972,793</b>	<b>17,491,044</b>	<b>34,577,461</b>	<b>346,041,298</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,402,754</b>	<b>(12,911,544)</b>	<b>682,976</b>	<b>(10,825,814)</b>
<b>OTHER FINANCING SOURCES</b>				
Issuance of debt	-	18,844,000	-	18,844,000
<b>Total other financing sources</b>	<b>-</b>	<b>18,844,000</b>	<b>-</b>	<b>18,844,000</b>
<b>Net change in fund balances</b>	<b>1,402,754</b>	<b>5,932,456</b>	<b>682,976</b>	<b>8,018,186</b>
<b>FUND BALANCES, beginning, as restated (Note 12)</b>	<b>29,171,733</b>	<b>20,398,566</b>	<b>442,473</b>	<b>50,012,772</b>
<b>FUND BALANCES, ending</b>	<b>\$ 30,574,487</b>	<b>\$ 26,331,022</b>	<b>\$ 1,125,449</b>	<b>\$ 58,030,958</b>

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



CITY OF NORWALK, CONNECTICUT

STATEMENT OF NET ASSETS (DEFICIT) - PROPRIETARY FUNDS

June 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental
	Water Pollution			Activities
	Control Authority	Parking Authority	Totals	Internal Service Fund
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 4,873,128	\$ 581,532	\$ 5,454,660	\$ 2,130,981
Charges receivable, net	345,451	-	345,451	-
Other receivables	15,232	43,505	58,737	16,395
Investments	3,982,565	481,409	4,463,974	9,163,306
Prepays	-	-	-	587,538
<b>Total current assets</b>	<b>9,216,376</b>	<b>1,106,446</b>	<b>10,322,822</b>	<b>11,898,220</b>
<b>CAPITAL ASSETS, NET</b>	<b>102,010,558</b>	<b>29,857,097</b>	<b>131,867,655</b>	<b>-</b>
<b>Total assets</b>	<b>111,226,934</b>	<b>30,963,543</b>	<b>142,190,477</b>	<b>11,898,220</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Current maturities of bonds and notes payable	15,020,872	523,111	15,543,983	-
Accounts payable and accrued liabilities	2,460,133	306,162	2,766,295	436,836
Claims payable	-	-	-	3,531,192
Unearned revenue	446,136	-	446,136	-
<b>Total current liabilities</b>	<b>17,927,141</b>	<b>829,273</b>	<b>18,756,414</b>	<b>3,968,028</b>
<b>LONG-TERM LIABILITIES</b>				
Bonds and notes payable	30,043,831	10,721,938	40,765,769	-
Claims payable	-	-	-	8,840,680
<b>Total long-term liabilities</b>	<b>30,043,831</b>	<b>10,721,938</b>	<b>40,765,769</b>	<b>8,840,680</b>
<b>Total liabilities</b>	<b>47,970,972</b>	<b>11,551,211</b>	<b>59,522,183</b>	<b>12,808,708</b>
<b>NET ASSETS (DEFICIT)</b>				
Invested in capital assets (net of related debt)	57,995,854	19,299,167	77,295,021	-
Unrestricted	5,260,108	113,165	5,373,273	(910,488)
<b>Total net assets (deficit)</b>	<b>\$ 63,255,962</b>	<b>\$ 19,412,332</b>	<b>\$ 82,668,294</b>	<b>\$ (910,488)</b>

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 (DEFICITS) - PROPRIETARY FUNDS  
For the Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Funds			Governmental
	Water Pollution			Activities
	Control Authority	Parking Authority	Totals	Internal Service Fund
<b>OPERATING REVENUES</b>				
City and member's contributions	\$ -	\$ -	\$ -	\$ 44,644,137
Charges for services	13,253,692	5,267,914	18,521,606	-
<b>Total operating revenues</b>	<b>13,253,692</b>	<b>5,267,914</b>	<b>18,521,606</b>	<b>44,644,137</b>
<b>OPERATING EXPENSES</b>				
Administrative and operations	6,787,683	3,968,271	10,755,954	1,093,417
Depreciation	2,262,543	912,504	3,175,047	-
Salaries, benefits and claims	474,593	222,287	696,880	44,815,635
<b>Total operating expenses</b>	<b>9,524,819</b>	<b>5,103,062</b>	<b>14,627,881</b>	<b>45,909,052</b>
<b>Operating income (loss)</b>	<b>3,728,873</b>	<b>164,852</b>	<b>3,893,725</b>	<b>(1,264,915)</b>
<b>NONOPERATING INCOME (EXPENSE)</b>				
Investment income	267,584	20,969	288,553	669,805
Interest expense	(990,667)	(447,920)	(1,438,587)	-
<b>Total nonoperating income (expense)</b>	<b>(723,083)</b>	<b>(426,951)</b>	<b>(1,150,034)</b>	<b>669,805</b>
<b>Net income (loss) before contributions</b>	<b>3,005,790</b>	<b>(262,099)</b>	<b>2,743,691</b>	<b>(595,110)</b>
Capital contributions	4,629,351	-	4,629,351	-
<b>Change in net assets</b>	<b>7,635,141</b>	<b>(262,099)</b>	<b>7,373,042</b>	<b>(595,110)</b>
<b>FUND NET ASSETS (DEFICIT), beginning</b>	<b>55,620,821</b>	<b>19,674,431</b>	<b>75,295,252</b>	<b>(315,378)</b>
<b>FUND NET ASSETS (DEFICIT), ending</b>	<b>\$ 63,255,962</b>	<b>\$ 19,412,332</b>	<b>\$ 82,668,294</b>	<b>\$ (910,488)</b>

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, 2011

	Business-Type Activities - Enterprise Funds			Governmental
	Water Pollution	Parking	Totals	Activities
	Control Authority	Authority		Internal Service Fund
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 13,413,696	\$ 5,319,861	\$ 18,733,557	\$ 44,784,761
Payments to suppliers	(5,956,311)	(4,300,550)	(10,256,861)	
Payments to employees/claims paid	(471,424)	(219,973)	(691,397)	(45,635,829)
<b>Net cash provided by (used in) operating activities</b>	<b>6,985,961</b>	<b>799,338</b>	<b>7,785,299</b>	<b>(851,068)</b>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Principal payments on debt	(3,653,345)	(608,266)	(4,261,611)	-
Transfer of debt	(700,000)	-	(700,000)	-
Interest paid on debt	(967,761)	(379,051)	(1,346,812)	-
Proceeds from notes payable	6,753,533	1,276,000	8,029,533	-
Intergovernmental	4,629,351	-	4,629,351	-
Purchase of property and equipment	(15,912,550)	(878,579)	(16,791,129)	-
<b>Net cash used in capital and related financing activities</b>	<b>(9,850,772)</b>	<b>(589,896)</b>	<b>(10,440,668)</b>	<b>-</b>
<b>Cash Flows From Investing Activities</b>				
Sale (purchase) of investments	2,218,553	(31,227)	2,187,326	275,413
Investment income	267,584	20,969	288,553	669,805
<b>Net cash provided by (used in) investing activities</b>	<b>2,486,137</b>	<b>(10,258)</b>	<b>2,475,879</b>	<b>945,218</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(378,674)</b>	<b>199,184</b>	<b>(179,490)</b>	<b>94,150</b>
<b>Cash and Cash Equivalents</b>				
Beginning	5,251,802	382,348	5,634,150	2,036,831
Ending	<u>\$ 4,873,128</u>	<u>\$ 581,532</u>	<u>\$ 5,454,660</u>	<u>\$ 2,130,981</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used in) Operating Activities</b>				
Operating income (loss)	\$ 3,728,873	\$ 164,852	\$ 3,893,725	\$ (1,264,915)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,262,543	912,504	3,175,047	-
Changes in assets and liabilities:				
Increase in charges receivable	(31,013)	-	(31,013)	-
Decrease in other receivables	32,307	51,978	84,285	140,624
Decrease in prepaids	-	-	-	170,422
Increase (decrease) in accounts payable and accrued expenses	834,541	(329,996)	504,545	-
Increase in claims and judgments payable	-	-	-	102,801
Increase in unearned income	158,710	-	158,710	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 6,985,961</b>	<b>\$ 799,338</b>	<b>\$ 7,785,299</b>	<b>\$ (851,068)</b>
<b>Noncash Investment Activities</b>				
Net increase in fair value of investments	<u>\$ 505,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 505,609</u>

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, 2011

	Trust Funds	Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 24,974,741	\$ 91,104	\$ 1,737,618
Investments:			
U.S. Government Agency	2,446,388	-	-
U.S. Government Securities	9,886,945	-	-
Corporate bonds	6,078,116	-	-
Common stock	57,906,727	-	-
Hedge/alternative investments	97,260,756	-	-
Index Funds	19,901,793	-	-
Commingled funds	81,948,809	-	-
Mutual Funds	70,875,316	-	-
<b>Total investments</b>	<b>346,304,850</b>	<b>-</b>	<b>-</b>
Secured lending transactions	16,635,736	-	-
Accounts receivable	14,159	-	-
Prepays	41,470	-	-
Accrued income	343,229	-	-
<b>Total assets</b>	<b>388,314,185</b>	<b>91,104</b>	<b>1,737,618</b>
<b>LIABILITIES</b>			
Secured lending transactions	16,635,736	-	-
Other liabilities	1,013,142	-	1,737,618
<b>Total liabilities</b>	<b>17,648,878</b>	<b>-</b>	<b>1,737,618</b>
<b>Net Assets Held in Trust</b>	<b>\$ 370,665,307</b>	<b>\$ 91,104</b>	<b>\$ -</b>

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, 2011

	Trust Funds	Private Purpose Trust Fund
<b>Additions</b>		
Contributions:		
Employer	\$ 18,145,841	\$ -
Plan members	3,058,868	-
Other	505,870	6,411
<b>Total contributions</b>	<b>21,710,579</b>	<b>6,411</b>
Investment Income:		
Interest and dividends	7,117,638	1,215
Net appreciation in fair value of investments	59,521,473	-
Investment expense	(1,043,503)	-
<b>Net investment income</b>	<b>65,595,608</b>	<b>1,215</b>
Securities lending transactions income	53,198	-
Securities lending transactions expense	(21,238)	-
<b>Net investment income - securities lending</b>	<b>31,960</b>	<b>-</b>
<b>Deductions</b>		
Benefits paid	34,131,245	-
General and administrative	424,598	6,450
<b>Total deductions</b>	<b>34,555,843</b>	<b>6,450</b>
<b>Net increase</b>	<b>52,782,304</b>	<b>1,176</b>
<b>Net Assets Held in Trust</b>		
Beginning of year	317,883,003	89,928
End of year	<b>\$ 370,665,307</b>	<b>\$ 91,104</b>

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

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011**

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**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 <sup>st</sup>	X	X	X	X	
2 <sup>nd</sup>	X	X	X	X	
3 <sup>rd</sup>	X	X	X	X	
4 <sup>th</sup>	X	X	X	X	X
5 <sup>th</sup>	X			X	X
6 <sup>th</sup>	X				
7 <sup>th</sup>	X		X		
8 <sup>th</sup>	X	X		X	
9 <sup>th</sup>	X	X		X	

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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 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

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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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).

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 and reports all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* is used to account for and report 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.

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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The City reports the following major proprietary funds:

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.

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.

Additionally, the City reports the following fund types:

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

*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 *Trust Funds* account for the activities of the City's four defined benefit pension plans and OPEB plan, which accumulate resources for pension and OPEB 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.

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.

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.

#### **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

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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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.

**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, except as discussed below.

The pension funds allow for investments in certain alternative investments. Alternative investments may include private equity partnerships, infrastructure limited 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.

**Allowance for Doubtful Accounts**

Accounts receivable for the primary government are reported net of an allowance for doubtful accounts, totaling approximately \$2,566,000 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, 2011**

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

<u>Assets</u>	<u>Years</u>
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. In governmental funds, a liability is recognized when amounts are due as a result of retirement or termination, whereas a liability is recognized 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.

**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.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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**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 assigned fund balance as they do not constitute expenditures or liabilities.

**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.

**Fund Balance**

In the governmental fund financial statements, the City reported the following governmental fund balances:

- Nonspendable Fund Balance - These amounts cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.
- Restricted Fund Balance - These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Committed Fund Balance – This represents amounts constrained prior to year-end, for a specific purpose by a government using its highest level of decision-making authority (City of Norwalk, Common Council).
- Assigned Fund Balance – Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts.
- Unassigned Fund Balance – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

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

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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**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.

***Government-Wide 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 is required to make annual contributions based on the actuaries' valuation.

**Other Post Employment Obligations (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. Employees begin contributing on July 1, 2007.

***Government-Wide 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 July 1, 2007, 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 management's decisions, taking into account the latest actuarial valuation.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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**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	\$ 206,706,307
Premiums and gains/losses on refunding, net of accumulated amortization	5,041,502
Net pension obligation	1,525,640
Early retirement	1,259,500
Capital lease	283,984
Other post-employment obligation	12,767,854
Claims payable	805,000
Compensated absences	<u>15,801,651</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 244,191,438</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	\$ 14,729,900
Depreciation expense	<u>(9,178,414)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 5,551,486</u>

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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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	\$ (18,844,000)
Premium amortization	1,391,476
Deferred gain/loss amortization	(718,555)
Principal repayments:	
General obligation debt	16,038,303
Capital lease payments	<u>93,891</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (2,038,885)</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	\$ 512,081
Accrued interest	(1,489,124)
Pension liability	35,964
Early retirement	403,500
Other post-employment obligation	(3,874,090)
Deferred charges	(140,827)
Claims payable	<u>1,005,000</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>\$ (3,547,496)</u></u>

**Note 3. 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.

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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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 for investment in shares of the Connecticut Short Term Investment Fund, Cutwater CT Class, 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	45%
Fixed Income	25%
Inflation Hedge Fund	3%
Hedge	16%
Cash	1%
Private Investments	10%

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, 2011, approximately \$69,245,000 of the entity's bank balance of \$72,943,000 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.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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Cash and investments of the City consist of the following at June 30, 2011:

<b>Cash and Cash Equivalents</b>	
Deposits with financial institutions	\$ 74,082,093
State of Connecticut Short-Term Investment Fund	282,173
Cutwater Connecticut Class	14,913,342
<b>Total cash and cash equivalents</b>	<u>89,277,608</u>
<b>Investments</b>	
General Fund	
U.S. Government Securities	17,539,344 *
Mutual Funds	12,485,592
<b>Total general fund</b>	<u>30,024,936</u>
Non-Major Funds	
U.S. Government Securities	943,274 *
Mutual Funds	675,740
<b>Total non-major funds</b>	<u>1,619,014</u>
Capital Projects Fund	
U.S. Government Securities	8,610,281 *
Mutual Funds	6,165,693
<b>Total capital projects fund</b>	<u>14,775,974</u>
Internal Service Funds	
Common Stock	2,615,622 *
U.S. Government Securities	3,655,953 *
Mutual Funds	2,036,269
Corporate bonds	855,462 *
<b>Total internal service fund</b>	<u>9,163,306</u>
WPCA:	
U.S. Government Securities	2,320,727 *
Mutual Funds	1,661,838
<b>Total WPCA</b>	<u>3,982,565</u>
Parking Authority:	
U.S. Government Securities	280,527 *
Mutual Funds	200,882
<b>Total parking authority</b>	<u>481,409</u>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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**Investments, Continued**

Trust Funds:		
U.S. Government Agencies	2,446,388	*
U.S. Government Securities	9,886,945	*
Corporate Bonds	6,078,116	*
Common stock	57,906,727	*
Mutual Funds	70,875,316	
Index Funds	19,901,793	
Hedge/alternative investments	97,260,756	
Commingled funds	81,948,809	
<b>Total trust funds</b>	<u>346,304,850</u>	
<b>Total investments</b>	<u>406,352,054</u>	
<b>Total cash and investments</b>	<u><u>\$ 495,629,662</u></u>	

\* *These investments are uninsured and unregistered, with securities held by the counterparty, but in the City's or the pension fund's name.*

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

**Statement of Net Assets**

Cash and cash equivalents	\$ 62,474,145
Investments	<u>60,047,204</u>
<b>Total statement of net assets</b>	<u>122,521,349</u>

**Fiduciary Funds:**

Cash and cash equivalents	26,803,463
Investments	<u>346,304,850</u>
	<u>373,108,313</u>
<b>Total cash and investments</b>	<u><u>\$ 495,629,662</u></u>

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

*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	\$ 43,237,051	\$ 278,360	\$ 25,182,072	\$ 7,512,169	\$ 10,264,450
U.S. Government Agencies	2,446,388	-	611,774	1,834,614	-
Pooled fixed income	15,195,515	15,195,515	-	-	-
Corporate Bonds	6,933,578	-	2,966,123	3,512,238	455,217
<b>TOTAL</b>	<b>\$ 67,812,532</b>	<b>\$ 15,473,875</b>	<b>\$ 28,759,969</b>	<b>\$ 12,859,021</b>	<b>\$ 10,719,667</b>

*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 actual credit rating by Standard and Poor's as required for each debt type investment.

Average Rating	Corporate Bonds	U.S. Government Agencies	Pooled Fixed Income	U.S. Government Securities
AAA	\$ -	\$ 2,446,388	\$ -	\$ 43,237,051
AAAm	-	-	15,195,515	-
A-	284,410	-	-	-
AA+	149,089	-	-	-
A	4,109,755	-	-	-
AA	1,337,604	-	-	-
BBB	910,492	-	-	-
A+	142,228	-	-	-
	<b>\$ 6,933,578</b>	<b>\$ 2,446,388</b>	<b>\$ 15,195,515</b>	<b>\$ 43,237,051</b>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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**Note 4. 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
<b>General Fund:</b>		
Taxes and accrued interest on delinquent property taxes	\$ -	\$ 5,536,603
Advanced tax collections	13,458,429	-
Tax overpayments	2,497,339	-
Grants and other	2,967,968	87,743
<b>Capital Projects:</b>		
Grants	80,144	-
Tax revenue	-	818,498
<b>Nonmajor Funds:</b>		
Grants	2,316,476	-
<b>Total</b>	<u>\$ 21,320,356</u>	<u>\$ 6,442,844</u>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

**Note 5. Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions/ Transfers	Disposals/ Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 21,905,400	\$ 1,724,497	\$ -	\$ 23,629,897
Construction in progress	20,954,251	308,259	(20,954,251)	308,259
Total capital assets, not being depreciated	42,859,651	2,032,756	(20,954,251)	23,938,156
Capital assets, being depreciated:				
Land improvements	12,244,085	2,061,352	-	14,305,437
Machinery and equipment	36,082,866	3,583,484	(301,858)	39,364,492
Buildings and improvements	331,011,816	1,528,537	-	332,540,353
Infrastructure	164,906,050	26,478,022	-	191,384,072
Total capital assets being depreciated	544,244,817	33,651,395	(301,858)	577,594,354
Less accumulated depreciation for:				
Land improvements	6,658,063	351,250	-	7,009,313
Machinery and equipment	26,905,895	1,469,301	(301,385)	28,073,811
Buildings and improvements	73,594,129	6,267,964	-	79,862,093
Infrastructure	24,552,009	1,089,899	-	25,641,908
Total accumulated depreciation	131,710,096	9,178,414	(301,385)	140,587,125
Total capital assets, being depreciated, net	412,534,721	24,472,981	(473)	437,007,229
Governmental activities capital assets, net	\$ 455,394,372	\$ 26,505,737	\$ (20,954,724)	\$ 460,945,385

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

	Beginning Balance	Additions/ Transfers	Disposal/ Transfers	Ending Balance
<b>Business-type activities:</b>				
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	13,250,893	83,394	-	13,334,287
Buildings and improvements	131,902,411	16,707,735	-	148,610,146
Infrastructure	28,677,753	-	-	28,677,753
Total capital assets, being depreciated	174,340,345	16,791,129	-	191,131,474
Less accumulated depreciation for:				
Land improvements	425,535	17,703	-	443,238
Machinery and equipment	12,608,405	162,704	-	12,771,109
Buildings and improvements	34,929,534	2,564,563	-	37,494,097
Infrastructure	12,964,060	430,077	-	13,394,137
Total accumulated depreciation	60,927,534	3,175,047	-	64,102,581
Total capital assets, being depreciated, net	113,412,811	13,616,082	-	127,028,893
Business-type activities capital assets, net	\$ 118,251,573	\$ 13,616,082	\$ -	\$ 131,867,655

Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
General government	\$ 120,604
Education	4,956,009
Public safety	1,201,588
Health and welfare	31,742
Public works	1,615,839
Recreation, arts and cultural	1,252,632
<b>Total depreciation expense – governmental activities</b>	<b>\$ 9,178,414</b>
<b>Business-type activities:</b>	
Parking Authority	\$ 912,504
Water Pollution Control Authority	2,262,543
<b>Total depreciation expense – business-type activities</b>	<b>\$ 3,175,047</b>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

**Note 6. Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 203,048,530	\$ 18,844,000	\$ (15,733,895)	\$ 206,158,635	\$ 15,161,237
Maritime Center bonds	852,080	-	(304,408)	547,672	283,552
Deferred amounts:					
For issuance premiums and gain/loss	5,714,423	718,555	(1,391,476)	5,041,502	-
<b>Total bonds and notes payable</b>	<b>209,615,033</b>	<b>19,562,555</b>	<b>(17,429,779)</b>	<b>211,747,809</b>	<b>15,444,789</b>
Compensated absences	16,313,732	6,220,449	(6,732,530)	15,801,651	2,500,000
Capital lease	377,875	-	(93,891)	283,984	98,744
Net pension obligation	1,561,604	-	(35,964)	1,525,640	-
Other post-employment obligation	8,893,764	3,874,090	-	12,767,854	-
Early retirement accrual	1,663,000	94,500	(498,000)	1,259,500	433,500
Risk financing activities	12,195,114	44,992,393	(44,815,635)	12,371,872	3,531,192
Claims payable	1,810,000	-	(1,005,000)	805,000	-
<b>Total other long term debt</b>	<b>42,815,089</b>	<b>55,181,432</b>	<b>(53,181,020)</b>	<b>44,815,501</b>	<b>6,563,436</b>
<b>Governmental activity long-term liabilities</b>	<b>\$ 252,430,122</b>	<b>\$ 74,743,987</b>	<b>\$ (70,610,799)</b>	<b>\$ 256,563,310</b>	<b>\$ 22,008,225</b>
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds and notes payable	\$ 48,497,857	\$ 1,276,000	\$ (4,961,710)	\$ 44,812,147	\$ 4,046,378
Interim clean water fund notes	4,744,072	6,753,533	-	11,497,605	11,497,605
<b>Total bonds and notes payable</b>	<b>53,241,929</b>	<b>8,029,533</b>	<b>(4,961,710)</b>	<b>56,309,752</b>	<b>15,543,983</b>
<b>Business-type activity long-term liabilities</b>	<b>\$ 53,241,929</b>	<b>\$ 8,029,533</b>	<b>\$ (4,961,710)</b>	<b>\$ 56,309,752</b>	<b>\$ 15,543,983</b>

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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**Compensated absences**

The obligation represents the employee (vested and nonvested) compensated absences expected to be paid in the future, aggregating approximately \$15,802,000 as of June 30, 2011. This amount is recorded in the government wide statements, and paid out of the general fund.

**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, 2011 was approximately \$1,526,000. 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, 2011 was approximately \$12,768,000. 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, 2011 is approximately \$1,259,500 on the government wide statements, and is paid out of the general fund.

**Claims Payable**

The obligation represents an accrual for wage increases in relation to unsettled labor contracts, severance and other claims to be paid in the future when negotiations have been settled. The amount at June 30, 2011 is approximately \$805,000. This amount is recorded in the government-wide statements, and will be paid out of the general fund.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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**Bonded indebtedness**

As of June 30, 2011, the outstanding general obligation bonded indebtedness of the City was as follows:

***Governmental Activities***

**General Obligation Debt**

<u>Purpose</u>	<u>Interest Rate %</u>	<u>Amount</u>
Capital improvement	4.20-5.00	\$ 534,952
Capital improvement	3.00-4.00	7,649,250
Capital improvement	3.00-4.00	3,304,249
Capital improvement	4.25-5.50	1,422,790
Capital improvement	4.00-5.75	9,636,652
Capital improvement	3.00-5.00	15,750,000
Capital improvement	4.00-5.00	21,800,000
Capital improvement	2.00-5.00	52,307,606
Capital improvement	3.00-5.00	17,037,600
Capital improvement	2.25-5.00	14,114,000
Capital improvement	2.00-5.00	15,879,306
Capital improvement	3.00-5.00	27,878,230
Capital improvement	1.60-5.20	6,000,000
Capital improvement	1.60-5.20	12,844,000
		<u>\$ 206,158,635</u>

**Capital Lease**

Property and equipment with a carrying value at June 30, 2011 of approximately \$655,000 and accumulated depreciation of \$390,000 is being acquired under capital lease arrangements. Future minimum payments under capital lease arrangements are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 110,820
2013	110,820
2014	83,115
<b>Total</b>	<u>304,755</u>
Less amount representing interest at 5.05%	20,771
<b>Total</b>	<u>\$ 283,984</u>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

**Maritime Center Project Bonds**

Purpose	Interest Rate %	Amount
Maritime Center Project - Refunding G.O. Bonds, 1986 Series	6.95-7.20%	<u>\$ 547,672</u>

***Business-Type Activities***

**Enterprise Debt**

Purpose	Interest Rate %	Amount
Water Pollution Control Authority Bonds	2.75-6.50%	\$ 8,936,294
Water Pollution Control Authority Clean Water Fund Notes	2.00%	24,630,804
Parking Authority G.O. - Parking Fund	2.00-6.50%	11,245,049
		<u>\$ 44,812,147</u>

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, 2011 is as follows:

Year Ended June 30,	General Obligation Debt	Maritime Center Project Debt	Total Interest Amount	Total Principal and Interest Amount
2012	\$ 15,161,237	\$ 283,552	\$ 9,865,894	\$ 25,310,683
2013	15,674,994	264,120	8,967,129	24,906,243
2014	17,693,254	-	7,009,993	24,703,247
2015	16,341,655	-	6,406,339	22,747,994
2016	15,283,849	-	5,804,836	21,088,685
2017-2021	61,658,016	-	20,423,649	82,081,665
2022-2026	47,115,006	-	8,726,972	55,841,978
Thereafter	17,230,624	-	1,486,713	18,717,337
	<u>\$ 206,158,635</u>	<u>\$ 547,672</u>	<u>\$ 68,691,525</u>	<u>\$ 275,397,832</u>

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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A summary of the City's business-type activities' long-term notes and bond principal maturities and related interest at June 30, 2011 is as follows:

Year Ended June 30,	WPCA Debt	Parking Authority Debt	Total Interest Amount	Total Principal and Interest Amount
2012	\$ 3,523,267	\$ 523,111	\$ 1,236,924	\$ 5,283,302
2013	3,649,562	566,343	1,106,157	5,322,062
2014	3,762,212	759,896	986,835	5,508,943
2015	3,745,717	763,651	880,385	5,389,753
2016	3,642,653	728,457	772,673	5,143,783
2017-2021	12,250,170	3,133,089	2,441,681	17,824,940
2022-2026	2,259,001	3,460,664	1,099,823	6,819,488
Thereafter	734,516	1,309,838	122,018	2,166,372
	<u>\$ 33,567,098</u>	<u>\$ 11,245,049</u>	<u>\$ 8,646,496</u>	<u>\$ 53,458,643</u>

**Interim financing**

The City received interim financing from the State of Connecticut of \$11,497,605 for renovations on their wastewater plant. When the project is complete, the short-term interim financing will be restructured into long-term debt.

**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 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, 2011, the amount of defeased debt outstanding, but removed from the City's government-wide financial statements, is as follows:

Prior Year Refundings	<u>\$ 54,360,000</u>
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**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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**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, 2011 as follows:

General purpose	\$	35,979,200
Schools		5,405,330
Sewer		31,358,219
Urban Renewal		6,050,000
<b>Total</b>	<b>\$</b>	<b>78,792,749</b>

**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:

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 579,554,335	\$ 148,478,746	\$ 431,075,589
Pension	772,739,114	-	772,739,114
Schools	1,159,108,671	118,574,967	1,040,533,704
Sewers	965,923,892	64,925,317	900,998,575
Urban renewal	837,134,040	20,308,927	816,825,113

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,803,057,933.

**Subsequent Event**

On July 1, 2011, the City refunded \$18,810,000 of general obligation bonds to refinance previous general obligation bonds at a lower interest rate. The bonds will mature through 2027.

On August 15, 2011, the City issued \$18,000,000 of general obligation bonds to finance certain capital projects. The bonds will mature through 2031.

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

**Capital Projects**

A summary of the uncompleted capital projects of the City at June 30, 2011 follows:

	Project Authorizations	Expenditures Fiscal 2011	Expenditures Cumulative	Unexpended Authorization Balances
	(a)	(b)	(c)	
Department of Public Works				
Clean Water	\$ 45,000,000	\$ 11,590,078	\$ 20,429,702	\$ 24,570,298
Sanitary Sewers	13,985,001	3,780,923	7,857,862	6,127,139
Drainage	8,410,000	531,348	2,609,134	5,800,866
Roads and Highways	24,790,791	6,394,719	15,010,675	9,780,116
Other	11,529,500	416,124	10,531,059	998,441
Police Department	263,000	26,950	119,202	143,798
Fire Department	3,541,250	1,285,952	1,408,955	2,132,295
Parks and Recreation	32,354,303	3,108,234	18,435,398	13,918,905
Board of Education	69,531,043	908,003	60,151,217	9,379,826
Redevelopment Agency	40,234,265	4,253,529	25,723,619	14,510,646
Traffic and Parking	10,498,894	813,360	4,464,235	6,034,659
	<u>\$ 260,138,047</u>	<u>\$ 33,109,220</u>	<u>\$ 166,741,058</u>	<u>\$ 93,396,989</u>

- (a) Represents cumulative Capital Budgets for projects that remain open at June 30, 2011.
- (b) Represents current year expenditures for projects that were open at June 30, 2011.
- (c) Represents aggregate expenditures for projects that were open at June 30, 2011.

Based on the latest estimates of costs to complete the projects, the City does not anticipate the necessity to increase the related authorizations.

**Note 7. 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 all claims, for approximately \$1,168,000. 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.

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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**Note 8. 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. Administrative fees are paid through the plans. The plans do not issue separate, stand-alone, financial reports. For the year ended June 30, 2011, the actuarial valuation date utilized was July 1, 2010.

At the last actuarial valuation date, July 1, 2010, membership consisted of:

	<u>Police</u>	<u>Fire</u>	<u>Employees'</u>	<u>Food Service</u>
Retirees, disabled members and beneficiaries currently receiving benefits	167	146	619	29
Terminated employees entitled to benefits but not yet receiving them	1	1	108	9
Active members	140	122	652	62
Drop members	34	8	-	-
	<u>342</u>	<u>277</u>	<u>1,379</u>	<u>100</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 75% 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 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, 2011 was approximately \$10,038,000.

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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**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, 2011 was approximately \$8,907,000.

**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. No contributions are required after 35 years of service. 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, 2011 was approximately \$35,648,000.

**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 from 1.0% through 2% of final salary times years and months of credited service, depending on date of hire.

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, 2011 was approximately \$920,000.

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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**Total Payroll**

Total payroll for the City for the year ended June 30, 2011 was approximately \$165,220,000 of which approximately \$55,514,000 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 Connecticut. Such on-behalf payments were approximately \$13,030,000 for the year ended June 30, 2011.

The City's annual pension cost and net pension obligation (asset) to the Plans for the year ended June 30, 2011 were as follows:

	Employees'	Police	Fire	Food Service
Annual required contribution	\$ 1,677,163	\$ 1,925,038	\$ 335,135	\$ 89,530
Interest on net pension obligation	43,631	85,201	-	(6,155)
Adjustment to annual required contribution	(42,174)	(82,356)	-	5,950
Annual pension cost	1,678,620	1,927,883	335,135	89,325
Contributions made	(1,717,429)	(1,925,038)	(335,135)	(89,530)
Increase (decrease) in net pension obligation (asset)	(38,809)	2,845	-	(205)
Net pension obligation (asset), beginning of year	528,866	1,032,738	-	(74,612)
Net pension obligation (asset), end of year	<u>\$ 490,057</u>	<u>\$ 1,035,583</u>	<u>\$ -</u>	<u>\$ (74,817)</u>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

**Three Year Trend Information**

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<b><u>Employees' Pension Plan</u></b>			
June 30, 2009	\$ 836,728	103.1%	\$ 524,623
June 30, 2010	893,835	99.5%	528,866
June 30, 2011	1,678,620	102.3%	490,057
<b><u>Police Benefit Fund</u></b>			
June 30, 2009	\$ 1,275,014	99.4%	\$ 927,972
June 30, 2010	1,202,093	91.3%	1,032,738
June 30, 2011	1,927,883	99.9%	1,035,583
<b><u>Firemans Benefit</u></b>			
June 30, 2009	\$ 62,744	100%	\$ -
June 30, 2010	-	100%	-
June 30, 2011	335,135	100%	-
<b><u>Food Service Plan</u></b>			
June 30, 2009	\$ 73,611	100.8%	\$ (74,212)
June 30, 2010	88,702	100.5%	(74,612)
June 30, 2011	89,325	100.2%	(74,817)

**SCHEDULE OF FUNDING PROGRESS**

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
<b>Police Benefit Fund</b>						
07/01/10	\$ 92,593,831	\$ 107,525,222	\$ 14,931,391	86.1%	\$ 10,038,206	148.7%
<b>Firemen's Benefit Fund</b>						
07/01/10	\$ 93,528,996	\$ 92,423,473	\$ (1,105,523)	101.2%	\$ 8,907,133	(12.4)%
<b>Employees' Pension Plan</b>						
07/01/10	\$ 177,700,315	\$ 177,964,459	\$ 264,144	99.9%	\$ 35,648,471	0.7%
<b>Food Service Employees' Pension Plan</b>						
07/01/10	\$ 1,648,073	\$ 2,030,852	\$ 382,779	81.2%	\$ 920,435	41.6%

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

Additional information as of the latest actuarial valuations follows:

	Employees' Pension Plan	Police Benefit Fund	Firemens' Benefit Fund	Food Service Pension Plan
Valuation date	7/1/10	7/1/10	7/1/10	7/1/10
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age
	Normal	Normal	Normal	Normal
Amortization method	Level Percent	Level Percent	Level Percent	Level Percent
	Closed	Closed	Closed	Closed
Remaining amortization period	18 years	18 years	18 years	18 years
Asset valuation method	Investment gains/losses recognized over 5 years	Investment gains/losses recognized over 5 years	Investment gains/losses recognized over 5 years	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%

**TRUST FUNDS**  
**SCHEDULE OF PLAN NET ASSETS**  
**June 30, 2011**

	Pension Trust Funds					Total
	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund	OPEB Trust Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10,678,754	\$ 5,629,723	\$ 5,706,366	\$ 99,212	\$ 2,860,686	\$ 24,974,741
Investments, at fair value:						
U.S. Government Agency	1,186,289	620,854	627,538	11,707	-	2,446,388
U.S. Government Securities	3,658,945	1,914,938	1,935,555	36,109	2,341,398	9,886,945
Corporate Bonds	2,947,366	1,542,528	1,559,135	29,087	-	6,078,116
Common and Preferred						
Equities	28,078,382	14,692,338	14,856,921	279,086	-	57,906,727
Mutual Funds	26,696,797	13,971,983	14,122,409	263,464	15,820,663	70,875,316
Hedge/alternative investments	47,163,146	24,683,212	24,948,957	465,441	-	97,260,756
Commingled funds	39,738,162	20,797,286	21,021,195	392,166	-	81,948,809
Index Funds	9,650,667	5,050,754	5,105,132	95,240	-	19,901,793
Accrued Income	160,353	83,922	84,825	1,582	12,547	343,229
Security lending transactions	8,066,909	4,221,882	4,267,335	79,610	-	16,635,736
Accounts receivable	-	-	-	-	14,159	14,159
Prepays	-	-	-	-	41,470	41,470
<b>Total assets</b>	<b>178,025,770</b>	<b>93,209,420</b>	<b>94,235,368</b>	<b>1,752,704</b>	<b>21,090,923</b>	<b>388,314,185</b>
<b>LIABILITIES</b>						
Security lending transactions	8,066,909	4,221,882	4,267,335	79,610	-	16,635,736
Accounts payable	-	-	-	-	1,013,142	1,013,142
<b>Total liabilities</b>	<b>8,066,909</b>	<b>4,221,882</b>	<b>4,267,335</b>	<b>79,610</b>	<b>1,013,142</b>	<b>17,648,878</b>
<b>Net Assets Held in Trust</b>	<b>\$ 169,958,861</b>	<b>\$ 88,987,538</b>	<b>\$ 89,968,033</b>	<b>\$ 1,673,094</b>	<b>\$ 20,077,781</b>	<b>\$ 370,665,307</b>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

SCHEDULE OF CHANGES IN PLAN NET ASSETS  
Year Ended June 30, 2011

	Pension Trust Funds					Total Trust Funds
	Employees	Fire	Police	Food Service	OPEB	
	Pension Plan	Benefit Fund	Benefit Fund	Employees' Fund	Trust Fund	
<b>Addition</b>						
Contributions						
Employer	\$ 1,717,429	\$ 335,135	\$ 1,925,038	\$ 89,530	\$ 14,078,709	\$ 18,145,841
Plan members	1,257,207	673,208	756,805	29,070	342,578	3,058,868
Other revenue	-	-	-	-	505,870	505,870
<b>Total contributions</b>	<b>2,974,636</b>	<b>1,008,343</b>	<b>2,681,843</b>	<b>118,600</b>	<b>14,927,157</b>	<b>21,710,579</b>
Investment Income						
Interest and dividends	2,591,789	1,361,924	1,364,075	24,701	1,775,149	7,117,638
Net appreciation in fair value of investments	27,970,568	14,704,412	14,695,434	265,401	1,885,658	59,521,473
Investment expense	(508,946)	(264,567)	(265,173)	(4,817)	-	(1,043,503)
<b>Net investment income</b>	<b>30,053,411</b>	<b>15,801,769</b>	<b>15,794,336</b>	<b>285,285</b>	<b>3,660,807</b>	<b>65,595,608</b>
Securities lending transaction income	25,845	13,526	13,572	255	-	53,198
Securities lending transaction expense	(10,298)	(5,390)	(5,448)	(102)	-	(21,238)
<b>Net investment income- securities lending</b>	<b>15,547</b>	<b>8,136</b>	<b>8,124</b>	<b>153</b>	<b>-</b>	<b>31,960</b>
<b>Deductions</b>						
Benefits paid	10,946,908	5,628,974	5,830,896	118,276	11,606,191	34,131,245
General and administrative	40,800	21,573	22,615	2,045	337,565	424,598
<b>Total deductions</b>	<b>10,987,708</b>	<b>5,650,547</b>	<b>5,853,511</b>	<b>120,321</b>	<b>11,943,756</b>	<b>34,555,843</b>
<b>Net increase</b>	<b>22,055,886</b>	<b>11,167,701</b>	<b>12,630,792</b>	<b>283,717</b>	<b>6,644,208</b>	<b>52,782,304</b>
<b>Net Assets Held in Trust</b>						
Beginning of year	147,902,975	77,819,837	77,337,241	1,389,377	13,433,573	317,883,003
End of year	\$ 169,958,861	\$ 88,987,538	\$ 89,968,033	\$ 1,673,094	\$ 20,077,781	\$ 370,665,307

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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**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, 2011, 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, 2011 were as follows:

<u>Collateral Type</u>	<u>Market Value</u> <u>June 30, 2011</u>	<u>Collateral Value</u> <u>June 30, 2011</u>	<u>Collateral</u> <u>Percentage</u>
Cash	<u>\$ 16,271,892</u>	<u>\$ 16,635,736</u>	102%

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, 2011.

**Note 9. 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, 2009. The post-retirement plan does not issue stand-alone financial reports.

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.

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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, 2009, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	1,529
Active plan members	<u>1,898</u>
Total	<u><u>3,427</u></u>

OPEB Obligation

Annual required contribution	\$ 17,791,000
Interest on net OPEB obligation	733,736
Adjustments to ARC	<u>(571,937)</u>
Annual OPEB cost	17,952,799
Contributions made	<u>14,078,709</u>
Increase in net OPEB liability	3,874,090
Net OPEB obligation, beginning of year	<u>8,893,764</u>
Net OPEB obligation, end of year	<u><u>\$ 12,767,854</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 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:

***Schedule of Employer Contributions***

Fiscal Year	Annual OPEB	Employer	Percentage of	Net OPEB
Ending	Cost	Contributions	Annual OPEB	Obligation
			Cost	
			Contributed	
6/30/09	\$ 15,378,023	\$ 12,945,139	84.20%	\$ 6,538,514
6/30/10	16,405,254	14,050,004	85.64%	8,893,764
6/30/11	17,952,799	14,078,709	78.42%	12,767,854

Actuarial	Actuarial	Accrued	Unfunded	Funded	Covered	UAL as a
Valuation	Value of	Liability	Accrued	Ratio	Payroll	Percentage
Date	Assets	Liability	Liability	(a/b)	(C)	of Covered
	(a)	(b)	(b-a)			Payroll
						((b-a)/c)
07/01/2009	\$ 7,819,000	\$ 222,571,000	\$ 214,752,000	3.5%	\$ 162,800,000	3.90%

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Actuarial assumptions are as follows:

Valuation Date:	July 1, 2009
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level percent
Remaining Amortization Period	30 Years Decreasing Closed
Actuarial Assumptions:	
Investment rate of return	8.25%
Inflation rate	5.0%
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%

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.

**Note 10. 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 \$100,000 to the City's real estate, third party liability insurance up to \$12,000,000 for claims above a \$1,000,000 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.

**CITY OF NORWALK, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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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. All City plans are self-insured.

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.

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
2010	\$ 12,960,365	\$ 41,503,273	\$ 42,268,524	\$ 12,195,114
2011	12,195,114	44,992,393	44,815,635	12,371,872

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

**Note 11. Fund Balance**

In Fiscal Year 2011, the Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting standards for governmental funds. It establishes criteria for classifying fund balances into specifically defined classification and clarifies definitions for governmental fund types. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Below is a table of fund balance categories and classifications at June 30, 2011 for the City governmental funds:

	General Fund	Capital Projects	Nonmajor Governmental Funds
Fund balances:			
Nonspendable:			
Inventory	\$ -	\$ -	\$ 51,225
Total nonspendable	-	-	51,225
Restricted:			
General government	-	-	165,190
Public safety	-	-	114,659
Health & welfare	-	-	1,295
Public works	-	-	15,000
Maritime operations	-	-	8,992
Education	-	-	193,887
Recreation	-	-	123,888
Capital projects	-	14,160,975	-
Community grants	-	-	2,637
Total restricted	-	14,160,975	625,548
Committed:			
Public Safety	-	-	448,676
Capital projects	-	12,170,047	-
Total committed	-	12,170,047	448,676
Assigned:			
Education	296,143	-	-
General government	1,594,216	-	-
Public works	55,797	-	-
Total assigned	1,946,156	-	-
Unassigned:			
General government	28,628,331	-	-
Total unassigned	28,628,331	-	-
<b>Total fund balance</b>	<b>\$ 30,574,487</b>	<b>\$ 26,331,022</b>	<b>\$ 1,125,449</b>

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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**Note 12. Accounting Change/Restatement**

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented as of July 1, 2010. The effect of fund type reclassification is as follows:

	General	Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>
Fund balance, June 30, 2010, as previously reported	\$ 28,613,275	\$ 1,000,931
Change in fund type classification per implementation of GASB Statement No. 54:		
Other Programs	558,458	(558,458)
Fund balance, July 1, 2010, as restated	<u>\$ 29,171,733</u>	<u>\$ 442,473</u>

**Note 13. Governmental Accounting Standards Board (GASB) Statements**

The City adopted the following statements during the year ended June 30, 2011:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.** This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. As explained in Notes 11 and 12 to the basic financial statements, the City reclassified the fund balances for governmental funds and restated the General Fund and the Nonmajor Governmental fund balance by \$558,458 as a result of the implementation of this Statement.
- GASB Statement No. 59, *Financial Instruments Omnibus*.** This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, Accounting and Financial Reporting for Derivative Instruments, and applying the reporting provisions for interest-earning investment contracts of GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

## CITY OF NORWALK, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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

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

- **GASB Statement 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans***, was issued in December 2009. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). This Statement amends Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, to permit certain OPEB plans to use an alternative measurement method. Consistent with this change to the employer-reporting requirements, this Statement also amends a Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, requirement that a defined benefit OPEB plan obtain an actuarial valuation. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirements. The provisions of this Statement will be effective for the City beginning with its year ending June 30, 2012.
- **GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements***, issued November 2010, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- **GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34***, issued November 2010, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.

CITY OF NORWALK, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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- **GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***, issued January 2011, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- **GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***, issued July 2011, will be effective for the City beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.
- **GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*** (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the City beginning with its year ending June 30, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectibility of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (c) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

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**Required Supplementary  
Information**



**CITY OF NORWALK, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
POLICE BENEFIT FUND  
June 30, 2011**

***Schedule of Funding Progress***

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
<b>Police Benefit Fund</b>						
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%
07/01/08	94,636,631	97,873,967	3,237,336	96.7%	7,836,642	41.3%
07/01/09	94,249,586	103,712,578	9,462,992	90.9%	9,767,044	96.9%
07/01/10	92,593,831	107,525,222	14,931,391	86.1%	10,038,206	148.7%

***Schedule of Employer Contributions***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2011	\$ 1,925,038	100.0%
2010	1,197,083	91.7%
2009	1,267,867	100.0%
2008	1,605,475	100.0%
2007	1,599,009	100.0%
2006	1,240,000	100.0%

CITY OF NORWALK, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION  
 FIREMEN'S BENEFIT FUND  
 June 30, 2011

*Schedule of Funding Progress*

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
<b>Firemen's Benefit Fund</b>						
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)%
07/01/08	97,165,470	84,666,362	(12,499,108)	114.8%	7,848,842	(159.2)%
07/01/09	96,297,190	88,353,774	(7,943,416)	109.0%	8,669,948	(91.6)%
07/01/10	93,528,996	92,423,473	(1,105,523)	101.2%	8,907,133	(12.4)%

*Schedule of Employer Contributions*

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2011	\$ 335,135	100.00%
2010	-	0.00%
2009	62,744	100.00%
2008	391,779	100.00%
2007	307,926	100.00%
2006	-	0.00%

**CITY OF NORWALK, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
EMPLOYEES' PENSION PLAN  
June 30, 2011**

***Schedule of Funding Progress***

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
<b>Employees' Pension Plan</b>						
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)%
07/01/08	184,115,610	164,871,892	(19,243,718)	111.7%	34,753,304	(55.4)%
07/01/09	182,692,735	172,664,238	(10,028,497)	105.8%	35,652,748	(28.1)%
07/01/10	177,700,315	177,964,459	264,144	99.9%	35,648,471	0.7%

***Schedule of Employer Contributions***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2011	\$ 1,677,163	102.40%
2010	891,003	99.80%
2009	832,452	103.70%
2008	1,435,823	104.00%
2007	1,279,680	105.00%
2006	689,596	110.40%

**CITY OF NORWALK, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
FOOD SERVICE BENEFIT FUND  
June 30, 2011**

***Schedule of Funding Progress***

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
<b>Food Service</b>						
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%
07/01/08	1,579,233	2,025,521	446,288	78.0%	837,065	53.3%
07/01/09	1,612,820	1,930,122	317,302	83.6%	937,757	33.8%
07/01/10	1,648,073	2,030,852	382,779	81.2%	920,435	41.6%

***Schedule of Employer Contributions***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2011	\$ 89,530	100.00%
2010	89,102	100.00%
2009	74,182	100.00%
2008	67,085	100.00%
2007	88,755	100.00%
2006	77,967	260.60%

**CITY OF NORWALK, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
OPEB TRUST  
June 30, 2011**

***Schedule of Funding Progress***

Actuarial Valuation Date	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)
07/01/2006	\$ -	\$ 163,771,000	\$ 163,771,000	0%	N/A	N/A
07/01/2007	-	187,892,000	187,892,000	0%	N/A	N/A
07/01/2008	2,412,900	197,474,900	195,062,000	1.2%	N/A	N/A
07/01/2009	7,819,000	225,571,000	214,752,000	3.5%	55,028,000	3.90%

***Schedule of Employer Contributions***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2011	\$ 17,791,000	79.13%
2010	16,278,000	86.30%
2009	15,293,300	84.65%
2008	15,573,000	73.60%

CITY OF NORWALK, CONNECTICUT

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

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>TAXES, INTEREST AND LIEN FEES</b>				
Property Taxes	\$ 254,967,755	\$ 254,967,755	\$ 253,718,873	\$ (1,248,882)
Interest and liens	1,643,900	1,615,900	1,661,490	45,590
<b>Total taxes, interest and lien fees</b>	<b>256,611,655</b>	<b>256,583,655</b>	<b>255,380,363</b>	<b>(1,203,292)</b>
<b>INTERGOVERNMENTAL</b>				
State grants in aid - general	5,459,667	5,600,032	6,438,442	838,410
State grants in aid - Board of Education	8,970,347	8,970,347	9,002,820	32,473
Other grants	210,000	210,000	515,677	305,677
<b>Total intergovernmental</b>	<b>14,640,014</b>	<b>14,780,379</b>	<b>15,956,939</b>	<b>1,176,560</b>
<b>LICENSES, PERMITS, FEES AND OTHER</b>				
Building inspections and permits	1,546,000	1,546,000	1,568,446	22,446
Health Department inspection fees	261,000	261,000	330,715	69,715
Police Department permits	22,500	22,500	2,227	(20,273)
Public Works licenses, permits and service charges	353,855	353,855	379,655	25,800
Planning and zoning permits	227,975	227,975	226,372	(1,603)
Town Clerk fees and permits	2,981,300	2,981,300	3,149,576	168,276
Police Department service charges	293,000	293,000	269,950	(23,050)
Other service charges and fees	487,184	487,184	956,072	468,888
Rental income	317,936	317,936	315,476	(2,460)
Recreation and Parks Commission	981,370	981,370	969,967	(11,403)
Health Department nursing fees	236,500	236,500	218,480	(18,020)
<b>Total licenses, permits, fees and other</b>	<b>7,708,620</b>	<b>7,708,620</b>	<b>8,386,936</b>	<b>678,316</b>
<b>INTEREST</b>				
Interest on investments	1,700,000	1,700,000	1,075,369	(624,631)
<b>Total interest</b>	<b>1,700,000</b>	<b>1,700,000</b>	<b>1,075,369</b>	<b>(624,631)</b>
<b>Total revenues</b>	<b>280,660,289</b>	<b>280,772,654</b>	<b>280,799,607</b>	<b>26,953</b>
<b>Total</b>	<b>\$ 280,660,289</b>	<b>\$ 280,772,654</b>	<b>\$ 280,799,607</b>	<b>\$ 26,953</b>

CITY OF NORWALK, CONNECTICUT

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

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>GENERAL GOVERNMENT</b>				
Mayor	\$ 202,084	\$ 208,072	\$ 224,497	\$ (16,425)
City Clerk	324,211	351,024	349,579	1,445
Town Clerk	587,256	565,999	561,198	4,801
Legislative	13,050	13,050	12,071	979
Legal	801,292	878,558	826,567	51,991
Data Processing	1,257,249	1,276,070	1,210,278	65,792
Personnel & Labor Relations	557,533	646,668	569,463	77,205
Human Relations & Fair Rent	218,889	218,889	200,801	18,088
Youth Services	237,429	229,677	226,698	2,979
Registrar of Voters	287,306	348,222	340,795	7,427
Finance Director	187,554	239,642	194,585	45,057
Tax Assessor	707,576	736,368	653,471	82,897
Tax Collector	747,905	752,594	747,471	5,123
Accounting and Treasury	593,063	600,763	600,004	759
Management and budgets	336,318	270,549	261,575	8,974
Purchasing	262,091	262,279	261,563	716
Central Services	110,334	92,597	84,995	7,602
<b>Total general government</b>	<b>7,431,140</b>	<b>7,691,021</b>	<b>7,325,611</b>	<b>365,410</b>
<b>HEALTH AND WELFARE</b>	<b>1,952,355</b>	<b>1,933,893</b>	<b>1,872,224</b>	<b>61,669</b>
<b>COMMUNITY GRANTS</b>				
NEON	389,500	389,500	389,500	-
Transit District	473,742	473,742	473,742	-
Probate Court	37,950	37,950	37,950	-
Elder House	9,400	9,400	9,400	-
Senior Center	310,575	310,575	310,575	-
Sexual Assault Crisis Center	9,134	9,134	9,134	-
CT Counseling Centers	2,000	2,000	2,000	-
Harbor Commission	13,875	13,875	13,875	-
Housing Site Development Agency	104,955	104,955	104,955	-
Redevelopment Agency	137,521	138,778	138,778	-
Mid-Fairfield Guidance Center	13,750	13,750	13,750	-
Neighborhood Improvement	67,783	67,783	67,783	-

(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, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>COMMUNITY GRANTS, Continued</b>				
Americare Free Clinic	15,000	15,000	15,000	-
Human Services Council	13,000	13,000	13,000	-
NEON Summer Camp	141,450	141,450	141,450	-
NEON Headstart	937,875	937,875	937,875	-
Domestic Violence Center	5,500	5,500	5,500	-
Family & Children's Aid	36,329	36,329	36,329	-
SW CT Mental Health Board	14,628	14,628	14,628	-
School Based Health Centers	18,500	18,500	18,500	-
Summer Youth Employment	75,000	75,000	75,000	-
Children's Connection	16,000	16,000	16,000	-
Other	171,799	171,799	171,799	-
<b>Total community grants</b>	<b>3,015,266</b>	<b>3,016,523</b>	<b>3,016,523</b>	<b>-</b>
<b>EMPLOYEE BENEFITS</b>				
Insurance	9,828,074	9,828,074	9,829,724	(1,650)
Social Security	2,089,624	2,057,296	1,968,619	88,677
Worker's Compensation	230,056	772,056	230,056	542,000
Unemployment Compensation	125,000	157,328	157,296	32
Special Pensions	1,854	1,854	-	1,854
Police Pension	1,925,038	1,925,038	1,925,038	-
Fire Pension	335,135	335,135	335,135	-
City Pension	1,659,753	1,658,553	1,645,922	12,631
OPEB Contribution	12,395,200	12,395,200	12,395,200	-
Worker's Compensation Insurance	842,594	842,594	842,594	-
<b>Total employee benefits</b>	<b>29,432,328</b>	<b>29,973,128</b>	<b>29,329,584</b>	<b>643,544</b>
<b>PROTECTION OF PERSONS AND PROPERTY</b>				
Police Department	19,127,698	19,918,412	19,858,364	60,048
Fire Department	15,836,921	15,974,366	15,874,514	99,852
Planning and Zoning	1,006,590	1,019,086	1,012,089	6,997
Building Inspector	630,031	636,700	634,926	1,774
Dispatch and Emergency Mgmt Plan	2,117,758	2,187,517	2,182,026	5,491
<b>Total protection of persons and property</b>	<b>38,718,998</b>	<b>39,736,081</b>	<b>39,561,919</b>	<b>174,162</b>
<b>PUBLIC WORKS</b>				
Public Works	16,541,545	15,810,333	15,494,011	316,322

(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, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>EDUCATION</b>				
Public Schools	149,743,081	150,775,300	150,478,056	297,244
<b>RECREATION, ARTS AND CULTURE</b>				
Recreation and Parks	3,342,433	3,410,063	3,408,319	1,744
Library	3,369,247	3,372,147	3,241,863	130,284
Historical Commission	301,952	314,968	309,706	5,262
<b>Total recreations, arts and culture</b>	<b>7,013,632</b>	<b>7,097,178</b>	<b>6,959,888</b>	<b>137,290</b>
<b>CONTINGENCY</b>	<b>1,530,751</b>	<b>947,686</b>	<b>-</b>	<b>947,686</b>
<b>DEBT SERVICE</b>	<b>25,151,531</b>	<b>25,151,531</b>	<b>25,126,904</b>	<b>24,627</b>
<b>ORGANIZATIONAL MEMBERSHIPS</b>	<b>129,662</b>	<b>84,662</b>	<b>84,162</b>	<b>500</b>
<b>Total</b>	<b>\$ 280,660,289</b>	<b>\$ 282,217,336</b>	<b>\$ 279,248,882</b>	<b>\$ 2,968,454</b>

## CITY OF NORWALK, CONNECTICUT

### NOTE TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2011

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#### **Note 1. 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 is to be submitted to the Board of Estimate and Taxation. On the first Monday of May, 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 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.
- 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, 2011, supplemental appropriations totaled approximately \$1,445,000.

## CITY OF NORWALK, CONNECTICUT

### NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, Continued June 30, 2011

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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	\$ 279,248,882
Special Revenue Funds rolled into the General Fund (Notes 11 and 12)	549,515
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	13,030,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	1,096,829
Encumbrances and continued appropriations:	
June 30, 2010	103,365
June 30, 2011	<u>(55,798)</u>
Expenditures, GAAP basis	<u>\$ 293,972,793</u>

- 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	\$ 280,799,607
Special Revenue Funds rolled into the General Fund (Notes 11 and 12)	449,111
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	13,030,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	<u>1,096,829</u>
Revenues, GAAP basis	<u>\$ 295,375,547</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.

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**SUPPLEMENTARY AND COMBINING  
FUND STATEMENTS AND SCHEDULES**



**Nonmajor  
Governmental Funds**

## **Nonmajor Governmental Funds**

### ***Special Revenue Funds***

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

**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, 2011

	Special Revenue			
	Maritime Center Authority	School Lunch	Community Development Block Grant	Board of Education Grants
<b>ASSETS</b>				
Cash and cash equivalents	\$ 208,992	\$ -	\$ 2,637	\$ -
Investments	-	-	-	623,643
Intergovernmental receivables	-	417,139	-	328,008
Other receivables	-	-	-	141,399
Inventories	-	51,225	-	-
<b>Total assets</b>	<b>\$ 208,992</b>	<b>\$ 468,364</b>	<b>\$ 2,637</b>	<b>\$ 1,093,050</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ 200,000	\$ 332,690	\$ -	\$ 223,196
Unearned revenue	-	-	-	818,105
<b>Total liabilities</b>	<b>200,000</b>	<b>332,690</b>	<b>-</b>	<b>1,041,301</b>
Fund Balances				
Nonspendable	-	51,225	-	-
Restricted	8,992	84,449	2,637	51,749
Committed	-	-	-	-
<b>Total fund balances</b>	<b>8,992</b>	<b>135,674</b>	<b>2,637</b>	<b>51,749</b>
<b>Total liabilities and fund balances</b>	<b>\$ 208,992</b>	<b>\$ 468,364</b>	<b>\$ 2,637</b>	<b>\$ 1,093,050</b>

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Special Revenue

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Healthcare Grants	Other Programs	Totals
\$ 96,418	\$ 1,371,798	\$ 1,679,845
-	995,371	1,619,014
415,132	70,665	1,230,944
-	7,252	148,651
-	-	51,225
<u>\$ 511,550</u>	<u>\$ 2,445,086</u>	<u>\$ 4,729,679</u>

\$ 87,967	\$ 443,901	\$ 1,287,754
422,288	1,076,083	2,316,476
<u>510,255</u>	<u>1,519,984</u>	<u>3,604,230</u>

-	-	51,225
1,295	476,426	625,548
-	448,676	448,676
<u>1,295</u>	<u>925,102</u>	<u>1,125,449</u>

<u>\$ 511,550</u>	<u>\$ 2,445,086</u>	<u>\$ 4,729,679</u>
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CITY OF NORWALK, CONNECTICUT

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

For the Year Ended June 30, 2011

	Special Revenue			
	Maritime Center Authority	School Lunch	Community Development Block Grant	Board of Education Grants
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 2,252,054	\$ 1,231,679	\$ 18,291,086
Licenses, permits, fees and other	8,545,888	1,298,182	-	-
<b>Total revenues</b>	<b>8,545,888</b>	<b>3,550,236</b>	<b>1,231,679</b>	<b>18,291,086</b>
<b>EXPENDITURES</b>				
Education	-	3,503,184	-	18,239,764
Maritime Center operations	8,545,888	-	-	-
Health and welfare	-	-	-	-
General government	-	-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Recreation	-	-	-	-
Community grants	-	-	1,231,679	-
<b>Total expenditures</b>	<b>8,545,888</b>	<b>3,503,184</b>	<b>1,231,679</b>	<b>18,239,764</b>
<b>Changes in fund balance</b>	<b>-</b>	<b>47,052</b>	<b>-</b>	<b>51,322</b>
<b>FUND BALANCE (DEFICITS), beginning,</b> (as restated, Note 12)	<b>8,992</b>	<b>88,622</b>	<b>2,637</b>	<b>427</b>
<b>FUND BALANCE, ending</b>	<b>\$ 8,992</b>	<b>\$ 135,674</b>	<b>\$ 2,637</b>	<b>\$ 51,749</b>

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Special Revenue

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Healthcare Grants	Other Programs	Totals
\$ 2,675,897	\$ 965,651	\$ 25,416,367
-	-	9,844,070
<u>2,675,897</u>	<u>965,651</u>	<u>35,260,437</u>
-	53,757	21,796,705
-	-	8,545,888
2,648,309	-	2,648,309
-	272,632	272,632
-	10,879	10,879
-	4,644	4,644
-	66,725	66,725
-	-	1,231,679
<u>2,648,309</u>	<u>408,637</u>	<u>34,577,461</u>
<u>27,588</u>	<u>557,014</u>	<u>682,976</u>
<u>(26,293)</u>	<u>368,088</u>	<u>442,473</u>
<u>\$ 1,295</u>	<u>\$ 925,102</u>	<u>\$ 1,125,449</u>

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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 - (DEFICITS)

INTERNAL SERVICE FUNDS

June 30, 2011

	Insurance Fund	Fleet Maintenance	Totals
<b>ASSETS</b>			
Cash	\$ 1,968,874	\$ 162,107	\$ 2,130,981
Investments	9,026,542	136,764	9,163,306
Receivables	4,224	12,171	16,395
Prepays	587,538	-	587,538
<b>Total assets</b>	<b>11,587,178</b>	<b>311,042</b>	<b>11,898,220</b>
<b>LIABILITIES</b>			
Accounts payable	137,964	298,872	436,836
Claims payable	12,371,872	-	12,371,872
<b>Total liabilities</b>	<b>12,509,836</b>	<b>298,872</b>	<b>12,808,708</b>
<b>NET ASSETS (DEFICITS)</b>			
Unrestricted	(922,658)	12,170	(910,488)
<b>Total net assets (deficits)</b>	<b>\$ (922,658)</b>	<b>\$ 12,170</b>	<b>\$ (910,488)</b>

CITY OF NORWALK, CONNECTICUT

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

For the Year Ended June 30, 2011

	Insurance Fund	Fleet Maintenance	Totals
<b>OPERATING REVENUES</b>			
City and member's contributions	\$ 42,313,829	\$ 2,330,308	\$ 44,644,137
<b>Total operating revenues</b>	<b>42,313,829</b>	<b>2,330,308</b>	<b>44,644,137</b>
<b>OPERATING EXPENSES</b>			
Administrative costs	1,088,444	4,973	1,093,417
Program expenditures	42,472,969	2,342,666	44,815,635
<b>Total operating expenses</b>	<b>43,561,413</b>	<b>2,347,639</b>	<b>45,909,052</b>
<b>Operating loss</b>	<b>(1,247,584)</b>	<b>(17,331)</b>	<b>(1,264,915)</b>
<b>NONOPERATING INCOME</b>			
Investment income	669,285	520	669,805
<b>Total nonoperating income</b>	<b>669,285</b>	<b>520</b>	<b>669,805</b>
<b>Net loss</b>	<b>(578,299)</b>	<b>(16,811)</b>	<b>(595,110)</b>
<b>FUND NET ASSETS (DEFICITS), beginning</b>	<b>(344,359)</b>	<b>28,981</b>	<b>(315,378)</b>
<b>FUND NET ASSETS (DEFICITS), ending</b>	<b>\$ (922,658)</b>	<b>\$ 12,170</b>	<b>\$ (910,488)</b>

CITY OF NORWALK, CONNECTICUT

**COMBINING STATEMENT OF CASH FLOWS - NONMAJOR INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2011**

	Insurance Fund	Fleet Maintenance	Totals
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 42,446,590	\$ 2,338,171	\$ 44,784,761
Payments for program and administration costs	(43,444,868)	(2,190,961)	(45,635,829)
<b>Net cash (used in) provided by operating activities</b>	<b>(998,278)</b>	<b>147,210</b>	<b>(851,068)</b>
<b>Cash Flows From Investing Activities</b>			
Sale (purchase) of investments	324,479	(49,066)	275,413
Investment income	669,285	520	669,805
<b>Net cash provided by (used in) investing activities</b>	<b>993,764</b>	<b>(48,546)</b>	<b>945,218</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(4,514)</b>	<b>98,664</b>	<b>94,150</b>
<b>Cash and Cash Equivalents</b>			
Beginning	1,973,388	63,443	2,036,831
Ending	<u>\$ 1,968,874</u>	<u>\$ 162,107</u>	<u>\$ 2,130,981</u>
<b>Reconciliation of operating loss to net cash (used in) provided by operating activities:</b>			
Operating loss	\$ (1,247,584)	\$ (17,331)	\$ (1,264,915)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:			
Changes in assets and liabilities:			
Decrease in accounts receivable	132,761	7,863	140,624
Decrease in prepaids	170,422	-	170,422
(Decrease) increase in accrued expenses/ accounts payable	(53,877)	156,678	102,801
<b>Net cash (used in) provided by operating activities</b>	<b>\$ (998,278)</b>	<b>\$ 147,210</b>	<b>\$ (851,068)</b>
<b>Noncash Investment Activities</b>			
Net increase in fair value of investments	\$ 505,609	\$ -	\$ 505,609

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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.

**Miscellaneous Board of Education** – This fund is used to account for monies held for groups related to students for specific purposes.

CITY OF NORWALK, CONECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 AGENCY FUNDS  
 For the Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<b>STUDENT ACTIVITY FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,102,205	\$ 2,420,669	\$ 2,559,320	\$ 963,554
<b>Liabilities</b>				
Other liabilities	\$ 1,102,205	\$ 2,420,669	\$ 2,559,320	\$ 963,554
<b>HOUSING SITE DEVELOPMENT</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 380,048	\$ 2,240	\$ -	\$ 382,288
<b>Liabilities</b>				
Other liabilities	\$ 380,048	\$ 2,240	\$ -	\$ 382,288
<b>SIXTH TAXING DISTRICT</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,120	\$ 1,297,896	\$ 1,299,016	\$ -
<b>Liabilities</b>				
Other liabilities	\$ 1,120	\$ 1,297,896	\$ 1,299,016	\$ -
<b>CITY HALL MURAL RESTORATION</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,240	\$ 34	\$ -	\$ 2,274
<b>Liabilities</b>				
Other liabilities	\$ 2,240	\$ 34	\$ -	\$ 2,274
<b>DETENTION FACILITY ESCROW</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,537	\$ 85	\$ -	\$ 5,622
<b>Liabilities</b>				
Other liabilities	\$ 5,537	\$ 85	\$ -	\$ 5,622

CITY OF NORWALK, CONECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 AGENCY FUNDS, Continued  
 For the Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<b>ROOSEVELT DEPOSIT</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 19,993	\$ 285	\$ -	\$ 20,278
<b>Liabilities</b>				
Other liabilities	\$ 19,993	\$ 285	\$ -	\$ 20,278
<b>SEWER ESCROW</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 190,925	\$ 1,944	\$ -	\$ 192,869
<b>Liabilities</b>				
Other liabilities	\$ 190,925	\$ 1,944	\$ -	\$ 192,869
<b>MISCELLANEOUS BOARD OF EDUCATION</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 125,313	\$ 189,074	\$ 143,654	\$ 170,733
<b>Liabilities</b>				
Other liabilities	\$ 125,313	\$ 189,074	\$ 143,654	\$ 170,733
<b>Total Assets</b>	<b>\$ 1,827,381</b>	<b>\$ 3,912,227</b>	<b>\$ 4,001,990</b>	<b>\$ 1,737,618</b>
<b>Total Liabilities</b>	<b>\$ 1,827,381</b>	<b>\$ 3,912,227</b>	<b>\$ 4,001,990</b>	<b>\$ 1,737,618</b>

**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, 2011

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Governmental funds capital assets:

Land	\$ 23,629,897
Buildings and improvements	252,678,260
Land improvements	7,296,124
Machinery and equipment	11,290,681
Infrastructure	165,742,164
Construction in progress	308,259
<b>Total governmental funds capital assets</b>	<b><u>\$ 460,945,385</u></b>

Investments in governmental funds capital assets:

Assets put into service prior to July 1, 2011	
<b>Total governmental funds capital assets</b>	<b><u>\$ 460,945,385</u></b>

CITY OF NORWALK, CONNECTICUT

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

June 30, 2010

	Land	Construction in Progress	Land Improvements	Machinery and Equipment	Infrastructure	Buildings and Improvements	Total
General Government	\$ -	\$ -	\$ -	\$ 819,217	\$ -	\$ -	\$ 819,217
Board of Education	4,167,400	-	1,243,042	1,318,499	-	196,020,607	202,749,548
Public Works	2,057,997	-	1,833,685	4,292,336	164,139,996	21,197,415	193,521,429
Health & Welfare	-	-	-	56,386	-	626,199	682,585
Recreation, Arts and Culture	17,404,500	-	4,219,397	343,802	1,519,595	9,522,941	33,010,235
Public Safety	-	308,259	-	4,460,441	-	23,397,446	28,166,146
Community Grants	-	-	-	-	82,573	1,913,652	1,996,225
	<u>\$ 23,629,897</u>	<u>\$ 308,259</u>	<u>\$ 7,296,124</u>	<u>\$ 11,290,681</u>	<u>\$ 165,742,164</u>	<u>\$ 252,678,260</u>	<u>\$ 460,945,385</u>

**Other Schedules**



CITY OF NORWALK, CONNECTICUT

BALANCE SHEET - BY ACCOUNT - GENERAL FUND

June 30, 2011

	General Fund	Other Programs Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 35,967,767	\$ 287,024	\$ 36,254,791
Investments	29,803,593	221,343	30,024,936
Receivables (net of allowances for collection losses):			
Property taxes	4,934,483	-	4,934,483
Accounts receivable	4,515,547	4,379	4,519,926
State and federal governments	72,217	-	72,217
<b>Total assets</b>	<b>\$ 75,293,607</b>	<b>\$ 512,746</b>	<b>\$ 75,806,353</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 20,629,093	\$ 54,691	\$ 20,683,784
Unearned revenue	18,923,736	-	18,923,736
Deferred revenues	5,624,346	-	5,624,346
<b>Total liabilities</b>	<b>45,177,175</b>	<b>54,691</b>	<b>45,231,866</b>
<b>FUND BALANCES</b>			
Assigned	1,946,156	-	1,946,156
Unassigned	28,170,277	458,054	28,628,331
<b>Total fund balances</b>	<b>30,116,433</b>	<b>458,054</b>	<b>30,574,487</b>
<b>Total liabilities and fund balances</b>	<b>\$ 75,293,608</b>	<b>\$ 512,745</b>	<b>\$ 75,806,353</b>

CITY OF NORWALK, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BY ACCOUNT - GENERAL FUND**  
**For the Year Ended June 30, 2011**

	General Fund	Other Programs Fund	Totals
<b>REVENUES</b>			
Property taxes, interest and liens	\$ 255,380,363	\$ -	\$ 255,380,363
Intergovernmental	15,956,939	-	15,956,939
State on-behalf payments	14,126,829	-	14,126,829
Licenses, permits, fees and other	8,386,936	446,691	8,833,627
Interest	1,075,369	2,420	1,077,789
<b>Total revenues</b>	<b>294,926,436</b>	<b>449,111</b>	<b>295,375,547</b>
<b>EXPENDITURES</b>			
Current:			
General government	7,312,250	549,515	7,861,765
Health and welfare	1,886,496	-	1,886,496
Education	164,604,885	-	164,604,885
Employee benefits	29,412,097	-	29,412,097
Public safety	39,549,799	-	39,549,799
Community grants	3,016,523	-	3,016,523
Public works	15,552,312	-	15,552,312
Recreation, arts and culture	6,962,012	-	6,962,012
Debt service:			
Principal	15,733,897	-	15,733,897
Interest	9,393,007	-	9,393,007
<b>Total expenditures</b>	<b>293,423,278</b>	<b>549,515</b>	<b>293,972,793</b>
<b>Net change in fund balances</b>	<b>1,503,158</b>	<b>(100,404)</b>	<b>1,402,754</b>
<b>FUND BALANCES,</b> beginning of year	<b>28,613,275</b>	<b>558,458</b>	<b>29,171,733</b>
<b>FUND BALANCES,</b> end of year	<b>\$ 30,116,433</b>	<b>\$ 458,054</b>	<b>\$ 30,574,487</b>

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CITY OF NORWALK, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
GENERAL FUND

For the Year Ended June 30, 2011

Grand List Year	Taxes Receivable July 1, 2010	Current Levy	Lawful Corrections		
			Additions	Deletions	Abatement
2009	\$ -	\$ 257,607,628	\$ 821,592	\$ 24,734	\$ 1,503,874
2008	3,206,941	-	299,735	40,235	280,561
2007	1,111,372	-	78,789	41,395	67,855
2006	398,822	-	74,101	338,269	95,372
2005	(287,988)	-	134,115	18,166	95,057
2004	(310,821)	-	71,766	6,817	56,234
2003	(285,158)	-	37,039	5,461	29,722
2002	(211,221)	-	7,380	3,893	2,317
2001	(215,259)	-	2,700	1,259	109
2000	(172,290)	-	2,053	1,232	100
1999	(198,014)	-	1,951	1,100	(38)
1998	(2,308)	-	3,117	1,759	-
1997	952	-	2,630	1,855	-
1996	1,550	-	1,939	748	-
1995	1,368	-	3,786	3,056	-
	<u>\$ 3,037,946</u>	<u>\$ 257,607,628</u>	<u>\$ 1,542,693</u>	<u>\$ 489,979</u>	<u>\$ 2,131,163</u>

Balance to be Collected	Collections					Taxes Receivable June 30, 2011
	Taxes	Interest	Fees	Total	Overpayment	
\$ 256,900,612	\$ 253,070,482	\$ 754,927	\$ 9,269	\$ 253,834,678	\$ 195,405	\$ 4,025,535
3,185,880	2,110,684	390,508	10,903	2,512,095	171,082	1,246,278
1,080,911	590,980	186,928	2,160	780,068	118,003	607,934
39,282	131,231	68,645	528	200,404	134,428	42,479
(267,096)	53,409	42,943	144	96,496	347,043	26,538
(302,106)	22,149	20,135	72	42,356	345,973	21,718
(283,302)	11,956	12,374	48	24,378	311,317	16,059
(210,051)	9,754	11,297	48	21,099	229,552	9,747
(213,927)	5,250	5,356	48	10,654	229,197	10,020
(171,569)	1,092	3,285	-	4,377	177,944	5,283
(197,125)	1,750	2,884	-	4,634	202,223	3,348
(950)	1,578	4,920	-	6,498	4,117	1,589
1,727	775	3,806	-	4,581	1,831	2,783
2,741	1,190	3,390	-	4,580	1,917	3,468
2,098	2,097	6,710	-	8,807		1
<u>\$ 259,567,125</u>	<u>\$ 256,014,377</u>	<u>\$ 1,518,108</u>	<u>\$ 23,220</u>	<u>\$ 257,555,705</u>	<u>\$ 2,470,032</u>	<u>\$ 6,022,780</u>

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF CAPITAL PROJECT FUND TAX COLLECTORS

ACTIVITY - SEWER ASSESSMENT

For the Year Ended June 30, 2011

Grand List Year	Uncollected Sewer Assessments July 1, 2010	Current Assessment	Lawful Corrections		Assessments Collected
			Additions	Deletions	
1997-1998	\$ 58	\$ -	\$ -	\$ -	\$ -
1999-2000	4,061	-	-	-	-
2001-2002	10,789	-	-	-	4,067
2005-2006	92,971	-	-	-	35,313
	<u>\$ 107,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,380</u>

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Interest	Liens	Total Collected	Taxes Receivable June 30, 2011
\$ -	\$ -	\$ -	\$ 58
			4,061
1,272	192	5,531	6,722
2,417	48	37,778	57,658
<u>\$ 3,689</u>	<u>\$ 240</u>	<u>\$ 43,309</u>	<u>\$ 68,499</u>

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF LONG-TERM BONDED DEBT  
For the Year Ended June 30, 2011

Bonds	Bond Number	Issue Date	Interest Rate	Maturity Date	Original Amount
<b>GENERAL GOVERNMENT</b>					
<b>City Capital Improvement Bonds</b>	99	04/18/2002	4.00-5.00	10/1/2011	15,598,465
	103	11/12/2003	4.00-5.00	07/15/2010	20,868,930
	104	03/24/2004	2.25-4.00	01/15/2016	10,829,850
	105	06/10/2004	3.50-5.00	08/01/2012	19,431,861
	107	03/29/05	5.00	07/01/2010	22,600,110
	108	07/01/05	4.00-5.00	07/01/2010	21,325,100
	109	07/01/06	4.25-5.50	07/01/2011	23,260,000
	110	07/01/07	4.125-5.75	07/15/2027	24,125,000
	111	04/30/08	3.00-5.00	07/01/2018	15,780,000
	112	07/01/08	4.00-5.00	07/01/2028	33,000,000
	113	03/03/09	2.50-5.00	07/01/2022	55,312,186
	114	06/03/09	3.00-5.00	07/01/2026	17,037,600
	115	07/15/09	2.25-4.25	07/01/2029	17,495,000
	116	02/16/10	3.00-5.00	07/01/2026	15,879,685
	117	04/28/10	3.00-5.00	07/01/2024	29,480,600
	118	08/01/2010	1.60-5.20	08/01/2030	6,000,000
	119	08/01/2010	1.60-5.20	08/01/2030	12,844,000
<b>Total City capital improvement bonds</b>					
<b>Maritime Center Project Bonds</b>	-	11/15/86	6.95-7.20	02/01/2015	23,314,942

Amount Outstanding June 30, 2010	Additions/ Transfers	Payments/ Refunding/ Transfers	Amount Outstanding June 30, 2011
1,482,082	-	(947,130)	534,952
3,187,951	-	(3,187,951)	-
8,835,000	-	(1,185,750)	7,649,250
4,859,175	-	(1,554,926)	3,304,249
2,020,014	-	(2,020,014)	-
2,001,119	-	(2,001,119)	-
2,962,861	-	(1,540,071)	1,422,790
11,272,389	-	(1,635,737)	9,636,652
15,765,000	-	(15,000)	15,750,000
21,800,000	-	-	21,800,000
53,538,654	-	(1,231,048)	52,307,606
17,037,600	-	-	17,037,600
14,114,000	-	-	14,114,000
15,879,685	-	(379)	15,879,306
28,293,000	-	(414,770)	27,878,230
-	6,000,000	-	6,000,000
-	12,844,000	-	12,844,000
<b>203,048,530</b>	<b>18,844,000</b>	<b>(15,733,895)</b>	<b>206,158,635</b>
<b>852,080</b>	<b>-</b>	<b>(304,408)</b>	<b>547,672</b>

CITY OF NORWALK, CONNECTICUT

SCHEDULE OF LONG-TERM BONDED DEBT, Continued  
For the Year Ended June 30, 2011

Bonds	Bond Number	Issue Date	Interest Rate	Maturity Date	Original Amount
<b>ENTERPRISE FUNDS</b>					
<b>Parking Authority</b>	99	04/18/2002	4.20-5.00	10/1/2011	240,085
<b>Maritime Parking Garage</b>	103	11/12/2003	4.00-5.00	07/15/2010	111,670
	108	07/01/05	4.00-5.00	07/01/2010	325,000
	109	07/01/06	4.25-5.50	07/01/2011	140,000
	110	07/01/2007	4.125-5.75	07/15/2027	225,000
	112	07/01/08	3.00-5.00	07/01/2028	1,200,000
	113	03/03/09	2.50-5.00	07/01/2022	818,158
	115	07/15/2009	2.25-4.25	07/01/2029	1,205,000
	116	02/16/2010	3.00-5.00	07/01/2026	7,374,315
	117	04/28/2010	3.00-5.00	07/01/2024	209,400
	119	08/01/2010	1.60-5.20	08/01/2030	1,276,000
<b>Total Parking Authority</b>					
<b>Water Pollution Control Authority</b>	99	04/18/02	4.20-5.00	10/01/11	1,566,450
	103	11/12/2003	4.00-5.00	07/15/2014	1,824,400
	104	03/24/2004	2.25-4.00	01/15/2016	815,150
	105	06/10/2004	3.50-5.00	08/01/2016	563,139
	107	03/29/05	5.00	07/01/2024	229,890
	108	07/01/05	4.00-5.00	07/01/05	1,350,000
	109	07/01/06	4.25-5.50	07/01/2026	1,600,000
	110	07/01/2007	4.125-5.75	07/15/2027	2,650,000
	113	03/03/09	2.50-5.00	07/01/2022	2,314,656
	114	06/03/09	3.00-5.00	07/01/2024	1,282,400
	115	07/15/09	2.25-4.25	07/01/2029	2,500,000
	116	02/16/10	3.00-5.00	07/01/2026	811,000
	117	04/28/10	3.00-5.00	07/01/2024	1,187,600
	119	08/01/2010	1.60-5.20	08/01/2030	(700,000)
	CWF 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	07/01/1999	2.00	1/31/2019	673,270
	CWF 190DC	09/30/2000	2.00	1/31/2019	41,294,122
	CWF 190-L1	07/01/2002	2.00	1/31/2019	4,930,815
<b>Total Water Pollution Control Authority</b>					
<b>Total City capital improvement bonds</b>					

Amount Outstanding June 30, 2010	Additions/ Transfers	Payments/ Refunding/ Transfers	Amount Outstanding June 30, 2011
55,818	-	(35,670)	20,148
64,249	-	(64,249)	-
108,637	-	(108,637)	-
28,145	-	(5,929)	22,216
132,990	-	(9,262)	123,728
1,000,000	-	-	1,000,000
783,760	-	(36,568)	747,192
1,205,000	-	-	1,205,000
6,989,315	-	(347,950)	6,641,365
209,400	-	-	209,400
-	1,276,000	-	1,276,000
<b>10,577,314</b>	<b>1,276,000</b>	<b>(608,265)</b>	<b>11,245,049</b>
152,100	-	(97,200)	54,900
282,800	-	(282,800)	-
665,000	-	(89,250)	575,750
140,825	-	(45,074)	95,751
19,986	-	(19,986)	-
65,244	-	(65,244)	-
123,994	-	(64,000)	59,994
1,094,620	-	(105,000)	989,620
2,277,586	-	(42,384)	2,235,202
1,282,400	-	-	1,282,400
2,356,000	-	-	2,356,000
811,000	-	-	811,000
1,187,600	-	(11,900)	1,175,700
-	-	(700,000)	(700,000)
1,210,025	-	(120,384)	1,089,641
1,321,648	-	(249,499)	1,072,149
708,482	-	(103,098)	605,384
318,886	-	(34,399)	284,487
20,956,611	-	(2,083,382)	18,873,229
2,945,736	-	(239,845)	2,705,891
<b>37,920,543</b>	<b>-</b>	<b>(4,353,445)</b>	<b>33,567,098</b>
<b>\$ 252,398,467</b>	<b>\$ 20,120,000</b>	<b>\$ (21,000,013)</b>	<b>\$ 251,518,454</b>

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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.

## **Contents**

### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

**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	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	\$ 189,499	\$ 163,057	\$ 145,421	\$ 160,877	\$ 185,092	\$ 215,021	\$ 236,918	\$ 250,536	\$ 265,737	\$ 263,359
Restricted	20,139	14,173	-	-	-					626
Unrestricted	9,836	12,858	35,118	46,944	40,209	31,587	17,510	7,583	1,905	12,859
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>	<u>258,119</u>	<u>267,642</u>	<u>276,844</u>
Business-type activities										
Invested in capital assets, net of related debt	-	35,869	49,638	53,740	53,072	53,483	58,022	65,236	67,625	77,295
Restricted	-	-	663	676	705	745	781	794	-	-
Unrestricted	-	687	1,202	(1,716)	7,350	9,531	9,168	4,193	7,671	5,373
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>	<u>70,223</u>	<u>75,296</u>	<u>82,668</u>
Primary Government										
Invested in capital assets, net of related debt	189,499	198,926	195,059	214,617	238,164	268,504	294,940	315,772	333,362	340,654
Restricted	20,139	14,173	663	676	705	745	781	794	-	626
Unrestricted	9,836	13,545	36,320	45,228	47,559	41,118	26,678	11,776	9,576	18,232
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>	<u>\$ 328,342</u>	<u>\$ 342,938</u>	<u>\$ 359,512</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	2009	2010	2011
Governmental activities:										
General government	\$ 12,643	\$ 16,232	\$ 16,275	\$ 14,342	\$ 16,091	\$ 15,497	\$ 18,093	\$ 15,809	\$ 15,258	\$ 13,725
Education	116,524	149,616	149,825	164,242	176,895	179,848	192,383	201,190	209,628	214,237
Public safety	25,340	32,537	32,584	34,696	37,415	39,369	45,115	43,292	43,722	46,491
Health & welfare	5,875	7,544	7,548	3,764	2,163	3,453	2,210	5,155	5,711	4,895
Public works	23,673	30,395	30,436	28,045	28,363	24,553	31,020	33,208	25,524	29,909
Recreation, arts and cultural	5,477	7,033	7,035	7,643	8,308	8,783	9,387	9,922	9,313	9,112
Interest on debt	6,809	6,635	4,181	9,609	6,817	7,627	9,291	9,790	7,692	10,128
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>307,499</u>	<u>318,366</u>	<u>316,848</u>	<u>328,497</u>
Business-type activities: (2)										
Parking Authority	-	1,614	2,963	3,943	4,227	4,282	4,713	5,136	5,827	5,551
Water Pollution Control Authority	-	8,004	7,977	8,465	8,799	9,200	9,371	10,454	11,400	10,515
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>	<u>15,590</u>	<u>17,227</u>	<u>16,066</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>\$ 321,583</u>	<u>\$ 333,956</u>	<u>\$ 334,075</u>	<u>\$ 344,563</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	1,974	9,363	7,414	7,220	7,680	7,199	9,246	5,193	4,986	4,868
Education	4,189	11,842	3,867	3,640	2,687	2,912	1,691	1,890	1,710	1,298
Public safety	1,440	5,132	2,383	2,715	3,105	3,059	2,544	429	281	272
Health & welfare	450	1,698	492	510	555	603	555	569	605	549
Public works	2,379	914	7,784	7,617	8,699	9,342	8,901	11,669	10,807	10,720
Recreation, arts and cultural	524	-	628	642	614	754	8	1,279	1,251	970
Operating grants and contributions	40,515	36,330	29,412	34,276	40,407	36,925	44,278	44,291	47,742	49,006
Capital grants and contributions	3,563	740	2,225	18,571	12,971	9,621	7,605	9,404	5,887	5,156
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>74,828</u>	<u>74,724</u>	<u>73,269</u>	<u>72,839</u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities: (2)										
Charges for services:										
Parking Authority	-	1,242	2,491	3,010	3,572	4,312	4,936	5,145	5,144	5,268
Water Pollution Control Authority	-	9,375	9,597	10,034	10,268	10,878	12,201	12,071	13,247	13,254
Capital grants and contributions	-	-	499	348	7,230	184	359	-	3,656	4,629
Total business-type activities program revenues	-	10,617	12,587	13,392	21,070	15,374	17,496	17,216	22,047	23,151
Total primary government program revenues	<u>\$ 55,034</u>	<u>\$ 76,636</u>	<u>\$ 66,792</u>	<u>\$ 88,583</u>	<u>\$ 97,788</u>	<u>\$ 85,789</u>	<u>\$ 92,324</u>	<u>\$ 91,940</u>	<u>\$ 95,316</u>	<u>\$ 95,990</u>
Net (expense)/revenue										
Governmental activities	(141,307)	(183,973)	(193,679)	(187,150)	(199,334)	(208,715)	(232,671)	(243,642)	(243,579)	(255,658)
Business-type activities	-	999	1,647	984	8,044	1,892	3,412	1,626	4,820	7,085
Total primary government net expense	<u>\$ (141,307)</u>	<u>\$ (182,974)</u>	<u>\$ (192,032)</u>	<u>\$ (186,166)</u>	<u>\$ (191,290)</u>	<u>\$ (206,823)</u>	<u>\$ (229,259)</u>	<u>\$ (242,016)</u>	<u>\$ (238,759)</u>	<u>\$ (248,573)</u>
General revenues and other changes in net expenses										
Governmental activities:										
Property taxes	166,406	175,563	187,008	199,970	207,199	215,806	228,023	237,745	246,277	256,470
Grants and contributions not restricted to specific programs	7,041	5,540	8,884	10,174	8,079	7,352	6,473	5,997	5,076	6,438
Unrestricted investment earnings	4,284	5,085	1,560	4,288	4,631	6,864	5,229	3,591	1,750	1,950
Transfers and other	-	(35,437)	(13,323)	-	-	-	-	-	-	-
Total governmental activities	<u>177,731</u>	<u>150,751</u>	<u>184,129</u>	<u>214,432</u>	<u>219,909</u>	<u>230,022</u>	<u>239,725</u>	<u>247,333</u>	<u>253,103</u>	<u>264,858</u>
Business-type activities: (2)										
Unrestricted investment earnings	-	120	33	213	383	740	800	626	252	289
Transfers and other	-	35,437	13,267	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>35,557</u>	<u>13,300</u>	<u>213</u>	<u>383</u>	<u>740</u>	<u>800</u>	<u>626</u>	<u>252</u>	<u>289</u>
Total primary government	<u>\$ 177,731</u>	<u>\$ 186,308</u>	<u>\$ 197,429</u>	<u>\$ 214,645</u>	<u>\$ 220,292</u>	<u>\$ 230,762</u>	<u>\$ 240,525</u>	<u>\$ 247,959</u>	<u>\$ 253,355</u>	<u>\$ 265,147</u>
<b>Changes in net assets</b>										
Governmental activities	36,424	(33,222)	(9,550)	27,282	20,575	21,307	7,054	3,691	9,524	9,200
Business-type activities (2)	-	36,556	14,947	1,197	8,427	2,632	4,212	2,252	5,072	7,374
Total primary government	<u>\$ 36,424</u>	<u>\$ 3,334</u>	<u>\$ 5,397</u>	<u>\$ 28,479</u>	<u>\$ 29,002</u>	<u>\$ 23,939</u>	<u>\$ 11,266</u>	<u>\$ 5,943</u>	<u>\$ 14,596</u>	<u>\$ 16,574</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**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Property Tax</u>
2002	\$ 166
2003	176
2004	187
2005	200
2006	207
2007	216
2008	228
2009	238
2010	246
2011	256

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	1,946
Unassigned	-	-	-	-	-	-	-	-	-	28,628
Reserved	-	-	186	555	289	1,634	112	112	103	-
Unreserved, designated	6,817	3,073	3,031	5,113	3,861	4,492	4,349	4,349	1,960	-
Unreserved, undesignated	8,663	13,054	17,054	25,750	28,498	31,154	31,154	25,039	26,550	-
Total general fund	<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>\$ 35,615</u>	<u>\$ 29,500</u>	<u>\$ 28,613</u>	<u>\$ 30,574</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51
Restricted	-	-	-	-	-	-	-	-	-	14,787
Committed	-	-	-	-	-	-	-	-	-	12,619
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	46	46	-	-	-	-	-	-
Unreserved, reported in:										
Capital projects funds	20,140	14,174	22,817	28,365	20,226	8,118	13,078	13,078	20,399	-
Nonmajor governmental funds	3,564	3,820	3,216	2,598	1,173	1,061	1,228	1,228	1,001	-
Total all other governmental funds	<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>\$ 14,306</u>	<u>\$ 14,306</u>	<u>\$ 21,400</u>	<u>\$ 27,457</u>

\* The City implemented GASB 54 in FY 2011.

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Property taxes, interest and liens	\$ 168,236	\$ 185,354	\$ 185,044	\$ 200,533	\$ 206,567	\$ 215,669	\$ 229,160	\$ 236,369	\$ 247,000	\$ 255,420
Intergovernmental	49,943	46,915	52,737	69,057	47,752	44,497	46,244	46,244	44,947	45,711
State on-behalf payments	- <sup>(2)</sup>	- <sup>(2)</sup>	3,957	3,951	10,413	10,094	13,345	13,345	14,082	14,127
Licenses, permits, fees and other	11,769	9,904	12,522	14,803	28,619	25,966	21,029	21,029	19,641	18,678
Interest	2,538	2,270	838	4,287	4,632	6,859	3,591	3,591	1,750	1,280
<b>Total revenues</b>	<b>232,486</b>	<b>244,443</b>	<b>255,098</b>	<b>292,631</b>	<b>297,983</b>	<b>303,085</b>	<b>313,369</b>	<b>320,578</b>	<b>327,420</b>	<b>335,216</b>
<b>Expenditures</b>										
General government	6,385	6,299	8,483	8,449	6,963	7,396	8,191	8,191	7,362	8,134
Health and welfare	1,770	1,773	4,646	4,898	5,612	4,589	4,853	4,853	5,423	4,535
Education	129,355	135,911	140,669	148,862	162,733	163,956	179,596	179,596	184,020	186,402
Employee benefits	11,794	14,116	16,905	17,559	19,081	22,272	23,535	23,535	24,900	29,412
Public Safety	29,095	28,301	30,019	30,907	36,476	33,937	37,419	37,419	38,131	39,554
Community grants	5,370	4,466	3,843	4,386	3,216	3,597	3,728	3,728	4,005	4,248
Public works	20,153	15,075	14,086	14,584	15,368	15,601	18,359	18,359	16,162	15,563
Recreation arts & culture	13,946	13,848	6,475	6,372	6,812	7,362	8,001	8,001	7,420	7,029
Maritime center subsidy	-	-	7,398	7,606	8,325	8,905	8,653	8,653	8,342	8,546
Sundry	475	-	65	-	-	-	-	-	-	-
Capital outlay	18,070	32,095	38,796	57,192	45,555	46,262	42,496	30,017	14,335	17,315
Debt service	15,875	18,321	-	-	-	-	-	-	-	-
Principal	-	-	8,467	7,308	9,039	11,769	13,484	15,386	17,850	15,734
Interest	-	-	3,385	7,088	8,507	8,959	10,193	10,598	9,063	9,569
<b>Total expenditures</b>	<b>252,288</b>	<b>270,205</b>	<b>283,237</b>	<b>315,211</b>	<b>327,687</b>	<b>334,605</b>	<b>358,508</b>	<b>348,336</b>	<b>337,013</b>	<b>346,041</b>
Excess of revenues over (under) expenditures	(19,802)	(25,762)	(28,139)	(22,580)	(29,704)	(31,520)	(45,139)	(27,758)	(9,593)	(10,825)
<b>Other financing sources (uses)</b>										
Transfers in	38	6,544	-	-	-	-	-	-	-	-
Transfers out	(38)	(6,544)	-	-	-	-	-	-	-	-
Proceeds from issuance of bonds (notes)	36,936	20,700	91,161	61,257	21,325	23,260	39,905	105,350	59,168	18,844
Premium from issuance of bonds	-	-	2,067	78	-	5	786	6,802	5,078	-
Payments to escrow agent	(17,065)	-	(52,860)	(22,678)	-	-	(16,566)	(78,946)	(48,446)	-
Capital lease proceeds	-	-	-	-	-	666	-	-	-	-
<b>Total from financing sources (uses)</b>	<b>19,871</b>	<b>20,700</b>	<b>40,368</b>	<b>38,657</b>	<b>21,325</b>	<b>23,931</b>	<b>24,125</b>	<b>33,206</b>	<b>15,800</b>	<b>18,844</b>
<b>Net change in fund balances</b>	<b>\$ 69</b>	<b>\$ (5,062)</b>	<b>\$ 12,229</b>	<b>\$ 16,077</b>	<b>\$ (8,379)</b>	<b>\$ (7,589)</b>	<b>\$ (21,014)</b>	<b>\$ 5,448</b>	<b>\$ 6,207</b>	<b>\$ 8,019</b>
Debt service as a percentage of noncapital expenditures	7.8% <sup>(4)</sup>	7.4% <sup>(4)</sup>	4.7% <sup>(4)</sup>	5.5% <sup>(4)</sup>	6.1% <sup>(4)</sup>	7.2%	7.6% <sup>(4)</sup>	8.1% <sup>(4)</sup>	8.4% <sup>(4)</sup>	8.2% <sup>(4)</sup>

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)**

<b>Fiscal Year</b>	<b>Property Tax</b>
2002	\$ 170
2003	183
2004	185
2005	201
2006	207
2007	216
2008	229
2009	236
2010	247
2011	255

**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 <sup>(3)</sup>	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value
	Residential <sup>(2)</sup>	Commercial	Land	Motor Vehicles	Other				
2002	\$ 4,092,740	\$ 1,399,316	\$ 45,917	\$ 466,691	\$ 432,201	\$ 1,475,733	\$ 4,961,132	33.4%	\$ 9,195,521
2003	4,125,244	1,502,934	50,108	481,815	417,185	782,848	5,794,438	31.1%	9,396,123
2004	4,161,708	1,495,689	45,721	503,046	421,287	101,154	6,526,297	28.3%	9,467,787
2005	4,845,240	1,684,477	60,418	481,751	410,122	101,312	7,380,696	26.5%	10,688,583
2006	5,634,018	1,711,745	88,562	521,445	408,120	94,898	8,268,992	24.6%	11,948,414
2007	6,455,428	2,038,024	94,071	539,399	516,510	175,127	9,468,305	22.6%	13,776,331
2008	7,225,029	2,289,632	87,044	542,373	552,823	169,374	10,527,527	21.2%	15,281,287
2009	7,305,104	2,310,099	92,796	560,547	555,366	150,023	10,673,889	22.0%	15,462,731
2010	8,674,364	2,684,598	130,830	537,966	754,470	142,853	12,639,375	19.4%	18,260,326
2011	8,627,768	2,756,925	125,976	534,482	728,378	127,395	12,646,134	20.1%	18,247,899

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 2008 by an independent appraisal group.

**City of Norwalk  
DIRECT GOVERNMENTS <sup>(5)</sup>  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b> <sup>(2)</sup>	<b>District 1</b>	<b>District 2</b>	<b>District 3</b>	<b>District 4</b>	<b>District 5</b>	<b>District 6</b>	<b>Motor Vehicle</b>	<b>General Government Services</b>	<b>General Obligation Debt Service</b>	<b>Total</b>
2002	36.5	36.5	36.5	36.7	33.4	32.0	20.0	32.0	1.4	33.4
2003	31.9	31.9	31.9	32.0	31.1	29.6	20.0	29.7	1.4	31.1
2004	29.0	29.0	29.0	29.1	28.3	27.1	25.0	26.8	1.5	28.3
2005	27.1	27.1	27.1	27.2	26.5	25.4	27.2	24.9	1.6	26.5
2006	25.1	25.1	25.1	25.2	24.6	23.5	25.2	23.0	1.6	24.6
2007	23.2	23.2	23.2	23.2	22.6	21.5	23.2	20.9	1.7	22.6
2008	21.7	21.7	21.7	21.7	21.2	20.2	23.3	19.6	1.6	21.2
2009	22.5	22.5	22.5	22.6	22.0	21.0	23.6	20.4	1.6	22.0
2010	19.8	19.8	19.8	19.8	19.4	18.2	24.4	17.8	1.6	19.4
2011	20.5	20.5	20.5	20.6	20.1	18.9	25.2	18.6	1.5	20.1

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 2008 by an independent appraisal group.
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 2011**  
(amounts expressed in thousands)

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Connecticut Light and Power	\$ 287,787	1	2.3%	\$ 30,102	4	0.6%
Merritt 7 Venture LLC	217,663	2	1.7%	87,634	1	1.8%
River Park Property Owner LLC	67,826	3	0.5%	-	-	-
Thirty Five Glover Partners LLC	53,339	4	0.4%	-	-	-
Twenty Five Glover Partners LLC	50,373	5	0.4%	-	-	-
Forty Five Glover Partners LLC	48,055	6	0.4%	-	-	-
Norwalk Center LLC	47,107	7	0.4%	-	-	-
399 Main Ave. Apartment Investors LLC	35,233	8	0.3%	-	-	-
Fairfeild Merritt View LLP	34,326	9	0.3%	19,921	7	0.4%
Merritt River Partners LLC	33,482	10	0.3%	17,826	10	0.4%
Norwalk Power LLC	-	-	-	42,670	2	0.9%
National Office Partners LP	-	-	-	38,203	3	0.8%
Beiersdorf	-	-	-	22,988	5	0.5%
Knickerbocker (Second Merritt Seven)	-	-	-	22,050	6	0.4%
U.S. Surgical Corporation	-	-	-	18,893	8	0.4%
Metropolitan Life Insurance Company	-	-	-	17,953	9	0.4%
Totals	<u>\$ 875,191</u>		<u>7.0%</u>	<u>\$ 318,240</u>		<u>6.6%</u>

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 June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Years	Total Collections to Date	
		Amount	Levy		Amount	Levy
2002	\$ 171,075	\$ 167,785	98.1%	3,285	\$ 171,070	100.0%
2003	176,659	173,425	98.2%	3,224	176,649	100.0%
2004	186,499	183,694	98.5%	2,795	186,489	100.0%
2005	198,475	195,878	98.7%	2,581	198,459	100.0%
2006	208,336	205,247	98.5%	3,067	208,314	100.0%
2007	216,242	213,174	98.6%	3,041	216,215	100.0%
2008	225,888	222,694	98.6%	3,152	225,846	100.0%
2009	236,584	232,474	98.3%	3,502	235,976	99.7%
2010	245,698	242,491	98.7%	1,961	244,452	99.5%
2011	256,901	253,070	98.5%	-	253,070	98.5%

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	Governmental Activities		Business Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Lease Revenue Bonds			
2002	\$ 139,359	\$ -	\$ -	\$ -	\$ 139,359	4.97%	\$ 1,673
2003	92,968	-	51,096	9,110	153,174	5.26%	1,821
2004	126,790	-	49,192	9,110	185,092	6.18%	2,199
2005	159,579	-	48,264	8,880	216,723	7.02%	2,575
2006	171,865	-	46,702	8,640	227,207	7.18%	2,691
2007	183,356	627	44,997	8,390	237,370	7.32%	2,814
2008	193,417	552	44,326	8,125	246,420	7.49%	2,953
2009	207,928	467	41,636	7,845	257,876	7.53%	3,038
2010	203,901	378	48,498	-	252,777	7.30%	3,016
2011	206,707	284	44,812	-	251,803	6.95%	2,940

- (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	Governmental		Business		Total Primary Government	Percentage of Estimated Actual Value of Property	Per Capita
	General Obligation Bonds		General Obligation Bonds				
2002	\$ 139,359		\$ -		\$ 139,359	1.52%	\$ 1,680
2003	92,968		51,096		144,064	0.99%	1,821
2004	126,790		49,192		175,982	1.34%	2,199
2005	159,579		48,264		207,843	1.49%	2,567
2006	171,865		46,702		218,567	1.44%	2,691
2007	183,356		44,997		228,353	1.33%	2,814
2008	193,417		44,326		237,743	1.27%	2,953
2009	207,928		41,636		249,564	1.34%	3,038
2010	203,901		48,498		252,399	1.12%	3,016
2011	206,707		44,812		251,518	1.13%	2,936

- (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 2011**  
**(amounts expressed in thousands)**

Second Taxing District of the City of Norwalk (Water and Electric)	\$ 23,656
Subtotal, overlapping debt	<u>23,656</u>
City of Norwalk direct debt	<u>206,707</u>
Total direct and overlapping debt	<u><u>\$ 230,363</u></u>

Note: The Second taxing district of Norwalk provides water and electricity for its residents and has received grants 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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Debt</b>										
Debt Limit	\$ 388,518	\$ 404,243	\$ 424,404	\$ 452,735	\$ 470,780	\$ 489,068	\$ 513,052	\$ 531,118	\$ 557,427	\$ 579,554
Total net debt applicable to limit	69,532	85,942	76,079	89,521	83,647	99,270	115,630	120,775	119,371	148,478
Legal Debt Margin	<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>	<u>\$ 410,343</u>	<u>\$ 438,056</u>	<u>\$ 431,076</u>
Total net debt applicable to the limit as percentage of debt limit	17.90%	21.26%	17.93%	19.77%	17.77%	20.30%	22.54%	22.74%	21.41%	25.62%
<b>Schools</b>										
Debt Limit	\$ 777,036	\$ 808,486	\$ 848,807	\$ 905,470	\$ 941,562	\$ 978,135	\$ 1,026,104	\$ 1,062,237	\$ 1,114,853	\$ 1,159,109
Total net debt applicable to limit	38,499	92,204	138,759	164,222	161,038	152,149	144,016	135,400	125,893	118,575
Legal Debt Margin	<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>	<u>\$ 926,837</u>	<u>\$ 988,960</u>	<u>\$ 1,040,534</u>
Total net debt applicable to the limit as percentage of debt limit	4.95%	11.40%	16.35%	18.14%	17.10%	15.56%	14.04%	12.75%	11.29%	10.23%
<b>Sewers</b>										
Debt Limit	\$ 647,530	\$ 673,738	\$ 707,339	\$ 754,558	\$ 784,634	\$ 815,112	\$ 855,086	\$ 885,197	\$ 929,044	\$ 965,924
Total net debt applicable to limit	53,729	51,031	47,906	48,127	45,018	46,153	54,398	93,190	90,305	76,423
Legal Debt Margin	<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>	<u>\$ 792,007</u>	<u>\$ 838,739</u>	<u>\$ 889,501</u>
Total net debt applicable to the limit as percentage of debt limit	8.30%	7.57%	6.77%	6.38%	5.74%	5.66%	6.36%	10.53%	9.72%	7.91%
<b>Urban Renewal</b>										
Debt Limit	\$ 561,192	\$ 583,906	\$ 613,027	\$ 653,950	\$ 680,017	\$ 706,431	\$ 741,075	\$ 767,171	\$ 805,172	\$ 837,134
Total net debt applicable to limit	3,892	8,739	9,161	9,296	8,946	9,680	20,458	20,469	24,013	20,309
Legal Debt Margin	<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>	<u>\$ 746,702</u>	<u>\$ 781,159</u>	<u>\$ 816,825</u>
Total net debt applicable to the limit as percentage of debt limit	0.69%	1.50%	1.49%	1.42%	1.32%	1.37%	2.76%	2.67%	2.98%	2.43%
<b>Pension Funding (1)</b>										
Debt Limit	\$ 518,024	\$ 538,990	\$ 565,872	\$ 603,647	\$ 627,708	\$ 652,090	\$ 684,069	\$ 708,158	\$ 743,235	\$ 772,739
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<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>	<u>\$ 708,158</u>	<u>\$ 743,235</u>	<u>\$ 772,739</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%	0.00%
<b>Total</b>										
Debt Limit	\$ 1,208,722	\$ 1,257,644	\$ 1,320,367	\$ 1,408,509	\$ 1,464,651	\$ 1,521,543	\$ 1,596,162	\$ 1,652,369	\$ 1,734,216	\$ 1,803,058
Total net debt applicable to limit	165,652	237,916	271,905	311,166	298,649	307,252	334,502	369,834	359,583	363,786
Legal Debt Margin	<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>	<u>\$ 1,282,535</u>	<u>\$ 1,374,633</u>	<u>\$ 1,439,272</u>
Total net debt applicable to the limit as percentage of debt limit	13.70%	18.92%	20.59%	22.09%	20.39%	20.19%	20.96%	22.38%	20.73%	20.18%

**CITY OF NORWALK**  
**Legal Debt Margin Information**  
**For Fiscal For Fiscal Year 2011**  
**(amounts expressed in thousands)**

Total Fiscal Year 2011 tax collections (taxes, interest and fees)	\$ 257,566
Tax Relief for the elderly	<u>24</u>
Base for establishing debt limit	<u><u>\$ 257,590</u></u>

	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Funding</b>	<b>Total</b>
Debt Limitation						
2 1/4 times base	\$ 579,554	\$ -	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	1,159,109	-	-	-	-
3 3/4 times base	-	-	965,924	-	-	-
3 1/4 times base	-	-	-	837,134	-	-
3 times base	-	-	-	-	772,739	-
7 times base	-	-	-	-	-	1,803,058
Total net debt applicable to limit	<u>148,478</u>	<u>118,575</u>	<u>76,423</u>	<u>20,309</u>	<u>-</u>	<u>363,786</u>
Legal Debt Margin	<u><u>\$ 431,076</u></u>	<u><u>\$ 1,040,534</u></u>	<u><u>\$ 889,501</u></u>	<u><u>\$ 816,825</u></u>	<u><u>\$ 772,739</u></u>	<u><u>\$ 1,439,272</u></u>

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (amount expressed in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Family Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2002	83,316	2,806,749	33,688	115,500	37.0	11,163	3.3%
2003	84,127	2,914,243	34,641	110,500	(1)	11,193	4.1%
2004	84,170	2,996,031	35,595	111,600	(1)	11,119	4.2%
2005	84,412	3,085,090	36,548	(1)	38.5	11,080	4.1%
2006	84,437	3,166,556	37,502	(1)	39.0	10,923	3.8%
2007	84,344	3,243,449	38,455	(1)	(1)	10,782	3.6%
2008	83,456	3,288,834	39,408	(1)	(1)	10,616	4.1%
2009	84,877	3,368,451	40,362	(1)	(1)	10,748	6.5%
2010	83,802	3,462,280	41,315	(1)	(1)	10,883	7.7%
2011	85,653	3,620,467	42,269	(1)	(1)	11,065	7.9%

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	2011			2002		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of Norwalk	Municipal Government	1,909	1	3.0%	1,967	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%	800	4	1.3%
MBI	Direct Mail Marketing	800	3	1.3%	700	6	1.1%
Diageo	Premium Beverage Manufacturer	700	5	1.1%			-
Hewitt Associates	Management Consultants	600	6	1.0%	600	9	1.0%
Covidien	Automatic Suture Instruments	500	7	0.8%	500	10	0.8%
Northrup Grumman Norden Systems	Electronic & Radar Systems	500	7	0.8%	650	7	1.0%
Reed Exhibition Company	Trade Show/Publisher	450	9	0.7%			-
FactSet Research	Research Systems	356	10	0.6%			-
Pepperidge Farm Inc.	Corporate Headquarters and Bakery			-	850	3	1.3%
Fort James Corporation	Regional Office - Wood & Paper Products			-	800	4	1.3%
Micro Warehouse	Corporate Headquarters - Computer Products			-	650	7	1.0%
<b>Total</b>		<b>8,515</b>		<b>10.6%</b>	<b>9,117</b>		<b>11.3%</b>

(1) Source: City of Norwalk Redevelopment Authority

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

<b>Function</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
General government	44	44	44	45	48	49	48	48	45	45
Finance	35	35	33	34	34	35	35	35	34	34
Health & welfare	20	20	20	21	21	21	21	21	16	16
Police	206	206	196	196	196	199	199	199	198	198
Fire	148	149	144	143	143	143	146	146	145	146
Other protection	19	19	35	42	43	45	45	45	43	43
Public works & traffic	119	113	109	114	107	107	107	107	100	100
Education	1,318	1,327	1,304	1,304	1,320	1,353	1,343	1,343	1,331	1,325
Recreation, arts & cultural	57	57	57	54	54	54	54	54	51	51
<b>Total</b>	<b>1,966</b>	<b>1,970</b>	<b>1,942</b>	<b>1,953</b>	<b>1,966</b>	<b>2,006</b>	<b>1,998</b>	<b>1,998</b>	<b>1,963</b>	<b>1,958</b>

Data Sources: City Budget Office and Education Budget Office.

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

Function	2004	2005	2006	2007	2008	2009	2010	2011
General government								
Land records recorded	31,810	26,452	22,931	20,831	16,335	15,500	16,100	13,712
Vital records recorded	2,879	3,166	3,000	3,758	3,810	3,083	3,306	3,230
Dog licenses issued	1,718	2,048	2,165	2,339	2,360	2,540	2,700	2,556
Absentee ballots issued	(3)	2,515	664	1,667	1,667	500	1,613	659
Health & welfare								
Food establishment inspections conducted	1,826	1,800	1,715	1,826	1,738	1,749	1,405	(2)
Septic systems and lots inspected	70	75	91	72	55	33	68	(2)
Beauty salons inspected	100	95	88	139	106	118	114	(2)
Police								
Calls for service	61,510	61,639	64,318	67,087	68,778	69,304	68,413	69,385
Criminal arrests	3,923	4,312	3,965	3,333	3,492	3,582	3,496	3,425
Traffic citations issued	4,264	4,212	6,065	6,593	6,786	6,882	6,237	5,150
Medical emergencies responded to	6,620	7,115	6,794	7,403	7,586	7,602	8,653	7,620
Marine assistance calls	252	267	246	202	200	206	167	212
Fire								
Fire calls	2,885	3,024	2,910	2,957	2,957	2,456	1,544	1,564
Medical calls	3,135	3,014	2,948	2,857	2,857	2,946	3,326	3,496
Fire alarms answered	(2)	(2)	(2)	(2)	(2)	(2)	1,058	1,045
Combined Dispatch								
Emergency calls received	(2)	(2)	82,000	(2)	(2)	33,634	33,768	(2)
Non-emergency calls received	(2)	(2)	281,000	(2)	(2)	124,093	125,515	76,407
Public works								
Lane miles of roadways swept	625	1,250	625	625	625	625	625	900
Tons of solid waste collected and disposed	82,349	88,240	94,125	85,312	77,163	53,445	32,350	27,258
Tons of recyclable materials collected and disposed	7,082	7,600	9,000	7,404	7,607	6,049	14,044	5,701
Recreation, arts & cultural								
Athletic contests played at City venues	20,000	25,000	25,000	26,000	26,000	30,000	30,000	(2)
Athletic activities practiced at City venues	5,000	5,000	5,000	5,500	5,500	10,000	10,000	(2)
Visitors to library	388,000	392,000	420,000	428,000	480,000	395,001	388,437	(2)

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

(2) Not available

Data Sources: City Budget Office and City Departments

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

<b>Function</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Police										
Police cars	124	114	122	122	119	120	105	110	103	110
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	180	180	180	180	180	180
Municipal parking spaces	3,846	4,487	4,487	4,487	3,973	3,973	3,973	3,973	3,973	4,019
Vehicles	(1)	(1)	132	147	171	210	119	119	272	307
Pump Stations	26	26	26	26	24	24	24	24	25	25
Recreation, arts & cultural										
Acres of public park lands	1,000	1,000	1,000	1,000	1,050	1,050	1,100	1,100	1,100	1,100
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	2	2	2	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 <sup>(2)</sup>	275,000+	275,000+	305,000+	305,000+	275,000+	259,788	248,718	261,401	262,905	257,463
Public museums	3	3	3	3	3	3	3	3	3	3

(1) Not available

(2) Includes only the 2 libraries that are funded within the City of Norwalk entity

Data Source: City of Norwalk Departments

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